

# To Understanding of Macroeconomy of State and World

## 1. Introduction to the Topic

Both existing and possible economic theories may be ranged into one of the two following categories:

- The first group of theories describes the economy of a society in a way, which implies the need to give the answer to the question *how an entrepreneur can legally fill up his pockets*.
- The second group describes the economy of a society in a way, which implies that the economic activities in the society are to be used as *a means of approaching some other, fundamentally noneconomic, goals*.

**Theories of the first-group** originate from understanding that there are the following means of influence, a sensible application of which to the society lets us manage its life and *death*:

1. *outlook*-type information, that is methodology, whose retention allows the people to create (either individually or collectively) their own *standard automatisms* of recognition and conceptualisation of specific processes as the integrality of the Universe and, being perceived, define the hierarchical order in their mutual embedding.
2. annalistic, chronological type information to do with all the areas of Culture and all the branches of Knowledge. It lets us see the directivity of processes' flow and show the correlation between particular areas of Culture (as a whole) and the branches of Knowledge.
3. factual (descriptive) information; a description of particular processes and their interrelationships comprises the essence of the Third Priority Information; the latter includes religious beliefs, secular ideologies, technologies and factual content of *all the branches* of Science.
4. economic processes as means of influence; they are subject to sheer informational means of influence through the finance (money), which is the ultimately generalized type of economy-wise information.
5. genocide factors, which cause damage to both contemporary and future generations and destroy their genetically specified ability to grasp and develop the cultural and spiritual heritage of the ancestors, include nuclear blackmail, or a threat of nuclear weapons use; alcohol, tobacco and other kinds of drug genocide, as well as food additives; some kinds of cosmetics, the whole lot of pollution factors, and some medications. There is also a latent threat of 'gene engineering' and 'biotechnological' application consequences.
6. The other factors are mainly conventional *arms*, which kill and wound people, damage and destroy the tangible artifacts created by civilizations.

There is no univocal distinction between those factors. The hierarchically ordered structure outlined above is based on the selection of predominate factors of well known heterogeneous means of influence.

When it comes to application of such a set within a single social system, the means represent generalized tools of its management. In case these means are applied by one social system (group of society) to other systems, whose concepts of management do not coincide, they turn into *generalized weapons*, or means of waging war, in a broad sense; otherwise they can epitomize means of self-rule support in a different social system in case both systems do not feature any conceptual inconsistency between their means of management.

Economic theories for 'clerks' apply respectively to the third priority level of generalized arms; they are the ones that constitute the fourth priority of generalized means of management, namely, behavioural algorithms typical for large groups of entrepreneurs, politicians and their economic advisors, journalists, etc. Economic theories for 'clerks' can circulate in a society provided the latter warships some distorted notions concerning the way the top priority generalized means of management are believed to affect the life.

Rival and really operable economic *theories for masters* ensue from recognition of uncertainty in the opinions at the first and third priority levels as well as certain answers to arising questions in terms of which is true and which is glaring falsehood or misapprehension of the essentials.

The lack of opinion and 'opinion pluralism' regarding all the six priorities of generalized means of management have to be expatriated; otherwise none of the societies (including the USA) can avoid following the way of ancient Rome; all the neighbouring countries had no choice but to obey the victorious march of

Roman legions, they were trembling at the Roman military might; nevertheless Rome went down before such means of war *that had not been perceived by the Roman strategists and politicians as means of war at all.*

“**Commonplace**” production goal is the satisfaction of individual wants. It is based on the public joint labour and exchange of products, which follow manufacturing and distribution. **Well-being is a mutually complementary unity of manufacturing and distribution**; however, that thought is still beyond most politicians and their economic advisors’ grasp.

Well-being is created or undermined by address instructions within the ‘vertical of power’ as well as, outside the ‘vertical of power’, by spontaneous market trade, which operates on the base of established rules, either codified or not.

The ground for trade on all occasions is inability to administer the exchange of goods by force of decrees; such an approach will neither work in manufacturing, nor in distribution of the end product among individual households, the ‘seeds’ the society sprouts from in the continuity of its generations.

Regardless of the particular set of public events in which the inability to handle the exchange of goods is observed, the primitive cause behind trade that creates the ‘market spontaneity’ is inability of single-core structures of management to cope with the huge and complete dataflow (to do with social and economic processes) in real time mode. As a result, the life of society is represented by a multi-core structure of management surrounded by the structureless society management on the basis of addressless data distribution.

Hence, the solution to some socio-economic problems implies the coordination of multi-core structured management and structureless social self-rule in the tideway of a unified strategy. Herein, one has to realize that structured management originates from structureless management as the profile of data transfer turns steady and people at large start treating them as some professional secular public institutions.

Those involved in self-rule of economic relations in a society would evaluate the improvement of such relations on the basis of such a criteria as the growth in their individual purchasing power. However, their estimations depend on which category the subjects identify themselves in market environment, so those estimations turn to be mutually exclusive. There is an increase in the quality of self-management in producing and consuming social systems.

- for a *private entrepreneur* (microlevel of manufacturing), this is the price growth for his products relative to the prices of products consumed by him for manufacturing purposes;
- for a *consumer of end product (household consumption)* this is the growth in his purchasing power: a drop in price for all the products relative to his incomes.

The task of macroeconomic management is a continuous arrangement of quality evaluation of a ‘*consumer-manufacturer*’ macroeconomic self-regulation conflict, both in manufacturing and distribution. That requires to keep the purchasing power of the buyer and the manufacturer within the limits that let the dynamics of particular types of manufacturing at the regional level grow, which, in turn, affects the demographic dynamics, predetermined at 1<sup>st</sup> – 3<sup>rd</sup> priority level of generalized means of management in a subjective, ethics-based, voluntary way given the understanding of non-economic factors.

It is necessary because the majority of population is deprived (first and foremost by market competition) from a chance to move into better-of social groups. If a society is unable to reconcile such kind of conflict, it makes internal social conflicts more acute, which can lead to the downfall of the society.

Basically, there are two means of macroeconomic management:

- **tax-and-subsidy policy**, in hand of the statehood (and partly in hand of conglomerate concern directorates, within their jurisdiction: redistribution of concern's financial resources among its businesses in a way that does not affect the aggregate profitability of the concern.)
- **the management policy of the volume, distribution and discharging of irremunerable debts when borrowing loans at a rate**, which is in hands of a supranational usurious mafia-style corporation, whose godfathers are of Jewish ethnic origin, and who usurped banking.

The latter represents the effect of application of the means of management of 1st – 3rd priorities to the global civilization. The Bible and The Talmud represent the doctrine of purchasing the world from fools and making them the slaves on the base of Jewish global usury monopoly, as the 4th – priority means of management; the majority of Jewish populace is good-minded like everybody else, they do not realize the sense of that global policy<sup>1</sup>; they are both biorobotic tools used by their masters in order to achieve the project goals, and at the same time, they are its first victims.

Correspondingly, a conflict between “statehood” and “the international corporation of racist usurers” may arise at any time. Such a conflict can be solved for the benefit of peoples in case the statehood is able to neutralize the activities of the global usury mafia in its home, foreign and global politics. That was put into practice in the USSR under the rule of J. V. Stalin and in the infancy of the Arab Caliphate

However, if the state delivers itself up to the global usury mafia, the solution of the conflict may be solved to the disfavour of the nations. This is what we can currently observe in the West. That is the very system that Russia has been being pushed into in the course of all the disturbances, revolutions and reconstructions, inspired by the globalists since the second half of the XIX century up to now.

Stimulation of a negative attitude to the state taxation policy and governmental subsidies *in conjunction with the idea of SYSTEMS BANK usury and stock exchange speculation as natural and, therefore, inevitable types of economic activities* reflects the global usury mafia's protection of its production and distribution monopoly policy in such a society.

Any statehood that does not have or did not permeate through the nation a project alternative to the Biblical – Talmudic one of purchasing the whole world and enslavement of the people by means of racially based global usury is doomed to deliver itself up to the usury mafia and serve the goals of their masters either directly or indirectly.

German Hitlerism was not an alternative, but an imitation of the alternative, for it was essentially false in the 1<sup>st</sup> – 3<sup>rd</sup> priority sense. The same situation featured its inheritors in post-war period in Germany and other countries.

Correspondingly, social and political movements, Christian confessions (including Russian Orthodox Church), synagogue, rite-fanatic Moslems, who live in contempt of Koran Revelation, bourgeois-democratic, international-socialist (Marxist) and national-socialist parties are not the allies of the commonality and statehood in their fight against biblical-talmudic project, but the means of its implementation on the territory of a state.

That fact does not exclude temporarily co-operation of the statehood with any of them in order to weaken and annihilate the public enemies, making a cat's paw out of other public enemies, in the tideway of its own, particular strategy, when own powers are not sufficient (that was the way of building socialism under the rule of J. V. Stalin). However, such a policy plunges to the 6<sup>th</sup> priority level, which will inevitably lead to collateral victims among the uncomprehending people.

Each nation, every multi-national society, where the alternative to the biblical-talmudic project has been expressed and articulated *beyond the existing statehood*, will generate the new statehood, which will protect the people from the biblical-talmudic enslavers the more efficiently the more conspicuous they will reject the ideology of the biblical-talmudic project and the more honest every single person

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<sup>1</sup> By global policy we mean *heterogeneous activities targeted at executing purposes at the whole humankind level*, irregardless of the fact whether such activity is a component of domestic foreign policy, or it is performed by the local or multinational mafia.

be to himself and, consequently, before other people. In Russia the alternative to the biblical-talmudic project has already been declared (in particular, see: <http://mera.com.ru/category/library/>).

Any type of statehood that is going to lend a hand to a public initiative and will not pervert it, will be able to put up with anything, being backed by the Heavenly support of its peoples as well as by deadly civil discords among the enemies.

Correspondingly, the defence of their own country from smites of the masters of the biblical-talmudic project demand an efficient home policy, foreign policy and global policy from the statehood, which includes the self-consistent means of management-arms from 1<sup>st</sup> priority level up to 6<sup>th</sup>.

That is why the plan named “Typhoon”, which acquired some popularity with the ruling circles of Russia, and which suggests to strangle the usury activities with the help of 98% profit tax is notoriously inefficient. In particular, when it comes to macroeconomic control, it is notoriously inefficient because it does not imply control over the purchasing power of manufacturers, consumers of goods and services in sectors or regions in order to maintain the favourable demographic dynamics and ecological security of the society. Just banning or oppressing usury is not going to be sufficient if we want to make the society economically secure. So we cannot do without a clearly conceived presentation of the state policy in such areas as manufacturing and distribution of goods, lending and insurance (including the insurance against bankruptcy for private entrepreneurs); and we cannot do without passing the laws that will be in line with that policy, which will express such a policy and protect economic sphere from some moves, incompatible with it; without building up within the society a mechanisms of realization of the state taxation-and-subsidy politics, which will concern all the economic entities.

At that stage of the society self-rule problem consideration, the law is seen as a corpus of standard algorithms for solving problems of management at the acceptable management quality level. Correspondingly, the law-making activities to do with business and finance ought to be algorithmically rational towards the chosen concept of a socially secure mechanism of human life, which implies the generational continuity; it should have nothing to do with the construction of a ‘Babylon Tower’-style maze, where some selected private entrepreneurs, assisted by judges and supervised by prosecutor’s office officials, have a right to hunt on the incomes of the other private entrepreneurs, all the employees and the statehood, with no reflection upon the consequences of the greediness cherished in their circle, or who and how is going to clear up the consequences.

The economic theories for masters are determined by the morals, by a real ethical code, not a meretricious one.

**Good-Will originates from the fact that *each person is assumed to be the Vicar of God on the Earth*.** Respectively, the equality of human dignity of each person must be kept in all kinds of relations within the society. As no one is able to replace the humankind, the whole lot of professional skills and other personal distinguishing features do not portray his dignity; they are, so to speak, appropriate to him. That is why in a normal society every single person has to be equally respected both in everyday life and in this labour activity, faithfully supporting each other.

**Ill-Will, BLUNTLY, ALLUSIVELY AND BY DEFAULT, assumes that human dignity depends number of people depending on that person, one way or another. The dependence is based on the individual, tribal, or corporate possession of the kinds of knowledge and skills that have not been acquitted by the others.** In other words, human dignity is expressed in their belonging to a corporation or a tribe (kings, healers, warriors, merchants, craftsmen, peasants, untouchable *etc.*) in accordance with the essence of that collective body as a professional corporation. If the masters of the system consequently develop that doctrine, they will have to totally deny that dignity is an immanent attribute of numerous or inconsiderable groups of people and professional corporations.

Depending on the genuine morals of the reader he will either agree with the above distinction between good-will and ill-will, or will insist on an opposite definition, or will ride off on a side issue because of his own *immorality*, or will admit that good-will and ill-will possess some share of “righteousness” whatever the definition is.

Immoral people always have a chance to turn into a ‘conscious grass’ on the battlefield, which is seen as a reproductive biomass by the participants of the ‘cold war’, which has been being waged for the whole history of the modern global civilization (the war that sporadically transforms into fire-and-sward one); and the livestock numbers of the biomass – *depending on the goals of the antagonistic parties* – must be either exterminated or preserved to reproduce the future generations of people, which will be morally and ideologically different.

Morals are a blend of good-will, ill-will and immorality. Every individual person has a different mix composition, which leads to mutual misunderstanding and conflicts between individuals and social groups.

Human dignity means that the person continually gets rid of his ill-will; and his good-will shows in the beneficence, which originates from his sincere understanding of the Dispensation; such beneficence cannot come from lucre (including the self-seeking desire of the Paradise or the self-seeking fear of the Hell. The two types of lucre reflect the human disbelief in God.)

People create different types of ethics in accordance with the morals difference shown above, which leads to two incompatible types of politics and two irreconcilable classes of economic theories for masters:

- the theories that originate from good-will answer the question:

**How shall we establish production and distribution in a society in a way that will foster the *generation continuity* as well as the *perpetual* stability and health of biocenosis (biosphere), that people would not overflow the ecological niche, that there would be neither hungry, nor homeless, people, those who would not have been given any deserving education or deprived from something due to the circumstances beyond their control?**

This is the main issue of economic theory.

- the theories that originate from ill-will avoid giving answers to that question, or may give some false answers; and they are fussily sorting out the problem of ‘how many of those bastards’ they need and how to keep their bodies and souls together at a minimum subsistence level so that the ‘real people’ were always very well off.

## ***2. On macroeconomics and microeconomics – in an objective and considerate way***

### **2.1. Target macroeconomic parameters and the macrolevel managerial tasks**

By we mean the range of aggregate products, services and industrial outputs for each item of the range, *in accordance with which one kind of products or services differs from the others.*

Alongside the manufacturing spectrum some other kinds of spectrum can be used, such as needs spectrum, needs spectrum, consumption spectrum, *etc.*

The needs that the production and distribution in a society are supposed to meet, are conditioned by morals as such, and by cultural traditions, which have imprinted the morals of the past generations and the trend of morals changes for several generations.

Among the whole set of needs there are some, whose satisfaction causes direct or indirect damage to the consumers, to their human environment, to their descendants and the biosphere as a whole. There are some wants, satisfaction of which only obtain such a quality when the industrial output and the (individual and aggregate, regional, or in the society) demand rate exceed some critical values. **The above needs generate the degradation-parasite spectrum of production and consumption.**

There are the other wants, whose satisfaction does not cause the consequences mentioned above, at least, when the (personal and aggregate) consumption exceeds a certain minimum value, corresponding to the level of demographically sufficient production and consumption. **Those needs represent a fraction of the demographically defined production and consumption spectrum.**

The fundamental difference between the demographically defined spectrum and degradation-parasite one is the following:

- the demographically defined needs spectrum can be predicted in terms of range and volumes for several future decades to come; the accuracy and details of such a forecast are quite sufficient to prepare the productive forces of the society in advance for its *guaranteed and total satisfaction* .

This predictability is rooted in the differentiation and limitation of population group needs by such criteria as sex, age, household lifestyle, the demographic pyramid dynamics and cultural traditions, which express the adjustment of the population to living in local natural and geographical conditions. Herein, the publicly secure growth of the population forming the demographic pyramid, is limited by *the biocenose stability in the areas populated by locals when it comes to succession of the species of organisms forming the biocenoses*, which imposes one more set of limitations on the demography determined needs spectrum.

- the degradation-parasite needs spectrum does not allow to predict the range, volumes or terms of the beginning precisely. *This is one of the reasons why the society is unable to satisfy it under any circumstances.*

Wants separation into the two mutually exclusive types of spectrum is not pure imagination, it is not an example of subjectivism or voluntarism; whenever the degradation-parasite spectrum needs are satisfied, it inevitably leads to a biological degradation of the nation and the environment, which in turn, causes the decline in the culture of the society. Degradation-parasite spectrum can be indicated by means of statistical analysis of such connections as ‘a piece of **wants ⇒ the consequences of production caused by the needs and the consequences of their satisfaction**’.

From what we have said follows that:

- sociology is to constantly identify the degradation-parasite spectrum conformably to its changes in particular circumstances; and it has to develop a system of standards of consumption and production sufficiency all over the demographically dependent demand spectrum.
- the state is obliged to root out (by means of 1<sup>st</sup> – 6<sup>th</sup> priority management tools) the degradation-parasite demand spectrum up to its total disappearance, and it has to provide the guaranteed satisfaction of population needs all over the demographically dependent spectrum in the process of generation continuance.

Thus, system banking usury is not the only aspect of life that needs to be crashed and rooted out in order to normalize the life of the nation. However, neither ‘500 Days’ program (by G.A. Yavlinski &Co, which dates back to the *perestroika* époque), nor “Typhoon” project (designed in 2000), nor other ‘projects’ of economic ‘development’ of Russia say a single word about the whole complex.

Those problems had not been indicated or sorted out on time by the *Academy of Science of the USSR*. The contemporary *Russian Academy of Science* and the *Institute of Transitional Economy Issues* (headed by Y.T. Gaidar) are unable see these problems. *Foreign researchers and politicians keep silence on that issue as well, whereas World Economic Forum in Davos and UNO are rather appropriate places to call a spade a spade; but there is nobody to do so, because ill-will has prevailed.*

If we consider the economic life of a society in terms of the Quite General Management Theory, the demographically dependent demand spectrum represents a *management target vector*, and the degradation-parasite spectrum includes his own ‘noises’ of the production-and-consumption system,

as well as external noise that prevents the management (or self-management) targets from being reached; as a result, the vector becomes a component of the *vector of management error*.

The vector of management error is a hierarchized list of targets to be reached by management. The targets are listed there in reverse order, in comparison with a traditional successive rejection of targets in case the complete target list cannot be put into practice. In other words, the most significant target is listed first, and the least significant one is listed last.

The vector of management error represents the ‘difference’ between the target vector and the vector of state, which gives a description of the factual circumstances. The vector of management error is an unbiased indicator. It is unresponsive to the attempts of the managers to make everything look better than it really is. The only way of getting rid of it is by enhancing the management quality, when the errors would be reduced to the tolerated values.

In financial terms, the vector of self-management error for a society looks like *a price list for products and services consumed by people beyond their production activities and public administration sphere*.

Therefore, in a society that, **firstly**, does not have any degradation-parasite needs owing to the dominance of good-will and, **secondly**, where the system of production and consumption self-management is performed in a practically flawless mode, the output supply spectrum is at such a level that the market prices diminish up to zero, so consumption becomes free (and keeping non-zero prices can cost the society more than giving the output away for free to those who need it, because it will imply some accounting costs).

The relationship between the supply level and the price, revealed by the common economic science ‘for clerks’ possesses the same features: prices fall as the supply grows, for the price level is the means of elimination of would-be consumers whose paying capacity is limited in case the demands exceed the possibilities of their satisfaction.

However, having disclosed that relationship, the science ‘for clerks’ seeks the ways of artificial stimulation of effectual demand in situations where there is a drop in prices, expecting demand to support the prices and the break-even performance, bolster manufacturing *etc*, along the cause-effect chains. That leads to product destruction when a crisis of ‘overproduction’ arises, to fashion cult, advertising campaigns and so on.

This kind of approach to the production and distribution matters is a consequence of the fact that the common economic science does not make a distinction between degradation-parasite and demographically defined needs spectrum; as a result, ‘flies’ are mixed with the ‘ointment’.

In a crowd-‘elite’ society, the ruling elite’s degradation-parasite needs spectrum has a top priority in the target vector, and the economic self-management system tunes to it (the economic self-management system is always tuned to a target vector, even if the targets have not been recognized or understood by the society). As a result, global natural resources are mindlessly destroyed in a race of RAPTIOUS consumption, whereas demographically defined needs of the majority have remained unsatisfied in numerous generations (we should remember that the consumer’s ‘paradise’ of the USA and ‘developed’ European countries is based on the system usury and price-based robbery of ‘underdeveloped’ countries, including the post-Stalinist USSR and Russia, and it was not created by the honest and good-will labour of the population of those countries).

Having agreed on the separation of the total set of needs into degradation-parasite and demography determined spectrum, and on the fact that the price list is identical to the self-management error vector of a production and consumption system, we can say that **the task of the government concerning macroeconomic and microeconomic management is following:**

- the state has to manage the cost-effectiveness threshold level for all kinds of commercial activities, supporting in such a way the break-even performance of particular producers, *as the latter better satisfy the needs of the demographically defined spectrum*, which will lead to the drop in prices for its composition.

- the state must prepare the labour force of the society to the guaranteed satisfaction of all the future demographically defined needs in advance; in could be done by direct state investments into education and bringing-up, into state-run industry and mixed ownership companies, or/and by creation of investment friendly environment for private investors in the corresponding branches and regions using tax and subvention policy means.
- the state must oppress and root out the degradation-parasite needs spectrum and the activities, both profit-bringing and non-profit, caused by it, using both economic and non-economic means of management of 1<sup>st</sup> – 6<sup>th</sup> priorities.

In the course of such way of understanding of socio-economic reality, the price list for goods and final consumption services will undoubtedly turn into the value of management error vector, which solves the conflict of *self-management quality estimation in a production-consumption system*, between a manufacturer and a consumer of this product, which we have mentioned in ‘Introduction to the Topic’.

## 2.2 The purpose of finance-and-credit system and distortion of its functions

On parity with *the production differentiation that defines which branch a business belongs to*, the microlevel of the production-and consumption system of a society is featured by the fact that the company's management of internal exchange of goods in the course of technological process is nothing but the address orders and the address reports saying how the orders were executed.

That kind of management has some immanent limits of structure growth, beyond which it stops being efficient, and the structures generated by it come to self-destruction due to unavoidable errors made by the administrators.

Human wants, both individual and social (the whole society) cannot be satisfied (as the historic record shows) on the basis of the directive and address management of product exchange in households or community household, which generates an economic macrolevel that includes a plethora of specialized industries (branches). The macrolevel brings to life commerce, that is an uncontrollable directive and address exchange of products.

The early commerce was barter trade: they directly exchanged the goods produced by them for the goods produced by other people using a single-stage scheme « $G_1 \Rightarrow G_2$ » for satisfaction of their own needs of for using them in further production process.

Some of the variety of goods were easy to exchange, the others were difficult to exchange in case of direct barter trade, which slackened the exchange of goods at the macrolevel and suppressed the public production growth. As a result, easy-to-exchange goods came to the front and turned into the indirect barter commodity in the double-stage scheme « $G_1 \Rightarrow M \Rightarrow G_2$ » when the direct barter « $G_1 \Rightarrow G_2$ » was either hampered or impossible. **The goods that proved to be easiest to exchange constituted the 'money group' of commodities to be used for barter trade purposes.**

It is reasonable to assume that the transition of the society to the exchange of commodities at a macrolevel with the use of two-step scheme « $G_1 \Rightarrow M \Rightarrow G_2$ » laid the foundation of financial institutions. Those financial institutions primarily provided an opportunity of autoregulation of the macrolevel exchange of commodities in the society.

Afterwards the adjustment of in the autoregulation mode turned manageable. As a result, the system of financial institutions became the means of indirect *expedient management of the exchange of goods at the macrolevel*, and the 'spontaneity' of the market of goods and services submitted to the 'monetary charmers' whose only motivation reduced to sustaining their ability to pay when dealing with commodity money, 'D', belonging to the money group. Once that professional sponging became supranational and corporative, the freedom of private enterprise and liberty of trade turned into false myths and obsessions.

However, those obsessions made most of the population mad, and the *INDIVIDUAL dependence of a private entrepreneur on the dictate of administrative bodies, a slaveholder, a feudal or another type of the superior was replaced by not any less violent mass dependence on the monetary 'spontaneity'*. The corporation of usurers and moneychangers 'pretended' to be ordinary private entrepreneurs, who are not perceived by the muzzy audience as the slaveholders and the lords of the monetary 'spontaneity', which enslaved even its 'charmers', that is usurers and moneychangers.

Finance and credit system should intrinsically be the means of assembling of a variety of MICROECONOMIES (which produce goods and services of real consumer values) into a single, unified macroeconomics (*i.e.* a multi-sector system of production and consumption). *Irrespective of the way it copes with macro-economic tasks, it has one more function, being a tool of distribution autoregulation in the society, when the goods supply spectrum<sup>2</sup> goes lower than the needs spectrum of the society, and the needs are not limited by the purchasing capacity.*

The following two functions of the credit and financial system are significant for management. They can be:

- the means of macro-economy assembling from a number of micro-economies.

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<sup>2</sup> Its range exceeds the production spectrum range, as the production spectrum also includes the possibilities to use some free goods (forests, beaches etc.) that are not produced by the society.

- the tool of distribution autoregulation, when the goods supply spectrum is not sufficient comparing to the free needs of the society.

**As a mean of macro-economy assembling from a number of micro-economies<sup>3</sup> and a tool of MANAGEBLE distribution autoregulation, it must provide the disappearance of the deficiency of goods and services all over the demographically-defined needs spectrum and maintain the exchange of commodities in accordance with it.**

The rest is either collateral (to the two above functions) consumer's effects, or various distorted applications of credit-and-finance system accompanied by sponging on the human labour and on the biosphere.

The historical evidence: *if a credit-and-finance system is unable to support production and distribution at a macrolevel in accordance with the destination, that means it is maliciously adjusted in a way allowing the degradation-parasite spectrum to suppress the demographically determined one.* In that case a great number of small and big businesspeople, clerks, their economic advisors and journalists are the actuating mechanisms pushing the society to suicide, whereas the degraded rest will be enslaved to follow instructions of the behind-the-scenes managers of the Biblical-Talmudic project of enslaving the humankind.

That kind of behaviour of lots of people is mainly a consequence of their blind acceptance (with no reflection) of all the aspects of public theology (in the past) and social sciences, that is economics for 'clerks' and for the crowd (including *Marxism*) nowadays.

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<sup>3</sup> Abstracting from culture that joins the whole society, we can point to another (except credit-and-finance system) means of assembling a macroeconomic system from a number of microeconomic subsets. It is the socially established system of metrology and standards, which is necessary to make the goods and services offered by different producers applicable.

## 2.3. What is what in credit-and-finance system. Credit-and-finance system as the means of production and distribution management.

Not only does the public economic science 'for clerks' lack managerially significant notions to do with the real production and consumption (i.e. demographically defined and degradation-parasite spectrum), but it also lacks a number of managerially significant notions that describe the credit-and-finance system itself and its links with the exchange of commodities as such. Actually, that is just what makes the economic theories 'for clerks' inconsistent and, therefore, inapplicable to solving the macrolevel economic problems to receive the predetermined, 'pre-ordered', promised and guaranteed results.

The basic notion that makes *the economic theories for masters* to be consistent in metrological terms is the 'price-list invariant'.

The 'price-list invariant' has always been defined in such a way, that in a barter trade system, where the goods are exchanged using a two-stage scheme  $\langle G_1 \Rightarrow M \Rightarrow G_2 \rangle$ , there is such a commodity belonging to the money commodity group that possesses the following features:

- firstly, it is a sovereign participant of the natural exchange of goods in the barter trade process because it has some additional valuable features apart from the fact that it constantly acts as commodity money in two-stage schemes  $\langle G_1 \Rightarrow M \Rightarrow G_2 \rangle$ ;
- secondly, the market prices of other goods for every single commodity-exchange deal are given in an equivalent amount of that commodity by common consent (as a result, the price of a standard unit of the invariant commodity calculated in the invariant amount is always equal to 1, which is behind the term 'price-list invariant'. In other words, we always exchange an invariant to an invariant *pro rata*  $1/1$ .)
- In the days of ancient barter trade, according to the laws enacted by Hammurapi, the King of Babylon, the society considered the payments in grain and gold to be equal, there fore, they established them as the two equal price-list invariants. Later, in the crowd-and-'elite' society, the ruling elite on the basis of its degradation-parasite needs deprived grain from the right to function as a price-list invariant, and the civilization used the gold invariant for a long time.

In economic studies and calculations we can use any commodity type as the price-list invariant, including the commodities that do not belong to the established money group.

**Economics does not need the notion 'price-list invariant' only in case if researchers do not know how to select it in a way that will let them use the invariant for solving the macrolevel management problems. They do not now about it because they serve the 'elite' wants and needs, which belong to the degradation-parasite spectrum.**

Gold as an invariant was used as the stuff for means of payment production – coins and standard bullion. Due to that fact, the whole époque of circulation of gold and other precious monetary metals as means of payment (up to the beginning of the XX<sup>th</sup> century) represented the époque of natural barter using the scheme  $\langle G_1 \Rightarrow M \Rightarrow G_2 \rangle$ .

The only difference between that époque and the époque of traditional barter trade was the fact that 'packing' of the invariant into a shape of standard coin was transferred from the marketplace stalls to the Board of Treasury. However, that difference is not bigger than the one between buying tomatoes by weight from the stall at the market or buying nicely pre-packed tomatoes from the supermarket.

The difference between means of payment and the price-list invariant is that whereas the mean of payment, being the measure of prices fro all commodities (like the price-list invariant), can possess no other commonly recognizable values except playing the intermediate part of commodity money in a two-step scheme of exchange  $\langle G_1 \Rightarrow M \Rightarrow G_2 \rangle$ , or be used in a single-stage scheme  $\langle G \Rightarrow M \Rightarrow \rangle$ , when it plays a role of means of accumulation of nominal paying capacity.

Any means of payment that does not have any value outside the sphere of *money circulation*, *accompanying and supporting the exchange of commodities for production and consumer purposes* and accepted in certain transactions, may be rejected in other transactions. However, despite the

means of payment may have no other value except being the means of payment or means of accumulation of nominal paying capacity, it can still be recognized having such qualities by the majority of population for a long time.

Economic theories ‘for clerks’ thoughtlessly inherited the notional system from the époque of circulation of ‘precious-metal’ coins and the gold standard. The functions of price-list invariant and those of means of payment are considered as if they were just different functions **of the same** money.

As the previous price-list invariant (gold) and means of payment (figures on bills and bones, and clearing – in the accounts, which represent the nominal paying capacity) were separated and stopped being **the same** kind of money, the economics for ‘clerks’ has lost its metrological consistency. As a result, we lost a possibility of calculating the financial indicators of production-and-consumption systems, *whose spectrum of production and consumption is given on the basis of quantity*.

If we do not have a possibility of single-value estimates of figures that have to do with various dates and regions, we are unable to analyze, forecast, plan or manage the economy at micro- or macrolevel. Consequently, the only motive of economics as a whole is a profit-motive; economists try to sell themselves at the top price. All the calculations and recommendations are useless (if not harmful), nobody is interested in them, except a narrow circle of people from the squeezes<sup>4</sup> of economists.

Being the measure of prices of other goods, the price-list invariant, however, in a general case does not act as a price level basis for the rest of the prices, including *rates of exchange* (the relative prices of foreign money). That is why all the suggestions aimed at the revival of the gold standard come from the grave misapprehension of the fact that the possibilities of distribution are stipulated by its production.

‘An attempt to ‘galvanize’ the dead body of gold standard or even restore the circulation of gold are useless in the époque of economic well-being. In Spain, from 1492 to 1600, in the times of perfectly working circulation of gold, the prices for goods tripled annually. It happened because the production spectrum of other products per head remained approximately the same, whereas the amount of gold, including the gold in monetary circulation, loomed drastically due to the gold flow from America, whose robbery had just started.

That historic fact shows how the price of the gold invariant dropped in comparison with the other implicit invariant (grain), which the society did not recognize in that role; however, grain still defined the price levels and all the other relative prices. That takes us to the notion of the ‘price-list foundation’.

The price-list foundation is a small group of goods, each of which has the following feature: a short-term *perceivable price growth* for such goods cause a perceivable growth in production cost figures of the most of other goods. The reasons of the production cost increase of other goods is the direct or indirect consumption of the products from that small group for production of other goods (all or most of them).

Of course, the production cost growth is accompanied by the market price growth. Herein, the price relations between various pairs of goods and the cost-effectiveness of particular sectors undergo changes, because the prices are not only determined by production costs, but also by distribution of *always limited* effectual demand all over the goods and services supply spectrum.

From what we said above follows that to make economic calculations, long-term economic analysis and forecasts and long-term plans of social and economic development comparable, we have to select a price-list invariant *which belongs to its base for the time span in question*.

Ordinary people, politicians and economists should remember a well-known definition from the school course of physics:

“Useful work performed by a system” = “efficiency coefficient” × “power consumption of the system”

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<sup>4</sup> M. Kasyanov was right in his evaluation of the program by Mr G. Gref: ‘The mountain gave birth to a mouse. Luckily, not a cockroach.’ Hinting that there are cockroaches in the heads of the program authors he.

However, we may be interested in ‘useful work’ performed by a system, which is not seen in a sense of ‘mechanical work’ (which is a physical term). In that case, ‘useful work’ and ‘useful effect’ satisfy the same equation, but their dimensions will be different from physical dimensions of mechanical work and energy in physics. In that case the efficiency quotient will not be dimensionless.

[efficiency] = [the unit of measurement of a useful effect] / [the name of the unit of measurement of incoming energy].

Like anything else, the production system of a society obeys the general physical law of energy conservation, a partial form of which is the efficiency coefficient equation.

The useful effect of the production system of a society is represented in a natural form as an end-consumption product manufacturing spectrum.

Abstracting from the span of time needed for the growth of production capacities in each sector, and taking into consideration the whole lot of consumption of intermediate products for manufacturing purposes (because it is impossible to do without them when producing end products with the use of modern technologies), we will see that the industrial output level for each item throughout the *production spectrum* is limited by efficiency coefficient of technological processes<sup>5</sup> in the corresponding sector and by the amount of incoming energy.

Correspondingly,

The production spectrum as a whole has an upper limit. It is limited by:

- the values of sector efficiencies of technologies (the dimension of technological efficiency is [unit of measurement of the output amount] / [kW/hr];
- the amount of incoming energy for the whole system;
- energy distribution by sectors.

The above means that when we move from physical indicators of a production-and-consumption system to their monetary expression, we can see that the primary base of the price-list is its energy base. In other words, energy prices determine all the other price levels, *when the established needs of the society undergo slow changes in comparison to the production dynamics*.

The words in italics mean that human needs are primary to pricing, whereas the labour theory of *pricing* (value) in its historically established form is metrologically inconsistent.

The reason of inconsistency of the labour theory of value, which the public economics has not been able to get rid of, is the fact that all the people seen as workers taking part in diversified production are mutually incommensurable. The progress of professional management sectors, processing of various data, including professional research and design work, led to the state when severity rate (man-hours) as the unit of measurement, or the units of rating of work load needed to gain useful effects, have lost their managerial value not only when we compare different sectors but even within individual sectors.

They used to be managerially valuable until manual labour of great numbers of people was the main basis of economic well-being, and, in the first place, of the ruling ‘elite’, which despised professional gainful activities, considered itself to be ‘free’ and embezzled the fruits of labour and the incomes of the employees enslaved by them.

**People can be compared to each other only as the consumers in accordance with the demographically defined needs spectrum.** That is why the ‘hour rate’ has the managerial value because it defines the paying capacity of the population, and in turn, its purchasing power as well as most of the consumption spectrum. However that indicator is useless when it comes to evaluation of the output performance.

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<sup>5</sup> Efficiency of the use of raw materials and parts in such technologies have to be taken into account when calculating the energy efficiency coefficient.

Another indicator that has the managerial value is the ratio of electricity rate to hour rate in different sectors and regions in comparison with the demographically defined consumption spectrum<sup>6</sup>.

The energy base of the price-list has permanently been present all through the span of the history of civilization; however it consists of a changeable composition of power sources, whose component weights are also prone to changes. All the history of the modern global civilization can be separated into two époques:

- till the middle of XIX<sup>th</sup> century; it was the period when production was mainly based on the prevailing biogenetic power, which source is photosynthesis in plants (which means that the natural flora and crop production efficiency are the roots of well-being).
- since the beginning of XX century – the époque of production based on the prevalence of technogenic power.

There was a transitional period that lasted for several decades, during which a transition from biogenic to technogenic power sources was made, when we could witness a superposition of both.

It follows from what was said above that the society of the Hammurapi period did not make a mistake choosing grain as a price-list invariant. At that time grain was the main source of biogenic, power both for people and draft-cattle. It was easily available for consumption grain amount that determined the upper limit that could not be exceeded by the contemporary production capacities with respect to the engineering capabilities of the time.

Modern professional economic science and ordinary people make a grave mistake having chosen an American dollar – a currency of one of many countries - as a pseudo-invariant, despite the fact that none of the modern monetary units belong to primary (energy-based) price-list foundation; what is more, it is not a sovereign participant of production-and-consumption exchange of commodities, but only follows and supports it.

Since the second half of the XX<sup>th</sup> century, the best choice for the price-list invariant of technologically developed countries has been kWh of energy consumption, because:

- the overwhelming majority of businesses are electric power consumers;
- electric power tariffs are a part of energy base of a price-list.

**Herein, financial and economic analysis and the forecasts gains the metrological consistency and comparability for long-lasting time intervals in case all the calculated and real prices, costs and other financial indicators are measured in kWh.**

But even if we have accepted the electric power invariant, we should remember that in other sectors beyond agriculture the number of workers is limited by the ability of agricultural infrastructure to feed its personnel (otherwise the *coverage* of the deficiency of own products has to be *guaranteed* by means of imports). Therefore, the dynamics of the ration of the number of people dealing in agriculture to the number of people dealing in other industries ought to be targeted at the efficiency growth in agriculture, first and foremost at crop production and natural flora (photosynthesis is the core of everything).

Nowadays and for the foreseen future, the best choice for the invariant seems to be kWh, but not ‘a ton of fuel equivalent’, for ‘a ton of fuel equivalent’ represents an abstract notion created as a result of vain attempts to find the proper foundation for comparability of economic reports and business analysis without rejecting the hangover of public economic science ‘for clerks’.

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<sup>6</sup> Compare: One kWh cost is about 1cent in poor countries (including Russia), whereas in the USA and European countries it comes up to 10cents. The hour rate in Russian military-industrial complex sector is 60 Rubles (about US\$2), in the USA in the same sectors it is \$17 – \$20, and in Japan - \$35.

They are the parameters of tuning of the global system of robbing Russia and other poor countries. That is why Russia is robbed twice; firstly – when energy is exported (tariffs are the trade secret of Unified Energy System of Russia, which allows them to do double-entry bookkeeping), when there are POWER CUTS in the regions, and secondly – when importing the goods that were produced at high tariffs and high hour rates. Correspondingly, the export policy of UES is adverse to the interests of the peoples of Russia.

‘A ton of fuel equivalent’ may have a limited right-to-life when used in analysis of the energy complex sector; however it is not applicable for long-term economic analysis, forecasting or planning, because the way it is linked with real energy carriers transforms together with the changes in technological foundation of production, predominantly in energy industries. Unlike that unit, kWh of consumption remains the same and does not depend on the particulars of primary energy source spectrum lying in the foundation, or how the spectrum responds to the consequences of technological progress.

Having selected an unchangeable kWh of power consumption as a price-list invariant, belonging to its energy base, we can deal with long-term planning of production in accord with the demographically dependent needs spectrum by means of simulation and optimisation of distribution options in the continuity of production cycles of energy consumption among the specialized sectors, which produce goods and services.

**We should remember that the plan is to determine the minimum production levels in the sectors, below which the output should not fall. It is not supposed to chose record targets, the attempts of achieving which will lead the diversified production to an inevitable fall, for in such a case it will not be provided with the necessary amounts of power and raw materials.**

The above approach implies that a stability margin is, institutionally and purposively, put in the plan, which lets some resources to remain in a free state to be used for compensation of possible errors and emergency situations (natural disasters, catastrophes, *etc*). In that case, the technological progress as a whole is the growth of ergonomic features and durability (where it makes sense) of the output; the increase of efficiency coefficients in sectors, the higher efficiency of household and other types of appliances, as well as the outgrowth (in comparison to the plan) of the power availability per sector. They all make a plan to be stable. As a result, real life cannot be worse than it was planned if the state *supports intersectorial and interregional solvency proportions* by means of tax-and subvention policy to implement the plan of the social and economic development of the country, by controlling the profitability threshold of businesses in accordance with the plan, and by responding to the real changes of market prices.

The main methodological fault of the planning system of the former USSR and of Soviet economic school caused by ill-will of Soviet ‘elite’, especially ‘scientific elite’, was that the Soviet Gosplan:

- did not refuse from metrologically insolvent Marxist political economy, based on categories that could not be measured, so it could not be linked with practical accounting tasks;
- tried to assimilate to the conditions of the USSR *managerially*-illiterate economic theories and models of the western science for ‘clerks’;
- did not come ON TIME (having a great practical experience at hand), off its own bat, to the same conclusions that we are making here.

Since the ‘elites’ want to target the macroeconomics of the society to a knowingly unpredictable degradation-parasite needs spectrum, not only is the system of demographically-defined long-term planning necessary, but it is also a direct obstacle to implementation an ill-will policy. That thesis, which is true for the modern global economy of the humankind, explains the moral background and the character of the reforms in the USSR and in Russia from 1985 till 1999.

In a multi-industry system of production and consumption, the prices for goods from the base of the price-list, are among the factors which determine, directly or indirectly, the profitability threshold, that is the profitability values corresponding to minimum prices; if the prices drop lower than such values, *the production and modern renewal of productive forces becomes detrimental*. The price-list bases play that role whether the **invariant** is **obvious**, or unidentified.

Issuing and acceptance of paper money, so called, ‘credit money’, led to separation into the obvious price-list invariant (at that time it was gold) and the main *payment facilities* – the carrier of nominal solvency value, mutually recognized by the participants of the exchange of goods (paper slips). The

appearance of a means of payment which does not have any value outside the credit-and-finance system led to a drastic change in pricing comparing with the époque of barter trade (which had lasted until the gold circulation age).

Because of the separation into the obvious invariant and means of payment, the purchasing power and nominal paying capacity turned into different economic indicators, which could change independently. This is how they are different:

- nominal paying capacity is represented directly by the amount of means of payment;
- purchasing power is represented only in the consumption spectrum, in some kind of 'consumer goods basket' which can be purchased for a particular sum of the means of payment when there is an established nominal price-list.

Nominal paying capacity is a measure of purchasing power and economic wealth only for a certain price-list and a certain consumption spectrum ('consumer goods basket'). It has no managerial value *per se*.

Respectively, the masters are those who, directly or indirectly, manage (turning that activity to their own advantage) the purchasing power of a monetary unit and the distribution of nominal paying capacity among the participants of production-and consumption exchange of goods. It is accompanied by the re-distribution of the purchasing power that, in turn, represents an indirect *macrolevel management* by means of production-and consumption exchange of goods.

The above means that all the tasks of macroeconomic management cannot be solved by the statehood, if there is a global, supranational usury corporation behind the purchasing power of a currency, and if the active generations within the society do not realize the mechanism of management behind those processes, so they are do not know how to create an alternative to be used to protect their own statehood and its economic policy. **They are the slaves of the tycoons pulling the strings, and they pay off the costs of their slavery<sup>7</sup> themselves**, however, the tycoons always became the hostages of their own parasitism.

**Monetary unit purchasing power management is *the management of the dependence that has one-to-one correspondence with the price-list invariant.***

In the days of gold standard the law concerning the exchange of paper and other kinds of money for gold provided the uniqueness of that dependence. However, if we introduce the direct electric power invariant, the tariffs on electric power consumption will not be an energy counterpart of the 'gold standard'. It is due to the fact that the character of credit money exchange for gold at a fixed rate (which was the main point of the 'golden standard') is different from the character of electric power consumption for production or consumer exchange of goods in a society.

The exchange volume of credit money was not determined by the needs of production or consumer exchange of goods (gold coins and credit money coped with goods exchange equally well). It was determined by social nervousness and psychological instability, which led to an intense exchange of the bills for gold, when purchasing power of the means of payment really dropped, or the wealthy social layers expected it to drop soon. In such cases they sought for 'accumulators' where they would be able to keep the purchasing power of their money till the better times come, so they disposed of extra nominal paying capacity by investing the money into gold, real estate (land), antiques, works of art *etc.* If the resulting demand for gold soared, it was impossible to keep the 'gold standard' at the previously established level of gold backing of 'slips', and such impossibility emerged as a result of existing disturbances in paper money circulation and the connection between the parameters of paper money circulation with the exchange of goods as such.

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<sup>7</sup> 'Sir Joseph Stamp, the former president of the Bank of England, also warned against the power of bank establishment: «If you want to remain the bankers' slaves and go on paying off the costs of your slavery, let them continue issuing money and rule the national loan' (Ralph Epperson «The Invisible Hand. Introduction into History as a Conspiracy», SPb, 1999, p. 140).

Thus, the need of devaluation in terms of the transition to a new value of the ‘gold standard’ *in case the energy dependent price-list invariant was indirect*, was the consequence, not the first evidence, of the disturbance of *the energy standard backing of a monetary unit*. It was that kind of disturbances of biogenous energy backing standard in the XIV century’s Spain that led to triple growth in gold equivalent (*i.e. gold went three times as much more expensive*).

Electric power consumption is not a reaction of the society to some disturbances in the exchange of goods of in paper money circulation. It is a component of production or consumer exchange of goods as such. The society does not have auctions for electric power consumption: there are electricity meters, and the tariffs are set in advance. Moreover, the capacities of power stations and the systems of power supply redistribution through the regions as well as different tariffs (reduced and increased tariffs, which may depend on time of the day and aggregate electric power consumption for a particular term) have been satisfying the needs of the customers (including ‘peak’ ones) for the past decades in a reliable way as soon as they have been connected to the main electricity supply grid. Emergency interruptions of power supply of production facilities, inhabited localities or regions due to overloads have been extremely rare<sup>8</sup>. Thereof, the electricity consumption tariffs are basically connected with the money circulation parameters the same way the other nominal prices are.

Accordingly, the monetary unit backing standard, whether it is a precious metal coin or a nominal means of payment, in metrological terms, has to connect (one to one) the production spectrum in energy units and the aggregate nominal paying capacity of the society that defines the nominal price scale.

The production spectrum in energy units represents the amount of electric power produced for a year<sup>9</sup>. The consumption of goods produced by all the sectors in financial terms is given by such statistical indicators as the aggregate number of purchases and sales, their distribution by the seasons of the year, by specialized markets, by regions as well as the their costs. The aggregate cost of the deals is the annual volume of trade in nominal values, *i.e.* the turnover volume, or the turnover volume of means of payment.

If, **firstly**, there are no short-term (for an annual scale) structural redistribution of production and consumption needs due to natural disasters, severe technogenous catastrophes, wars, silly economic reforms, *etc.*, and, **secondly**, the system of production and consumption performs steadily, then the structure of the annual exchange of goods for the past several years *will change smoothly, i.e. with no sharp hikes or drops*.

This is a balancing mode of autoregulation of the production-and-consumption system of the society. The task of a macroeconomic management is to maintain that balance. **That is the normal mode of macroeconomic performance.**

For normal modes, the value of the nominal volume of trade – the volume of means of payment turnover, is mainly dependent on, among other factors, by the value of an APPARENT instantaneous aggregate nominal paying capacity of the society, because an aggregate seller will squeeze out of a buyer that really needs a particular item of goods everything that he is able to pay. That value exceeds the factual apparent instantaneous aggregate nominal paying capacity of the society (the underlined words are terms), equal to the amount of means of payment in circulation. The apparent instantaneous aggregate nominal paying capacity of the society is given by a sum of two components:  $S+K$ .

- $S$  — stands for the aggregate sum of nominals of means of payment that the would-be buyers possess (factual nominal paying capacity);
- $K$  — stands for the credits lent (including repeated lending), ignoring the debt rate of *the society as a whole* to the usurers.

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<sup>8</sup> The very emergency cut-offs would have been a direct analogues of the ‘gold standard’ crash when building an energy backing of a monetary unit based on the electric power consumption tariffs.

<sup>9</sup> A year is a natural unit of measurement of the duration of *manufacturing and consumption cycle*, for cyclicity of seasons defines the cyclicity of manufacturing and other branches (not only agriculture); it also determines the cyclicity of consumption, nonproductive activity of the society. So, a year and its multiples are the most convenient rated durations of production cycles in a multiple production-and-consumption system.

The apparent instantaneous aggregate nominal paying capacity exceeds the sum of nominal values of the means of payment  $S$  in circulation, for bank depositors calculate their payment capacities considering the *sums on their bank accounts that have already served as sources of lending*, and considering which the borrowers evaluate their apparent payment capacities.

It is the value of  $(S+K)$  that at any time withstands all the mass of commodities on sale and represents the maximum nominal evaluation of its cost.

In the trade turnover of the society, it distributes this way or another between the deals that accompany production and consumption exchange of goods, and the deals on various speculative markets (stocks, antiques, currency, bonds *etc.*), which mostly satisfy parasite disposition of some part of the population to derive their incomes from incomes in antiphase with the fluctuations of prices for speculative goods.

The of means of payment satisfies the equation:

$$\begin{aligned} \text{«energy backing standard»} &= \\ &= (S+K) / \text{«potential of energy»} \end{aligned} \quad (1)$$

It follows from (1), that

$$\begin{aligned} S+K &= \text{«energy backing standard»} \times \\ &\times \text{« potential of energy »} \end{aligned} \quad (2)$$

The energy backing standard is the proportionality factor, whose role in the system of macroeconomic management is to control the correspondence of values of instantaneous aggregate nominal paying capacity and real (or possible – in case of planning tasks) *electric power production volume, representing (in energy terms) real (or possible) production spectrum*.

The energy backing function in the macroeconomic management system corresponds an assumption that the statistical data to do with the deals, which define the nominal value of means of payment circulation changes slowly from year to year, so such changes must be factored out and contracted. For ‘potential of energy’ we may use either the annual electric power output, or the aggregate power of the power-stations. For macroeconomic systems that are not all-sufficient in power generation, ‘potential of energy’ will stand for the volume of electric power imports.

Credit-and-finance system can steadily follow the exchange of goods in the society (and, in particular, in production sector), if  $S+K$ , —and energy backing of means of payment respectively, were changing over the time span we are interested in; they grew or drop quite slowly or oscillate within a narrow value band.

Most financial, production and consumer troubles to do with the processes at the macrolevel of economy of a society are the consequences of direct and indirect manipulations with the apparent instantaneous aggregate nominal paying capacity ( $S+K$ ) due to ill-will or ignorance. That leads to changes in energy-backing standard of means of payment on a scale of production-consumption system as a whole and on a scale of its functionally specialized components. **From historical point of view, ignorance really acts as just a tool of the back-door ill-will: evil is done by fools and ignoramuses who are either explicitly corrupt or suffering from a superiority complex.**

The troubles emerge in the following way. A change in  $(S+K)$ , that is an increment  $\Delta(S+K)$ , represents a particular volume of issued means of payment (or, *vice versa*, the demonetization volume), or a change in the volume of money lent. The impact on the credit-and-finance system can be described as pulse and address by which we mean that the emission or credit pulse produces an instant change in the nominal paying capacity of some (not all) would-be buyers or some particular groups.

Having made an instant change in the energy-based standard of means of payment, the pulse  $\Delta(S+K)$  generates a wave of changes in nominal paying capacity, which spreads throughout the trading network in the direction, opposite to the direction of exchange of goods, as the nominal paying capacity of the pulse is getting involved into currency circulation. The wave of changes in nominal paying capacity movement through the money circulation channels, in turn, produces some changes in nominal prices for the corresponding product line groups, pressed by hikes and drops in nominal effectual demand for them.

Supposing the initial pulse  $\Delta(S+K)$  was targeted at the production sector, the wave of changes in nominal paying capacity, by means of salaries and incomes of entrepreneurs, will pour out of the production sector onto consumer-items market, so a process of redistribution of nominal effectual demand by the end-product groups. It produces changes in market conditions, which spread all over the sectors, and some time later we can see secondary changes in the intersectoral proportions of profitability and manufacturing indicators used in natural accounting (the initial change makes the wave move through the industrial sector if the initial pulse was inward).

The pulse  $\Delta(S+K)$  produces irreversible transformations of nominal prices, which makes this case different for seasonal fluctuations of paying capacities of different groups of would-be buyers, and of price fluctuations.

When the pulse  $\Delta(S+K)$  ‘spreads’ over a long time span, the wave of changes in prices becomes invisible against the background of heterogeneous price fluctuations; but anyway, there is a slow general change in price scale, which leads to changes in purchasing power of a monetary unit no every single market.

Herein, the changes in purchasing power of people’s incomes and spendings have the top priority for macroeconomics and politics: *“A signature of an official”*  $\Rightarrow$  *the growth in means of payment volume outgoing the growth rate of production energy backing  $\Rightarrow$  a loss of purchasing power of incomes and a possible decay of microeconomics into a number of production-wise insolvent pieces of the economics  $\Rightarrow$  a loss of work motivation and a possible economic crisis* That algorithm was launched in 1991 by Ye. T. Gaydar and it was supported by all the governments until the end of 1999<sup>10</sup>.

Obviously, all that those people were taught at school and universities was economics for ‘clerks’. Well, everybody was taught, but they were the ‘best students’. We wonder what have the members of the Economic Department of the former Academy of Science (now Russian Academy of Science) and the less celebrated scientists, been thinking of in for several decades?

When the wave  $\Delta(S+K)$  goes through the production sector, not only does it change the nominal profitability of the businesses, but it also changes the purchasing capacity of their nominal current assets. If the changes in financial indicators of businesses (or sectors) generated by the wave  $\Delta(S+K)$  exceed some limits (which are different for different sectors), then the purchasing power of current assets of one group of businesses (sectors) will become excessive in comparison with their production facilities (when the natural output is calculated) and technologically and economically possible pace of reconstruction and capacity growth, whereas the purchasing power of current assets of the other group of businesses (sectors) will become insufficient.

All the sectors are linked by a technology-wise system of ratios of standard mutual supplies volumes for production needs in each sector for the purpose of its further development. So, if there are supercritical sector disproportions between purchasing power of current assets and production facilities in their natural expressions, the credit-and0finance system loses its capability to assemble a number of microeconomics into a single macroeconomics, whose performance is stable.

The immediate cause of that course of events at a microlevel is that some businesses cannot afford to purchase (at drastically changing prices [in comparison with the turnover rate of their capital stock per value]) the items they need for their production, and the others cannot sell (without making losses, *i.e.* in order to save the purchasing power of their current assets) their output.

Sectors with long lasting (in comparison with the decay time of the pulse  $\Delta(S+K)$ ) production cycles (among which are industrial and residential construction, shipbuilding, agriculture, *etc.*), are most sensitive to such kind of macroeconomic impact, due to a slow response to rapid (in comparison with the duration of their production cycles) changes in the market climate, because their current assets are bound in incomplete projects.

The immediate cause of the financial collapse of such ‘slow’ sectors at a microlevel is that their current assets are bound in incomplete projects, in the output that the customers do not need unless it is complete. And the rapid (in comparison with the duration of the production cycles) changes in nominal price-list caused by the wave  $\Delta(S+K)$  movement, can create a situation when the customer is unable to pay for the job done, or when the purchasing power of their current assets, gained as a result

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<sup>10</sup> It must be noticed that the catastrophe potential – the nominal paying capacity, outgoing the turnover at the prices administered by the state – was created in the époque of N. S. Khrushchov – M.S. Gorbachov.

of the sales of their output during previous cycles of the wave  $\Delta(S+K)$  movement, and as a result of selling the currently produced output at pre-arranged prices, will not be sufficient to continue and support the further production or for the sector development purposes.

The above description of the wave  $\Delta(S+K)$  movement can be strictly proven with the use of mathematics by performing the input-output study in a value form.

The only type of businesses that can flourish in such economic environment are the ones with the fast turnover of capital, and in the first place those which satisfy degradation-parasite needs spectrum. It happens due to the fact that excessive (comparing to demographically defined wants) nominal effectual demand of some groups of population and the demand of morally damaged groups can only take a shape of satisfaction of degradation-parasite needs, in case a fall in the production spectrum takes place.

Redistribution of apparent instantaneous aggregate nominal paying capacity ( $S+K$ ) between the 'real sector' markets and parasite speculative markets has a similar effect on the production-consumption exchange. The redistribution of the nominal paying capacity entails the changes in monetary unit energy-backing standard in 'real sector' and in the sector of mass consumption.

This is one of the reasons why speculative markets have to be exterminated whenever occasion serves, to prevent the very possibility of the following scenario to be implemented: *'mass psychosis of already inane stock exchange speculators  $\Rightarrow$  the collapse of credit-and-finance system as means of macroeconomic assembling.'*

**In comparison with the economy destruction mechanism caused by nominal paying capacity changes and redistributing we have just described, the energy-backing standard of means of payment is not only the indicator of possible future troubles in money circulation and in production and consumption exchange of goods, but it is also the best indicator and tool of control at the macrolevel. That makes it different from the previously used 'gold standard.'**

Statehood can pursue different policy regarding energy backing standard. It may increase the value of ( $S+K$ ) in direct ratio to the growth rate of the launching of new power station facilities.

It is possible to keep ( $S+K$ ) constant or make it grow (the growth should be a bit retarded in comparison with the growth rate of electric power supplies to the production sector.) In that case the purchasing capacity of a monetary unit will grow on each market, which will be observed as a steady price decrease and the welfare growth of all the groups of society (but not only those groups of population whose nominal incomes and savings are excessive in comparison with demographically determined needs.) Herein, the pay policy must prevent the population from receiving incomes that are excessive in comparison with satisfaction of demographically determined needs (anyway, as soon as a family has purchased a place to live and the means of transport, corresponding to the standards of demographic sufficiency, their incomes, which can be used for personal consumption {not for production or charity purposes} should be limited)

**That mode of credit-and finance system performance used to be called 'Stalin's policy of planned reduction of prices'. And it is the mode that is most preferable for the majority of population, for those who are ready to work honestly in their profession, those who do not want to change place of work seeking for 'big money' or for a possibility to stick like a leech to the ever-living source of unearned incomes.**

The factor which prevents the transition of the system into the above mode of performance is cost of borrowing.

Loan itself is the means of quick adjustment of nominal effectual demand to the output supply spectrum (at set prices). When the production-consumption exchange of goods is stable, and when credit-and-finance system performance is steady, the fluctuations in  $K/(S+K)$  are mainly seasonal and they change insignificantly for a number of annual production cycles<sup>11</sup>. That is why in succession of a number of annual production cycles interest-free crediting itself does not have any effect on pricing and standard of price.

However, if lending includes interest rate, the interest rate causes:

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<sup>11</sup> Fraction  $I/(S+K)$  — is a characteristic scaling factor which makes dimensionless all the nominal credit-and-finance indicators of diversified systems of production and consumption and their functionally-specified components. A theory of similarity of diversified systems of production and consumption is based on that scaling factor of dimensionless, which is used as a tool of correct comparison, analysis, forecast and planning of production and consumption activity at macro- and microlevels.

- the outgrowth of nominal prices in comparison with the growth of price-adjusted<sup>12</sup> production spectrum, because the price of the output includes the need to return the loan and the interest.
- the irreversible flow of nominal paying capacity of the society from the society to a corporation of usurers, which, when the usurers are free to operate, generates high monopoly purchasing capacity, which an unideaed society cannot fight back.

The two above factors, generated by interest, lead to the loss of purchasing power of the society as a whole, which slows down and stops the sale of the output (regardless its quality and demand for it) and can make credit-and-finance system loose the ability to assemble numerous microeconomies into a single macroeconomy. In that case a particular amount of unreturned interest-generated debt can emerge in a society; that debt will be distributed among all physical and corporate bodies, including a faction of the least happy usurers.

The amount of unreturnable debt may be discharged only by additional issuing of means of payment. *In the first case, when usury is free, interest rates, being the vehicle of irreversible price growth, force the state to lower the energy backed monetary unit standard.* Such kind of emission always objected to, However, if we refuse from doing so, we will turn the society and its production-and-consumption system into a financial slave of the corporations, because it has been strangled by designedly unreturnable debts and has to work for free to cover the debts, and its consumption is limited by bloodsucking creditors.

That is exactly what happened in Russia in the course of reforms, so all the reforms, until the end of 199, have been sabotage, war waged on the peoples of the USSR and Russia with the use of 4<sup>th</sup> priority means, supported by the means of the 3<sup>rd</sup> priority (spreading nonsense theories concerning the causes and mechanisms of the social and economic crisis that has been lasting for several decades now.)

The above said has been strictly proven mathematically by performing the input-output study in a value form.

The distinction in kind between the ‘tax pressure’ of statehood and usury vampirism is following: as soon as currency circulation had emerged,

- taxes take from manufacturers some of his real output in value form; if that share is not stolen, it is used for reasons of state. If the state expresses the interests of the overwhelming majority of honestly working population, then everything that had been taken from the society as taxes, is returned to the society in the form of diversified state-provided personal social security. In other words, in such a state the ‘pressure of taxation’ oppresses no one, for everything taken off in a form of taxation comes back to the same society in some way.
- usury sucks off the society a set share of the output (in the value form), which has always been higher that a useful effect achieved as the result of the loan. Consequently, the society becomes a slave of a supranational corporation of bloodsuckers – racist usurers.

The fact that mass-media, numerous political blabbers, including the party leaders<sup>13</sup>, blow the fire of hatred to ‘pressure of taxation,’ keeping silent when it comes to usury vampirism, univocally shows to whom they serve and against whom they do so.

If we are going to get rid of the crisis and move to the development of Russia with no crisis, we need an article of the Constitution, which will make put a ban on participation of a Russian party (Russia’s statehood, private or legal entities) in any kind of external and internal deals connected with lending at interest in all possible forms. Those who break the law must be considered traitors to Motherland, and their crime must be seen as a crime against humanity. *That declaration must be proclaimed at the UNO.*

**Interest rate – ‘free’ price of credit, is a component of a price-list base, not being a result of work or free goods.** The interest rate is set for the states and regions by wheeler-dealers from a supranational usurer corporation that usurped banking; so interest rate does not express free balance between supply and demand for loans. Until usury (including its banking shapes) is considered by Law as a sector of private enterprise, the state does not have a statutory motive to reason the ban on usury. If a state proclaims its own monopoly right to administer prices of price-list bases, the issue of a ban on lending at interest will be solved in accordance with the Law.

This is neither a ban on banking activities, nor destruction of payment and clearing infrastructure of society. Every bank – state bank, central bank, each commercial bank, - has to stop being a ‘state farm’ of usurers, as it

<sup>12</sup> Steady prices are an indirect step to indefinite value of energy standard of means of payment backing.

<sup>13</sup> Among such parties are KPRF, LDPR, ‘Yabloko’ ‘The Union of Right Forces’ and other, less known mobs.

is now; it has to become an investment fund which provides the structural reconstruction of diversified production-and-consumption system of the society and the development of the production capacities of the sectors. Their only incomes, which will be used for replenishment of their loan resources, will come from their share of profits made in the 'real sector' of economy as a result of implementation of socially useful projects designed by their 'brain trusts'. **The banks whose 'brain trusts' are unable to perform that function do not have a right to exist.** So, if some banks will not manage to restructure themselves in order to offer interest-free loans and crash, it will be perfect, because we will have fewer useless mouths to be fed.

In the system of interest-free crediting, the lowering of electric energy tariffs and simultaneous build-up of energy standard, will unbar the pass to lowering non-nominal values on the final product market as the needs of the society will be satisfied all over the demographically determined spectrum of needs and to rooting out the degradation-parasite spectrum of needs.

Taxation and subsidy policy has to maintain the purchasing power in sectors, regions at a ratio which is necessary for stable performance of the market mechanism of distribution of the output, in accordance with the demographically defined plan of social and economic development of the state and the society.

## 2.4 Rates of exchange: relative and absolute

There is no use in considering the issue of national monetary (payment) units if we do not take into consideration the global exchange of goods, between regional (including the regions which are state territories) production-and-consumption systems.

The global production-and-consumption exchange of goods in his existing shape is manageable. Global management of the exchange has its roots in ill will, it is performed in the form of Biblical-Talmudic project and implements the policy of ‘how many of those bastards’ they need and how to keep their bodies and souls together at a minimum subsistence level so that the ‘real people’ were always very well off.

Limits of production-and-consumption growth are put with a time lag, which leads to catastrophic consequences, while the restriction volume is insufficient<sup>14</sup>.

Global management of production-and-consumption exchange of goods is based on:

- supranational corporate racial monopoly for usury;
- management of parasite turnover of stock exchanges, currency exchanges and, partly, commodity exchanges.

As a result, we can see rapid changes in energy backing of monetary unit, which play the role of world means of payment (nowadays, *as yet*, it is US dollar), globally, regionally, with all the collateral damaging consequences that we discussed in the previous chapter.

That management is a part of global policy, so if we want to protect ourselves from its malicious effect on the regional scale, we will need to have an alternative global policy, efficiently performed with the help of all the means of management from 1<sup>st</sup> to 5<sup>th</sup> priority. It is necessary that the conditions, which would eliminate the possibility of a new world war outbreak, were created by means of 6<sup>th</sup> priority.

When creating a system of global production-and-consumption exchange of goods between countries and regions, we will inevitably have to use a mean of payment playing a role of world money. It may be a specially introduced unit (like ‘euro’), or a monetary unit a particular country (nowadays it is a dollar, but it used to be a pound of sterling, *etc.*).

Global management of purchasing capacity in the regions and its distribution by the regions and countries will be inevitable. In the previous chapter, we discussed the purchasing capacity management by the emission volume, price-list base (energy tariffs, interest rate) and by formation of income statistics (including the value of hour rate). Tools and ways of purchasing capacity management on the whole are the same; however, the features of the global management to do with world monetary unit and monetary units of individual nations has a two-step structure, which distinguishes the world monetary unit from other units.

**Firstly**, this is the management of energy supply standard of the dominating world means of payment (before the rest of circulation indicators), which is achieved by control of its issuing and exporting from the issuing state.

If the process is managed successfully, the purchasing power of the monetary unit on all the markets should (at the most) grow as the time passes by, and (at least) decrease slower than the purchasing capacity of other monetary units. That feature, intentionally supported over long time spans, makes it preferable as a dominating world means of payment in comparison with the rest of monetary units.

**Secondly**, it is management of purchasing power of monetary units of other countries, which defines their rates of exchange to the world unit of payment.

Since the functions are separated in such a way, the global credit-and-finance system, which acts on the basis of a world monetary unit, performs more or less efficiently the function of assembling the global economy from a variety of regional (national) macroeconomies. And the state-run credit-and-finance systems, which

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<sup>14</sup> The main ecological problem is to define the maximum volume of production of technogenic energy that would not cause damage to the biosphere; technogenic energy distribution has to be restricted by the following:

- Power plants do not have to produce fuel decay products which are not natural for the circulation of matter in nature, (neither their quantity composition, nor quality emissions). Any kind of nuclear power stations is biospherically impermissible, because it can lead to changes of biosphere because of the decay products of nuclear fuels.
- technogenous, energoinformational flows in the areas where power is generated, transported and consumed should not distort the natural energy flows and their seasonal rhythm on a scale that could lead to climatic changes that cause biocenosis destruction.

work on the basis of their national units of payment, more or less efficiently perform the procedure of assembling national economies, which are regarded as ‘microeconomies’ in comparison with the global macroeconomy.

It follows as a logical consequence that the direct *internal* author of the fall of ruble exchange rate on August,17, 1998, was the government of V.S. Chernomyrdin, not V.S. Kiriyenko.

In January, 1988, in Davos, V.S. Chernomyrdin announced the ‘we have to raise the Central Bank refinancing rate up to 46%’ (before it came up to 21%, which was not less harmful). Six months later the usurers from the Central Bank, on order of the Russian government increased the knowingly nonreimbursable debt, which annihilated a part of ruble’s purchasing capacity, so the ruble exchange rates fell down. The responsibility was passed onto S.V.Kiriyenko, who allegedly acted wrongly; but after a usury bounce allowed by the government of V.S. Chernomyrdin, *whatever actions within the frames of economics for ‘clerks’ were done, they inevitably led to crisis.*

We just wonder if V.S. Chernomyrdin is an intellectual pervert, whose economic views are perverted by economic theories for ‘clerks’, or there was a direct dictate in Davos, which he submitted to, or both assumptions are true.

Relative exchange rates in global exchange of goods are the most generalized expression of mutual claim balance for the trade parties of two nations, each of which is trying to cover, on the account of the other party, a component of needs spectrum that is produced insufficiently. This statement is a commonplace. However, when we consider all possible pairs of such commonplaces, we can ask a question: ‘*how do you express an absolute rate of exchange of means of payment?*’

Now we can give the answer to that question.

**An absolute rate of exchange of means of payment** is the **standard of its energy backing**, *realized in a particular (of global importance) concept of accessible energy potential management in its external and internal production-and-consumption exchange of goods, when a particular quality level is achieved (in accordance with the concept chosen).*

The limitation printed in italics does not let us define the relative exchange rates unambiguously, as a value of energy backing standard supported by state by means of macroeconomic management.

But it allows us to understand that the behaviour of a conceptually indefinite management (*i.e.* an attempt to implement two mutually exclusive concepts within the same society) dooms the state to a low exchange rate of its currency.

For Russia, it means that there is a need to decide:

- if the Russians are going to become slaves, whose consumption welfare will be determined by the arbitrariness of masters of the Biblical-Talmudic project (in the past, that ideal aim used to be called ‘capitalism’, bourgeois democracy, and now it is called ‘the civil society’), like in ‘advanced’ European countries and in America, and in their former colonies;
- or if there will be neither slaves, nor slave-holders, but humanity instead, and all the human needs of each person separately and all people together will be satisfied in a guaranteed way in the succession of generations (in the past it used to be called ‘communism’, however the ruling elites prevented it from being built, for the ruling elites were enslaved by their own degradation-parasite spectrum of needs. They distorted the people’s ideal of communism and the work of its implementation in everyday life by means of their policy.

The person who makes a choice of one of the two mentioned above, mutually exclusive concepts of life of the humankind on the Earth, should know that the Russians are from the point of view of a slave-holder) an ignoble, pitchy, and inutile slave, who is always ready to stab his lord in the back or burn him together with his relatives in his house.

A Russian slave cannot be entrusted anything. Whatever he does, he will do it lousy, impermissibly low quality, and the materials and tools will be stolen.

As a result of that morally-psychological feature of *the Russians of different ethnical background*, it will never be possible to build ‘capitalism’ or ‘civil society’ in Russia and in the nations **that have been under the rule of Russian civilization**. As a concomitant circumstance, the absolute rate of exchange of ruble, which represents the management quality correspondingly to the implemented (in practical policy) concept of slavery establishing, will always drop, and as a result, the relative exchange rate of ruble will drop as well.

High quality of management in accordance with the implemented practical policy (either manifestly, or by default) can be achieved in Russia only if a Russian feels himself a master at work, in distribution sector, in consumption sector. In Russia, top quality management can be achieved only if the policy is targeted at the establishing of Lord's Kingdom on the Earth, that is 'communism.'

It was proven by economic, scientific and technological 'wonders' of Stalinist époque<sup>15</sup>. Honestly, slave labour is inefficient, so the peoples of the USSR could rise –for three decades - from primitive plough (and some of them – from the primitive state) to the heights of technological and scientific progress and the best in the world educational background. Labour at that time was efficient because the people gained a new quality of freedom, which they lacked in the Russian Empire, and what those who criticize that époque and personally I.V. Stalin, cannot understand.

- Although everything presented here was written in the tideway of a particular concept opposing ill-will (as we see it), nevertheless, the *concept and glossary of economics for masters itself* allows to use it for production and distribution management in line with the concept of 'how many of those bastards' do we need and how to keep their bodies and souls together at a minimum subsistence level so that the 'real people' were always very well off.

That is why we need to shed some light on the general matters of jurisprudence, particularly, the problem of property.

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<sup>15</sup>Nowadays, an artificially blown cult of G.V. Zhukov, who really was an outstanding on-land military leader of the XX century is designed to sink I. V. Stalin and his deeds into obscurity. I. V. Stalin coordinated battle line, rear, the whole home and foreign policy. He coordinated the whole politics of communism construction practically, not verbally, which makes him different from Trotsky and Khrushchev and the subsequent 'leaders of world communism' and 'eurocommunism' in particular.

**In that position – the position of the Supreme Coordinator of the Soviet Union, I. V. Stalin was irreplaceable for the whole span of history after 1917.**

If we consider the activities of G.K.Zhukov beyond his military specialization, we will see that in the cold war, ignited by the wheeler-dealers of Biblical-Talmudic project after 1945, G.K.Zhukov was their tool to a great extent. In particular, he never rose a question of creation and application of the navy force of the state, and played a great part in Admiral Kouznetsov-bating. As a result, during the 30 years-long command of S.G. Gorshkov, the USSR navy looked powerful, but it was not, within the limits that were necessary to keep peace and social-economic development of the USSR. That illusory state, much deteriorated since then, was inherited by Russia.

### 3. Ownership

Right is an open possibility to do something having a guarantee that you would not be hurt by retribution for what you have done. According to Russian outlook on the world, such notions as ‘right’ and ‘rightfulness’ are mutually connected, and their word roots are the same. Therefore *right* expresses *righteousness*, so right is higher than the law, which may express unrighteousness. The assertion that ‘Right’ and ‘Law’ are synonyms comes from ill-will and is an example of obtrusion of mixed up notions on the society in order to substitute *right* by unrighteous law.

Correspondingly, if we traverse the subject within the framework of the system of thinking where ‘Right’ and ‘Law’ are synonyms, we will have to distinguish in social life two categories of rights:

- objective rights, given to humans and humankind from Above; *the first of them includes the others – the right to be the Vicar of Lord on the Earth in good faith and in accord with the meaning of the Revelations.*
- subjective rights, established by the participants in social life on the base of their morality-wise arbitrary will, which can express either righteousness or unrighteousness.

Hence, there may be, and there are conflicts between objective rights, following which, we can see the expression of the Agency of Providence, and subjective ‘rights’, when the lawmakers make an attempt to prevent the Agency of Providence from being done with the help of their own pong.

People render other people ‘competent’ to have any outlook, but the God, as the Revelations say, does not give a human a credit for being an atheist, *i.e.* denying His Being or worship something or someone of created by Him, and He does not give people a credit to fall into Satanism.

Atheists are the people who carelessly or logically denies a real fact that **God gives proofs of His Being to every person by responding to their prayers with changing the circumstances in which the person lives, the more expressively, the more responding is the person to God’s appeals to him through his consciousness, through other people, works of art, and signs in ordinary situations.**

However, even atheists have to admit that ‘objective laws’ really exist, whether or not they entify their Source, for every time people or humankind break the objective laws, the retribution follows, carrying damage, illnesses, traumas, social disasters and global ecological crisis of biosphere as the severest of the retributions that people could hail on themselves.

The meaning of objective human rights is often stated in the Revelation, but unfortunately when Revelations were codified into books called ‘holly books’, the sense of the Revelations was either hidden or distorted, or replaced by pong, or replaced by the opposite. But the holly books never have to be the foundations of *religion – an intimate, sensible link between human sole and God – but only a reminder of the need of such a link to lead a righteous life on the Earth.*

As a result, the conflicts between the canons of EACH (including secular Law) holly books, its canonical interpretations and real life is solved by people *believing God directly* in accord with his consciousness and in the wholeness of perception of particular circumstances of life.

This is the background of the outlook for considering codified and not codifies laws and separating them into two categories:

- a normal algorithm of self-management of a society in accordance with Providence in particular circumstances;
- subjective ‘rights’, established on the base of degradation-parasite moral, which hampers creation of the Lord’s Kingdom on the Earth.

Ownership is one of many rights. It id exercised by the subjects-owners in relation of property subjects. The right is exercised either by disclosure or by default. At the same time, disclosures in real life can be oppressed by collateral defaults. The breach of Biblical Commandment ‘*thou shalt not steal*’ by the Biblical prescript to Jews to deal in global usury based on racial, corporate foundations can serve an example of such a state.

Albeit if the subjectively established ‘rights’ entrench upon breaking of rights objectively given from Above, the objective rights will work, even if there is a delusion that the subjective ‘rights’ are exercised. An example is the Ascension of Christ, reported in the Koran Revelation (4:156) and explaining the meaning of the Solomon’s prophecy. But the ‘eye witnesses’ who did not sincerely believe God, authenticated the Crucifixion

of the *Holly Man*, after which they have been maintaining the cult of execution of holly people for thousands of years in a mindless hope to achieve the bright future basing on that faith, contrary to the word: 'You will be given to your faith'.

The concepts of social structure based on good will, people cannot be the objects of property, neither openly (slavery, feudalism, serfdom), nor by default (capitalism being strangled by usurers or being strangled by personal 'copyright' for the objects of 'intellectual property'.)

The notion of right of ownership to capital goods has a special position among the ownership rights, because it is the source of lots of things in legislative control of economic life of society.

**The notion 'right to own capital goods' is meaningfully explained only as the right to control production and output distribution, either personally, or through proxies.**

The notion of right to such objects as land, mines and carriers, water and other natural resources means the right to organize labour of people exploiting the natural resources, as well as a right to restrict access to non-productive use of them (for leisure purposes, *etc.*)

Right (seen as a subjective right, established by society) and cost are intrinsic features of social organization, not nature. When such rights are purchased, we pay for the result of human labour activity in the past, present or, a possible result in the future. Pay for the cost of natural resources and goods, which do not have cost, is a limitation by nominal paying capacity to use them and create the sources of payment for the work, which facilitates their reproduction by forces of nature itself.

The notions of private and public ownership are connected with social division of professionalism and its reproduction when there is a generation change in the in social unification of labour. They are explained through the way of formation the circle of managers.

**Property is private**, in case the staff servicing the capital goods as a whole does not have a real possibility to **immediately** suspend from office those who violated their trust and hire or promote from their circle new managers.

**Property is public**, if the managers who violated trust or did not cope with their responsibilities to enhance management quality can be **immediately** excluded from the management sphere on the demand of the staff servicing the aggregate capital goods. It is based on the condition that the social base of the managerial corpus is not a limited social group where the representatives of other groups are not admitted.

Public property for something in a managerial sense is impossible to introduce by laws, because there is a dominant view that *public de jure* is *nobody's de facto*, and the *nobody's de facto* will become private, personal or corporative. Furthermore, the right to fire a manager can only be useful when the staff realizes that the only reason of firing him is inability to manage at a necessary quality level in accordance with the concept of social life, which is supported by the society. In particular, the use of a managerial position for personal and family-or clan enrichment may be a reason of instant firing.

But the same right in hands of a mindless crowd and a sponging lumpen proletarians will force the most qualified and caring managers out of business and replace them with talkers, who will call their own professional inadequacy to be sabotage of their inferiors, and will make a lot of fuss before they will be expelled; and the public property will be robbed by a lumpenised crowd. It happened in 1917 and caused a disaster, the same thing happened during the perestroika and 'democratisation'.

Public property right comes from the outlook of a particular person and the society as a whole, but not from juridical declarations. Firstly a moral-outlook basis should emerge, which will turn collectively used property to capital goods into social property, whatever legal implementation. Only later, the domination of public property *de facto* will express itself judicially. If there is only judicial formality, but there is no moral-and-outlook basis, the 'public' property is doomed to remain private property in hands of a corporation of villain managers.

That is another reason why there will be no revival of capitalism in Russia, and there will never be 'civil society'.

Private property may be either personal, or corporate. In the last case it may formally look like public. In the USSR, 'nationwide' state and cooperative-state farm property were formally public, but because of 'elite' exclusiveness and the lack of public control over the state bureaucracy, who started to reproduce itself from generation to generation in dynasties, the public property as a whole turned

into private 'elite-corporate' property, whilst the response of the rest of the population of the USSR was nothing but condonation. It was the showing of real state of moral in the CPSU and among the non-party members. At the times of *perestroika* and 'democratisation' the judicial base was put under the factual state.

However it did not fit the ideals of everybody, so the 'elite-corporate' *perestroika* and 'democratisation' were doomed to collapse, because in Russia there is internal, conceptual power, which is an alternative to the global, charlatanic and daemonic power.

**Global policy of creation of the Kingdom of Lord on the Earth will be implemented in Russia in accordance with the objective plan, given from Above. This is the policy of cleansing to free the Earth from everyone who opposes it.**

## *Afterwards*

If the stuff of the brochure does not seem to be full and detailed enough to you, you may find much more detailed materials on the website <http://mera.com.ru/category/library/> in 'English' section.

The Internal Predictor of the USSR