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ECONOMIC PERSONALISM –THE SYSTEM OF JUSTICE,  
A HEALTHY AND ACTIVE LIFE, PERSONAL AND COMMON PROSPERITY

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## FROM THE AUTHOR

This brochure is for those who do not want to live as a wolf or a slave, who are not indifferent to the honor and the future of Russia, for whom Russia is like a mother, who takes care about everyone and gives them everything to be free, healthy, energetic and rich.

This brochure is for workers, youth and intellectuals, who want to escape from the vicious circle of violent life of modern Russia.

The author of the brochure is a practitioner with a huge experience of working in enterprises, organizations and institutions of the USSR, and also as an assistant of the Deputy of the State Duma of the first convocation, the author of a number of techniques and mechanisms for effective investment and production management, as well as articles and books "Ariadne's Thread", "Management of the XXI century" and the monograph "the History and the future of the economy" which tells about the new property relations, and about local and federal self-government.

## THE REASON FOR THE COLLAPSE OF THE USSR

The collapse of the USSR was caused by social injustice in soviet economy. The point is that in the USSR working people were alienated from the means of production, from the results of their work, from power.

What is alienation in the economy? This is when a person is constantly separated from the conditions and results of his or her economic activity.

In the Soviet Union the state was the owner of the means of production. The power was in the hands of so called nomenclature (the most influential members) of the Communist party. Working people (workers, peasants, science and arts community, etc.) were government's employees by the method of remuneration and disposal of surplus value they produced. The state, in fact, was a joint capitalist with a Communist ideology.

When the alienation of surplus value (by an employer) takes place, an employee loses interest in work. That, in turn, leads to low (in comparison with potential) labor productivity, capital productivity, decrease of the efficiency of national economy taken as a whole. That's what happened in the USSR.

Alienation of each person from the means of production, from the results of his or her work, from the power created a problem which demanded resolution. It was important to break social injustice in the economy and to grant the power and the means of production to the working people.

Some economists tried to propose their methods of solving the above problem and their works were known to the members of the Politburo (the main organ of the government in the USSR). Nevertheless, that didn't lead to concrete actions.

Today Russia's economy lies in ruins: there is no industry, agriculture, and medium business. There are oligarchs and 2 million bureaucrats that rob 137 million Russian citizens and destroy national wealth.

All capitalists in Europe, America and Asia have united in anticipation of the death of Russia, when it will be possible to join Russian financial oligarchy, to divide the territory of Russia into spheres of influence, and to turn the Russian people into

cheap labor force.

The Russian government conducts the economic policy that makes the above situation possible. Moreover, today there is no opposition, and namely left-wing and patriotic political forces, strong enough to avert such danger. These forces are divided; but they CAN unite under the auspices of dialectical materialism which is the scientific outlook on democracy, on a society without exploitation and with the higher labor productivity.

Using the methods of dialectical materialism a political group "New Communists" developed a system of economic personalism. This system can create a society of justice, without exploitation and with the higher labor productivity. The members of our political group ("New Communists") think that it is possible to create a united left-wing political party on the platform of economic personalism, to stop the destruction of Russian economy and to build a powerful secular state with genuine socialism and (hence) prosperous, happy, healthy, energetic and rich people living there.

HOW, WHERE AND WHEN  
DID ECONOMIC PERSONALISM EMERGE,  
AND WHAT ARE THE BASIC PRINCIPLES OF  
THIS SYSTEM?

Economic personalism is the newest and, at the same time, successive model of the future Russian economy. The basic idea of economic personalism is a collective, truly socialist mode of production and appropriation ready for practical implementation.

Economic personalism didn't originate during the collapse of the USSR, when it was a freedom to say whatever one wanted. It emerged in the Soviet period (70-80s) due to the need to revive stagnating national economy. It arose with the aim of achieving higher productivity in comparison with the private capitalist mode of production in most foreign countries.

The soviet government at that time declared objectives to work out measures:

to stimulate production;

to develop the system of financial incentives of the employees;

to distribute and use efficiently the profit of enterprises,

i.e. those measures that were not sufficiently developed.

I can cite the words of the Secretary-General of the Communist Party Brezhnev at the plenary session in 1979. He admitted (quote):

"In terms of improving production efficiency and quality of work we didn't manage to move forward as it had been planned... huge funds are invested in the national economy... we are continuously increasing production assets, engaging the new workforce, but the final result is smaller than the available opportunities... large factories for the production of fertilizers have been built, but their facilities are not used properly... chemical plants in Ruza and Penza stand half idle... positive changes in metallurgy are implemented too slowly... technical progress is sluggish... the first batch of heavy tractors manufactured on the Cheboksary plant turned out to be unsuitable for use..." (end of quote).

There was a slowdown in productivity growth, the slow decay of the economy. And that crisis was noted by many economists at that time.

The main problem was in the form of remuneration. The form and method of remuneration in the USSR created only the illusion of the link between earnings of the worker and the results of his or her work. The remuneration forced to work, but did not lead to business activity. And people understood that. In such system of the distribution of benefits most people would never work intensively on their own. This is the international practice. The same practice exists in modern Russia.

The stagnation of Soviet economy can be explained by the indifference of working people to public production caused by the injustice in remuneration.

The Soviet government tried to educate Communist consciousness. But, in my opinion, remuneration of labor is the main factor that affects our consciousness. Working people felt the injustice that's why they could not fully absorb Communist consciousness.

The solution of the problem of objective and fair distribution of benefits in

public production - this is the primary condition for the revelation of the potential of working people and for overcoming stagnation of the economy.

Life put me in such conditions that I started to research the problem of Soviet distribution and appropriation. And I became interested in it.

Studying Marxism I realized that the remuneration of labor practiced in the Soviet Union and the capitalist system of wages and salaries were similar. The system of remuneration in the USSR was inefficient and could not lead to higher productivity, because, by alienating surplus value, it made each working person indifferent to social means of production, and to the results of their work.

Since the problem of the activation of a man couldn't be solved within the existing system of remuneration, I decided to study the fundamentals of the Marxist theory (including materialistic understanding of history and capitalist production by means of surplus value). It helped me to find a solution.

Since the capitalist mode of production is based on exploitation, and exploitation, in turn, is based on the expropriation of surplus value (surplus value is an unpaid excess of the product of labor over the costs of the maintenance of labor, i.e. wages), so I made the following attempt:

1) I looked more closely at the form and manner of the capitalist and soviet production and appropriation of surplus value (profit),

2) I tried to understand whether the production of surplus value is the essence only of the capitalist world or the surplus value was also produced in the Soviet period, taking into account the continuity of economic development, and the need for progress,

3) I tried to understand how the surplus value is related with profit, whether it is a kind of disembodied abstraction or it is a specific value generated in the process of production,

4) I tried to find out who and how produces it in the direct production at factories, farms and organizations (enterprises), and to calculate the amount of surplus value in each case.

I made a research (relying on Marxism), and I managed to find the answers to



the above questions. It became clear:

- ✓ that in the Soviet Union, the working class actually replaced numerous owners of private capitalist world with one joint capitalist, the Soviet state, which was alienating the surplus value from its direct producers – the working people of the USSR;
- ✓ that surplus value is the excess of the product of labor over the costs of the maintenance of labor, that surplus value is always produced in the modern world, and it is the basis of the social, political and intellectual progress;
- ✓ that surplus value is produced in the process of production in the form of specific quantities;
- ✓ that it is produced by working people in enterprises, households and organizations;
- ✓ that surplus value can be calculated, and that during the process of exchange it transforms to the profit of its producer and the question is: who appropriates it?

There were two main tasks:

1. To solve the problems of motivation (of a working man) and higher productivity in comparison with the capitalist system.

2. To complete the transition state period and to build the nationwide public highly productive socialist production.

My initial development was supported by the newspaper "Komsomolskaya Pravda" (November 24, 1977, article "Out of sight... with the subtitle: That is how in one of the Research Universities the fate of a young scientist and his work was controlled"). My works were appreciated by the doctors of economic Sciences I.S. Polovinko, N.M. Isayenko, V.F. Kluykov, doctor of agricultural Sciences N.M. Kramarenko, doctor of technical Sciences V.M. Bondarenko, candidates of economic Sciences V.I. Ermolenko, A.N. Zhivaev and M.M. Korolyova, candidate of agricultural Sciences B.S. Minster.

In June 1987, working in Gosagroprom of the RSFSR, I found strong support from a well-known and influential specialist-technologist Nina Ivanovna Savina. She was the head of implementation Department of industrial technologies.

She protected me from the conservative bureaucratic environment, so I stepped from the theoretical discoveries and fundamental, but uncoordinated formulas, to the system of calculations of a principally new method of distribution of material goods, based on the appropriation of profit by each working man according to the amount of excess value he or she produces.

The proposed method of appropriation releases latent creative energy of each person in direct production and science.

Proposing this new idea (the distribution of material goods, based on the appropriation of profit by each person according to the amount of excess value he or she produces) and a mechanism of its realization, N.I. Savina and I visited many districts and farms in the regions of Tver, Kursk, Lipetsk, Volgograd, Kemerovo, Murmansk in 1987-1989. We noticed great interest in our ideas everywhere, and we were asked to prepare the implementation of the new personalized system of appropriation and distribution of profit (in collective farms and state farms), which in 1989 was already recognized by us as the new system of the property relations.

In 1989-1990 under the auspices of the Minister of agriculture of the RSFSR, and then First Deputy Chairman of the Council of Ministers of the USSR -Vladilena Vladimirovna Nikitina, we practiced new property relations in the sphere of production in the Mikhailovsky district of Volgograd region.

With the strong support of the Creator of missile systems, including the SS-20, SS-25, the people's Deputy of the USSR from the Volgograd region Valerian M. Sobolev, who called the system an "algorithm of socialist production", and with the active participation of specialists of the region, including agronomists and economists of various farms, and with the help of the students of the Timiryazev agricultural Academy we carried out a large-scale economic survey of all the farms located in Mikhailovsky district and formed the first common standards of production (in this case – milk) on the socially-necessary level depending on different professions and types of work.

Using these norms, we imposed a new order of personalized appropriation and distribution of a profit on the actual and projected performance of employees in

different farms. We received the results which made us to admit that the introduction of new property relations in practice will be the beginning of effective modernization and strong recovery of the national economy of the USSR.

We stated the results of our work in local and regional press, on the radio and television, in order to pave the way for a durable experiment in the region.

But the attempt to deploy the experiment on a large scale and to obtain the results failed. In the early 90-ies the active phase of so called “perestroika” began in the USSR. That was the redistribution of power. The concept of the diversification of economy prevailed; capitalist ideas became popular among many soviet leaders. The flagship of socialist ideas, the Soviet Union, slowed down its pace.

Under the circumstances I decided to suspend the implementation of a new mode of production and appropriation of profit. Soviet economy under the pressure of “liberal” reforms of 1980s was collapsing before my eyes.

The study and thorough analysis of the concepts of "property" and "property relations" and the soviet experience (with the nomenclature and bureaucratic production relations and state ownership of the means of production which hampered the development of productive forces) led to the following conclusion: socialist property is the process of appropriation (by a person) of the results of his or her work in cash equivalent during interaction in social production with his or her part of the means of production and other working people.

New property relations are the relations of socialist property: people who do not work (children, students, pensioners and other disabled people) – are the owners of certain shares (parts) of the national wealth in money equivalent; and each working person is both the owner and the worker: the owner of the means of production, with which he or she interacts directly in the process of production, and the owner of profit which can be calculated in accordance with the excess value he or she produces.

We know that the profit produced by the working people has always been appropriated by the capitalists. In the USSR it was appropriated by the bureaucratic soviet state.

The Soviet Union made a step forward on the path to a socialist mode of

production and appropriation, in which the profit (as equivalent in money of the result of one's work) will be inevitably appropriated by those who produce it.

Tens of millions of workers and specialists produce profit in numerous enterprises and institutions around the world (this is a fact and not a matter of opinion). These workers (all and sundry) are the true owners and managers of the profit.

It is necessary to explain how the problem of production and appropriation can be resolved in the system of economic personalism.

Today we all know the two ways of production and appropriation: the private capitalist and the Soviet (state). In the capitalist system the national wealth is divided between a few private capitalist owners, the state and the municipalities. In the USSR the state was the only owner of the national wealth.

Since in the USSR it was supposed that the state property would have eventually transformed to the public property, the Soviet people equated state ownership with public ownership and associated this phenomenon with genuine socialism. This understanding emerged under the influence of the state propaganda.

However, socialist property is the property of everyone. Genuine socialism emerges when each person directly participate in the ownership and management. The Soviet Union was on the way to socialist ownership. But the form of the state property (which was equated with socialism) hampered the building of the authentic socialist economic model.

It is clear that the property must be public and belong to each person. But if the property is public, how can it belong to every single individual? This was a dilemma for the Soviet party nomenclature and Soviet economic science. The inability of the political leaders of the USSR to resolve this problem eventually triggered off the collapse of the Soviet Union.

Why was this critical question unresolved? The inability to resolve it stems from Stalin's definition of socialism supported by the Communist nomenclature and well-known scientists (in 1936 he declared that the socialism in the USSR was built). But in reality it was a transition period, which was supposed to be socialism. Thus,

the Communist party and the whole Soviet Union came to a standstill.

Economic personalism is a personalized public (socialist) mode of production and appropriation, based on the common indivisible means of production that belong to everyone.

In other words, Economic personalism is a socialist formation, in which the national wealth is common and exists in socially personalized form and, on this basis, is in direct ownership of each person.

National wealth in material form is common and is personalized (each working person owns and manages a part of national wealth). Each working citizen is the owner and worker at the same time.

National wealth in money terms is personalized. It is registered in equal parts on the personal accounts of the citizens (this is the original socialist capital of each person); it is used:

- a) by a civil society in the form of loan capital when a citizen does not work;
- b) by a specific enterprise, which employs the owner of the initial capital, in the form of production (charter) funds of the enterprise.

Each working citizen has the right (at any time, in any form) to interact with common objects and means of labor for the production of his or her life as the co-owner of common indivisible means of production.

Each citizen, who interacts with the means of production and achieves a socially-necessary result in his or her work, receives a warranty (not the wages of the employee), which must not be lower than the subsistence level. A person also gets a profit in accordance with an excess value produced by his or her personal labor.

Thus, the personal income of the co-owners includes lending rate, personal guarantee, and also a personally produced profit (adjusted for taxation, etc.).

An individual uses personal income at his or her discretion. The income can be very large. But it cannot be used for exploitation (alienation of surplus value) of other people.

As stated above, economic personalism is a developed in detail socialist economic system ready for practical implementation.

This statement can be proved by the formulas, diagrams, tables, and calculations presented in the monographs and articles published by the author – in the magazine “Nechernozem’e” (June 1988, “Pay for Work”; January 1989, “To Work for profit – a new model of economic relations”); in the edition of the Ministry of agriculture of the RSFSR (1991, “A Package of normative technical documentation for the development of new property relations in processing enterprises of the Ministry of agriculture of the RSFSR”); in the newspaper “Hammer and Sickle” (September 1993, “The Way of overcoming the crisis, building civil society of social justice and promoting a sustainable, dynamic economic development of Russia”); in the edition of Moscow state University (1995, “The Thread of Ariadne”); in the magazine “The Dossier of accountant” (1996, No. 23, “Where to drive “Russian locomotive?””); in the publishing center “Mirror” (1998, “The Management of the 21st century”); in the publishing house “Moscow writer” (2009, “The History and the future of the economy”).

Today there is no unity among the Communists and patriots because of the collapse of the system of total state control over the production in The Soviet Union. The members of Communist Party of Russia are trying to revive the system of state production, assuring they won’t repeat the mistakes of the past and will improve the system. Others rely on the method of Chartaev, or prefer the method of Stanislav Fyodorov. Some people believe that the prototype of socialism is in public enterprises.

However, it should be obvious for the Communists that we should take Marxism as our starting point. The systems developed by Chartaev, Fyodorov, etc. do not reflect the principles and ideas of genuine democracy and self-government of the people. The Soviet Union, as stated above, was on the way to self-government and democracy. So we should use Soviet experience to build socialism. It is not necessary to reestablish Soviet economic system to carry out socialist reforms. We can move to socialism by reforming the economy of the modern Russia.

**SOCIALLY PERSONALIZED ORGANIZATION OF THE ECONOMY, OR ECONOMIC PERSONALISM, IS THE FUTURE OF RUSSIA, THE BASIS FOR A**

## HIGHLY PRODUCTIVE AND HIGHLY SOCIAL WAY OF PRODUCTION, OUR COMMON GLORIOUS DESTINY.

Studying the experience of the Soviet Union in the movement toward socialism, Marxist materialistic understanding of history and Marxist revelation of the principle of exploitation and lie in the system of capitalist production, I have developed a high-performance socially personalized mode of production and appropriation of national income and prepared it for the practical implementation.

This model should have replaced the weakening administrative command political system of the Soviet Union, and it will inevitably replace the rampant capitalist system of the modern Russia, which regularly creates problems and can't resolve any of them.

Why do I affirm that the socially personalized mode of production and appropriation will come to the Russian land? That is because the capitalist system throughout the world has exhausted its positive resource. The natural goal for capitalism in the manufacturing process is to derive a profit. In order to attain this goal capitalists use advertisement and lie promoting their production. Advertisement is a lie. It is not the engine of progress, it is a method of shameless enrichment.

The personalized mode of production and appropriation will surely come to the Russian land. But as we know, water does not flow under the lying stone. So it is necessary to know what to do to let the better life come.

I affirm: the economic personalism is the only economic system that suits interests and aspirations of the civil society, of each Russian citizen of any origin.

Our government, aiming to make Russia “happy”, tries to put its economy on the path of America, Japan, etc.

But this idea is extremely dangerous and stupid. The pro-government group of scientists and officials do not respect our history, they are not proud of the fact that Lenin was born in our country, and that Russian people began the process of building of the socialist society, and thus, changed the destiny of the world.

Follow me, and a healthy, vigorous, rich, and, therefore, happy future will open its doors to each person.

SOCIALLY PERSONALIZED PRODUCTION AND APPROPRIATION AS THE  
FUNDAMENTAL PRINCIPLE OF SOCIALIST  
PROPERTY RELATIONS  
AND HIGHER PRODUCTIVITY

"The history shows that the leader in the field  
of labor productivity, in the end, becomes  
economic and political leader in the world".

J.K. Greyson Jr., K.O. Dell

"American management on the verge of the 21st century"

The system of capitalism (in the form of private capitalism or state capitalism under communism) is not able to motivate employees to work efficiently for their owners.

Only socially personalized production and appropriation of a profit links directly each worker with the profit he or she produces through excess value. This system makes possible socialist self-motivation – which is inner urge to work caused by the right to produce and appropriate the profit, which leads to higher productivity.

Productivity is, in the end, an excess value produced by labor during a certain period: i.e. the excess of the product of labor over the costs of the maintenance of labor.

I studied the problem of motivation for many years in various theories and in different spheres of national economy. Today the officials and employers think that the employees are inactive and aren't the key factor for higher productivity. The employee is considered and used as a "human resource" in the list of the means of production along with information, capital, resources, and materials.

Such practice reflects the relations between the employee and the employer, and hampers productivity growth in enterprises in all countries; and in the Soviet Union, despite the Communist ideology, it led to the collapse on the way to socialism. This attitude towards an employee costs hundreds of billions of dollars of



losses, including funding ineffective scientific developments in the field of labor motivation.

According to Rosstat, the rate of growth of labor productivity in Russia in general decreased from 7% in 2003 to 6.5% in 2004 and to 5.5% in 2005. In 2010, in comparison with 2005, it decreased by 9.7 %. The decline continues.

Authors in America and Europe who are interested in this problem affirm that technological and production equipment of companies, as well as the availability of natural resources on the territory of certain countries becomes secondary to the productivity problem.

The reason for a slow productivity growth lies in the motivation of labor.

In the current motivation system it is labor that hinders productivity growth. Therefore, social and economic strategies are not implemented successfully, and the costs exceed the permissible scope. American Harvard Business Review states that despite some decisions made by the government, almost nothing changes.

Managers, however, have to rely on the direct executors of decisions, i.e. direct producers of goods and services who drive organizational and technological efforts of managers to a level consistent with the interests of hired performers.

This is the true economic reality.

My practice, as I have already said, on the farms and in the Ministry of agriculture and food of the RSFSR (in the late 80s I was engaged in scientific organization of work and implementation of industrial technologies), has convincingly shown that everything depends on a worker, in whose hands the new equipment and technologies are used. My colleagues and I visited many farms in different parts of Russia and found out it was true. The result of my research was in a universal way of personalized appropriation of profit, which makes every person active in the beginning of the production within his or her abilities.

If not for the betrayal of the nomenclature of the Communist party in the early 90s, we would be living now in a real socialist world.

But we know what to do. Therefore, democracy will be established.

In 2004 an Interregional public Association "the Fund for higher productivity"

was established, and I was elected Chairman of the General meeting of the Fund. In 2007, we attempted to find a region for practical introduction of a new form of personalized appropriation. This can be done in modern Russia.

In early 2007 we sent 130 letters to governors and scientists with a request to consider our proposal to create an "organization for higher productivity with the target program: "the System of the stimulation of the active demand on research and development in industry and agriculture". Letters were received by all recipients. But only 49 of them responded. 32 of them supported our initiative.

Some scientists also responded. We received a positive Expert conclusion from the Director of the Institute of Economics and business in Ulyanovsk state University Eugene M. Bely: "the Project of V.S. Petrukhin, " he writes, " contains a number of interesting scientific and practical proposals for changing and optimizing of the ownership structure in enterprises and organizations of the Russian Federation... the author's suggestions, when fully implemented, will require a full and complete revolution in the whole system of relations of property and production relations in the Russian Federation... revolution, comparable in scale only with the October revolution of 1917...".

We also got a positive conclusion from the doctor of economic Sciences, Professor of Yaroslavl state technical University Vasily Ivanovich Korniyakov "About engineering interpretation of Marxism" (Economic and philosophical newspaper, No. 22-23, June 2008).

We appealed to Putin and offered to discuss the proposed system in certain agencies and in the civil society with the help of mass media. We proposed to write about the problem on the pages of the respected and widely read media on the theme: "the productivity and profit, appropriation and performance, personalization of appropriation as a path to higher productivity". We also offered to begin practical work in one of the regions.

The presidential administration has requested Federal Agency for science and innovations whether our proposal was an important state matter and the basis for the development of the project of a target program? The head of the Department of

innovative development and infrastructure Mr. Suvorinov wrote that “the proposed system contradicts the current legislation, and it must be the prerogative of the owners of the enterprises to choose ways to stimulate and motivate employees”.

On the nineteenth of April, 2011 there was a conference (within the framework of the first all-Russian forum of Industrialists and entrepreneurs) on the topic of "the Productivity and quality of workforce and the challenges of post-crisis development".

The conference was attended by many distinguished people, scientists and specialists: Mr. Karachinsky (the President of IBS Group Holding), G.Ch. Mahakova (the Director of the Department of economic and social development and priority programs of the Ministry of economic development of the Russian Federation), O.V. Kulikov (General Director of the Association “Rael O.”), O.V. Nazarova (Director of the Corporate University, UC RUSAL).

They revealed the reasons that hinder the growth of labor productivity and the improvement of the quality of the labor force. They made suggestions of what should be done by the legislators and businessmen, to let the employee work effectively and what is needed to modernize the economy of present innovative Russia.

That is right for the current Russian situation, but is impractical for two main reasons.

The first reason: the owner is self-motivated, and the employee is motivated. They have conflicting interests. Whatever we do, their interests will never coincide. The owner wants every employee to help him achieve success. This is the unsolvable problem of the economy in the modern capitalist world.

The current system of labor motivation can't resolve problems of productivity growth due to the opposition of the interests of the entrepreneur and the employee. The system "entrepreneur - employee" is completely exhausted.

Contradictions will disappear when the owner and the worker will stand as one person. Only in this case the interests of the owner and the employee, will coincide, because these will be the interests of the same person. It is important (as I have already said) that the person will lose the quality of the employee and will acquire all the qualities of the working owner. Everything is clear in this system: things

favorable for the owner are favorable for the manager or worker. This will happen in the system of economic personalism which is genuine socialism.

The second reason: the existing method of labor payment is a very serious obstacle to the productivity growth. And now it is important to write about the essence of the socialist appropriation, which is a new way of promoting labor productivity growth.

## THE PROCEDURE OF THE FORMATION OF THE PERSONAL INCOME OF A WORKER

In any economic system the expenses of production must be returned with a profit.

All modern economic schools admit that the profit is created by people in direct production in the form of the excess of the product of labor over the costs of the maintenance of labor.

In the capitalist world, this excess is manifested in the form of surplus value, i.e. unpaid work appropriated by the owner of the means of production.

In the proposed system of personalized appropriation the excess value belongs to the people who directly produced it, and is appropriated by them in the form of profit.

It is the excess value that transforms to the profit on the market. At the same time, depending on market conjuncture, the profit can be equal, smaller or bigger than the produced excess value.

The profit, of course, can be obtained by raising prices or manufacturing cash (this is a usual situation in the modern world). But this is the path to the death of civilizations.

The method of appropriation of a profit by each direct manufacturer of the excess product implies the objective identification of specific producers of excess value, and the appropriation of income by them.

This can be expressed by the following quantities and formulas:

C – the cost of the means of production,

V – wage,

M – surplus value (the excess of the product of labor over the costs of the maintenance of labor).

(C+V) is the cost of initial production (produced costs or total costs of production),

(C+V+M) is the real cost of the goods before it enters the market,

(C+V+P) is the market value of the goods (returned value) – total income of the enterprise (proceeds in cash from the sale of produced goods for a certain period),

$(C + V + P) - (C + V) = P$  - profit (total profit).

$P - O = Pch$  - net profit, where

O - compulsory payments (taxes, fees).

$V + (Pch \text{ from "M"} - FR) =$  personal income of the manufacturer (worker),  
where

V (in the case of the personalized appropriation) - warranty,

FR - development fund of the enterprise,

Pch from “M” - a personal profit of the manufacturer, which corresponds to the excess value he or she produced.

So, in this case a profit is appropriated by a worker in accordance with the excess value he or she produced.

The main task is to find and calculate the excess of the product of labor over the costs of the maintenance of labor produced by each working person. This problem is solved. The expected result is the socialist production, the self-government of the people, a strong self-motivation of workers, the end of the injustice in the economy and politics.

## THE FORMATION OF THE PROFIT; ITS SOCIALLY PERSONALIZED APPROPRIATION

The process of the formation of profit in private capitalist production, soviet state production and in the case of personalized appropriation is the same.

The only difference is that in a capitalist system it is preceded by the alienation of surplus value, while the alienation is impossible in the system of the personalized appropriation.

The workers are the major element in the process of production. Under capitalism the worker actually sells labor force to the employer for a certain price. In the USSR the workers were employed by the state in accordance with the established procedure, for a salary, but actually they sold labor force for a certain price, as in a capitalist system.

The socially personalized appropriation implies a partnership agreement with the partners of a company, which obliges to work in accordance with the law, to perform a set amount of work, obtaining a certain warranty or a profit (in case of excess work).

In the capitalist and the soviet economic models there are certain payrolls in every enterprise which are used to pay for a set amount of work. Let us assume that the output norm in a capitalist enterprise "N" and in a similar soviet enterprise "N-1" equals 100 production units per month. A worker will be given a certain (fixed) amount of money if he or she produces these 100 units.

In order to increase productivity, etc. a worker must produce more than the norm requires. An employer needs a worker with an ability to produce surplus value. But if a worker produces more than the norm requires (for instance, 120 units), the payroll (which initially includes some premiums) will be the same.

Why is it so? Because wages and salaries are paid not for manufactured products (even in case of piecework), but in accordance with a fixed wages fund, which cannot be expanded.

Moreover, in order to reduce costs and increase profit the employer can diminish wages fund.

Thus, if a worker produces surplus value, it is an employer who transforms it to a profit, while a worker gets nothing. The surplus value is an unpaid work.

In order to promote a rapid growth of productivity (that is possible only in the system of economic personalism), it is necessary to make it possible for a worker to appropriate the results of his or her work in form of a profit in accordance with the amount of excess value he or she produced.

I emphasize once more that the surplus value (which is produced in any civilized society and which promotes progress) in the capitalist or soviet economic system is the alienated excess of the product of labor over the costs of the maintenance of labor. The excess value in the system of economic personalism is a calculated excess of the product of labor which cannot be alienated.

The excess value appropriated by a worker emerges from an unpaid excess labor (excess of the product of labor) over the paid socially-necessary labor (which is the cost of the maintenance of labor, or a warranty).

I would like to refer to Marx (“Critique of the Gotha program”) who wrote that the socially-necessary labor (of certain continuance and intensity is a criterion for the evaluation of each person’s work. This (equal) criterion implies the equal right for all people to obtain equal shares from the social consumption fund. But since different people work with different intensity, the criterion of socially-necessary labor helps define the contribution of each person to the process of production.

The main task is to find this criterion (which is objectively formed in the economic process) and to introduce it into the production process; it must become both the right, and a specific production relation. This is the amount of socially-necessary labor required by average labor force for the production of the average number of a certain goods per a unit of time, with an average level of ability and intensity of work in a given society.

Only by using this criterion we can evaluate the work of each person, including average costs of the maintenance of labor from the public consumption fund and

excess labor over the costs of the maintenance of labor, which is performed by “individual talent and hard work”.

This criterion is not an evil or a good will of the private capitalist or the state. It is an objective quantity that emerges in the process of production and exchange.

The socialist mode of production is the economy which comes after the soviet economic system. This, as we now understand, is the economic personalism, which is based on:

- equal criterion (the amount of socially-necessary labor), which, as I said, is objectively formed in the economic process and in accordance with which every worker shall be paid a warranty (instead of wages), and;

- appropriation of a profit by each worker in accordance with the principle: “from each according to skills and qualification (average ability), to each according to the produced amount of excess value”.

A new procedure for the appropriation and distribution of profits by working owners is a way of translating the countries on the rails of new property relations, and building a legal system of the socially personalized (truly socialist) self-government.

This is the way to achieve the higher productivity in all economic regions of Russia and in a separate company. It is the cultural and economic revival of the country, the procedure for solving social problems.

Taking into account that there are different sales prices (for manufactured products) in different regions, the payment for the socially-necessary work of the working owner during the transition to the new system of property relations is calculated on the basis of the actual average subsistence level for working citizens of different regions and specialties.

Now we should look at the diagram of the formation and personalized appropriation of a profit, and its preferred distribution in a certain company.

A worker (position 1) and his or her work (position 2) are the sources of new and reproduced products.

In the process of labor, a worker has created 120 units of output (in the scheme



– a black line from position 2 to position 3). This product comprises 100 units of socially-necessary product and 20 units of excess product which forms a profit.

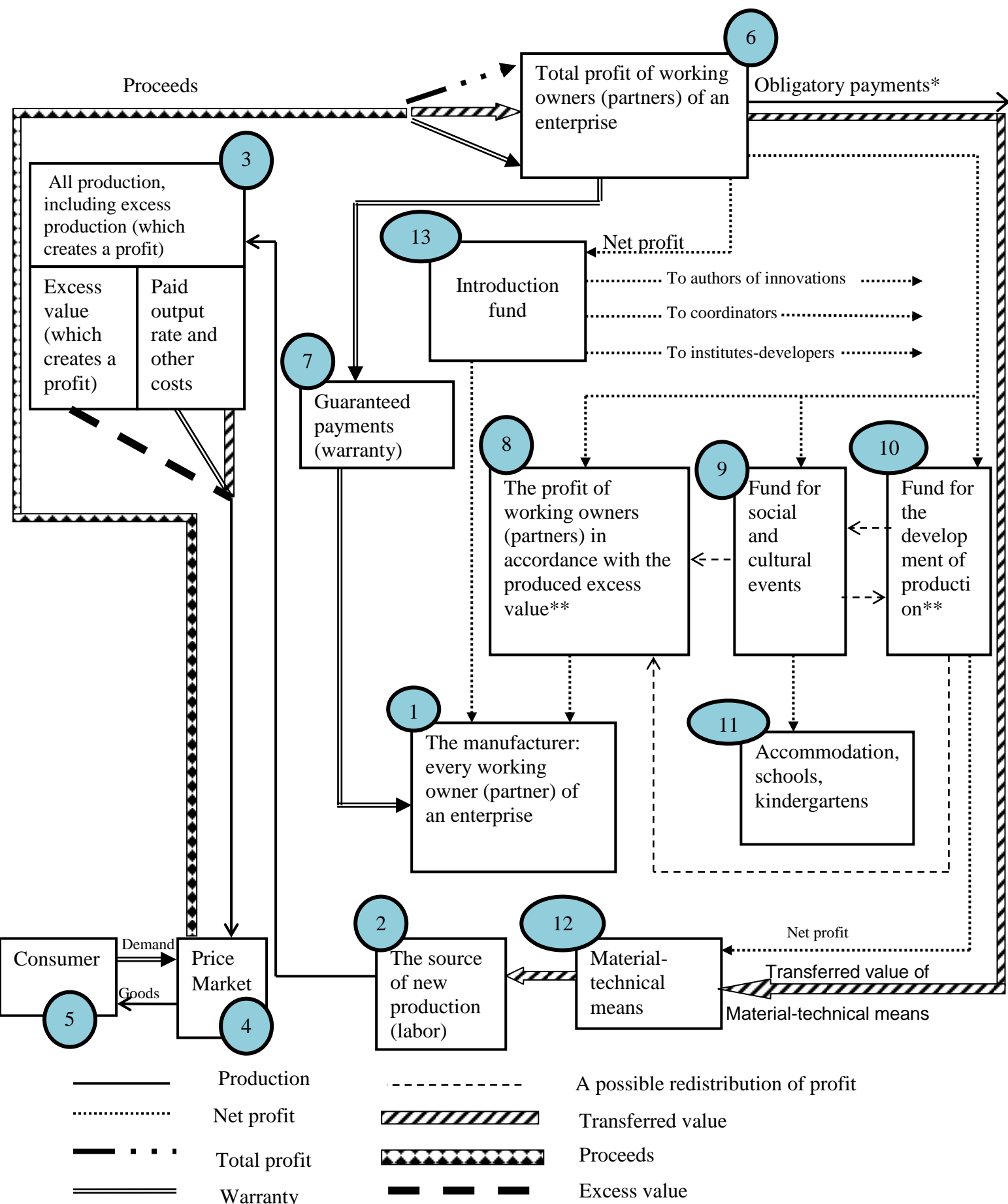
The manufactured product contains, on the one hand, a warranty and the transferred value of the material-technical means (in the scheme it is the right lower part of position 3). On the other hand, it contains excess value (the left lower part of position 3).

Costs are marked with two parallel lines (warranty) and a wide ribbed line (other costs), and excess is marked with a thick dash line.

All manufactured products, including products that form a profit (in this case - 20 excess units of output), enter the regulated market (a black line from position 3 to position 4). There are three components of this line: the cost of expended means of production, the warranty, the excess value.

All the production is the supply of the manufacturer to the consumer.

The consumer (position 5) forms a demand for these products. Supply and demand form commodity prices (the upper part of position 4).



\* Not more than one third of the profit of working owners  
 \*\* Not less than one third of the profit of an enterprise

**The scheme of the formation, appropriation and distribution of a profit in enterprises in the system of economic personalism**

All production is sold at present market price.

Depending on the prices and production costs, profit can be equal, smaller or bigger than the produced excess value. The commodity goes to the consumer (a black line from position 4 to position 5), and the proceeds goes to the manufacturer (a wide dotted line from position 4 to position 6).

The proceeds includes the returned warranty (two parallel lines), the returned value of material-technical means (a wide ribbed line) and the total profit (a thick dash line with dots).

Total profit after obligatory payments (a thin arrow to the right from position 6), such as taxes and fees, is transformed into net profit (marked with a dotted line), which together with the returned warranty and the returned value of material-technical means is accumulated on the accounts of the enterprise.

The returned warranty goes again to the partner (working owner) (in the scheme - two parallel lines from position 6 through position 7 to position 1).

The returned value of material-technical means is spent on the restitution of the means of labor (current and capital repairs of machines, etc.), on the purchase of coal, yarn, etc. (a wide ribbed line from position 6 to positions 12 and 2).

The net profit goes to:

1) each worker, in accordance with the excess value he or she produced,- on his personal account in the bank (a dotted line from position 6 to position 8, that is in his or her hands) according to the standards adopted by the legislators, with the principle "not less than", for example, not less than 30% of net profit;

2) the fund for production development (in the diagram: a dotted line from position 6 to position 10);

3) the social and cultural fund (position 9) and the fund for introduction (position 13), if they are created in the enterprise.

The fund for production development is used to renew and purchase new material-technical means (a dotted line from position 10 to position 12).

If the social and cultural fund or the fund for introduction accumulates unused means (funds), the latter can be transferred, for instance, on the accounts of workers

(position 8).

The introduction fund is another source of a personalized profit of a worker who produced a certain amount of excess value (position 13).

I emphasize: the profit is appropriated by a worker in accordance with the amount of the excess value produced by him or her.

The profit from the introduction fund (position 13), goes not only to the direct producers of the excess value, but also to authors of innovations, coordinators (ministries), R&D institutions, if they participated in the development and manufacturing of products. The details of the appropriation of profits by all members of this process, except for the direct producers of excess value, are not considered here.

#### THE FORMATION OF THE EXCESS VALUE AND THE PERSONAL APPROPRIATION OF THE PROFIT

The proposed personalized system of appropriation makes the creation of norms and standards in various organizations impossible.

The system does not establish, modify or review standards and prices in each farm, each enterprise, but it fixes the annual norm of output and the price on a socially-necessary (mid-regional) average level.

It does not define standards with a stopwatch in a hand, does not do time-keeping, as it was in the USSR, but it states the degree of development of productive forces and production relations in a certain region and in the whole country.

An output rate on a socially-necessary level implies such a number of products (milk, machinery, oil, nails), that can be produced by each (average) working owner (co-owner) in a certain industry in the current production conditions.

This approach gives sense to the entrepreneurial spirit, the manifestation of personal initiative; it makes these qualities reasonable in the eyes of the man himself and the people around him (or her). It doesn't kill the desire to improve the use of productive assets, to increase the productive forces, to introduce mechanization,

electrification, automation, to improve technology.

The personalized appropriation is calculated in five forms that contain impartial data about the result of work, the total income of each working co-owner (partner) and the way (which is available to every person) of independent calculation of his or her income and the method of regulation of the formation of income.

I will now consider the example of dairy husbandry.

Form OC-1: the table of regional standards for dairy husbandry (see the figure below).

It contains the following elements that are accepted for binding, and calculated by approved methods: a warranty (guaranteed annual fund, or payroll) of the working owner (co-owner), a tariff per unit of output, and an annual output norm for the working owner in dairy husbandry in a certain region.

The Form OC-1 is filled in by a coordinating regional organization (in our example – the Regional Association of Agribusiness (RAA)).

**The regional standards for dairy husbandry**

Form OC-1

№ (line)	Profession	Guaranteed annual payroll (in roubles)	Tariff per unit of output (roubles)	Annual output rate (in centners)
1	2	3	4	5
1.	Operator of machine milking	2457,6	6,40	384
2.	Operator...			
3.				
4.				
5.				
etc.				

“ \_\_\_\_\_ ” 198 \_\_\_\_

Senior economist

Senior accountant

The Head of the RAA

The guaranteed annual fund (warranty) of the working owner, (in our example, it is an operator of machine milking (column 3, line 1 of the form OC-1)) is equal to the payroll of all milking machine operators in this industry, which has formed in a certain region on average in the previous several years. It is calculated on the basis of

the following valid indicators of the region for the previous several years:

the number of cows,

the average milk yield from cows,

the gross milk yield,

the number of milking machine operators,

production per operator,

wages and salaries paid to the operators , including bonuses, premiums, etc.

All these indicators are recorded in the normative line of the form CX-1G: the calculation of the excess cost and profit of an operator of machine milking (see the figure below), which is a personal document (nominal form) of a working owner, so that each partner could control the indicators of the form OC-1.

So, the warranty of a working owner (column 3, line 1 of the form OC-1) (figure) is calculated by dividing the total amount of monetary compensation paid to the operators (column 8 line 1 of the form CX-1G) (figure) by the number of milking machine operators (column 6, line 1 of the form CX-1G); it equals 2457,6 roubles ( $1828454,4 : 744 = 2457,6$ ). The warranty is paid when the norms of output are discharged.

## The calculation of the excess cost and profit of an operator of machine milking

Form CX-1G

№ (line)	Operator	Number of cows	Average milk yield (kg)	Gross milk yield (in centners)	Number of operators	Milk produced by 1 operator (centners)	Wages of operators (including bonuses) (roubles)		Excess value (roubles)	Price for 1 centner of milk (roubles)	Profit (roubles)	Signature of operator
							In total	For 1 centner of milk				
	2	3	4	5	6	7	8	9	10	11	12	13
1.	Normative line	16795	1700	285548	744	384(2)	1828454,4	6,40(3)	X	36-40(4)	X	(5)
2.	Checheveva	56	1616	X	X	905	2457,6	X	3334,4	X	4591,0	
3.	Bikmulina	30	1500	X	X	450	2457,6	X	422,4	X	581,4	
4.	Filimova	19	1924	X	X	365	2336,0	X	-	X	-	

198\_\_\_\_\_ Principle economist, \_\_\_\_\_ principle accountant

Note: (1) – is filled in by RAA on the basis of indicators of the region for the previous year.  
 (2) – Output rate. (3) – the cost standards of an operator for 1 centner of milk. (4) – (selling) price of milk in the current year. (5) – the signature of the principle (senior) economist of the RAA.

The annual output rate is determined by the ratio of the gross milk yield (column 5, line 1 of the form CX-1G) to the number of milking machine operators (column 6, line 1 of the form CX-1G) and is equal to 384 centners ( $285548 : 744 = 384$ ).

A tariff for a centner of milk is formed by dividing the guaranteed annual payroll (warranty) of an operator of machine milking (2457,6) by an annual output rate (384) and equals 6 roubles 40 copecks ( $2457,6 : 384 = 6,40$ ).

For the calculation of excess value and profit of an operator of machine milking (the form CX-1G) we use the real indicators of the farm Babynino (Kalinin collective enterprise, Staritski district of the Tver region). I have already written about the normative line. The remaining lines are filled in according to the current year data on the basis of the nominal forms of each worker.

The main task here is to determine the excess value (an unpaid extra work), which forms in the process of direct production. The excess value equals the cost standards of a working owner (operator of machine milking) for 1 centner of a

produced product (milk) [column 9, line 1 of the form CX-1G], multiplied by the actual output of the companion [column 7, lines 2, 3, 4... of the form CX-1G], minus actually paid warranty [column 8, lines 2, 3, 4... of the form CX-1G].

The result shows that:

the operator of machine milking Checheneva will produce excess value in the amount of 3334,4 roubles ( $6,40 \times 905,0 - 2457,6 = 3334,4$ ),

Bikmulina - 422,4 roubles ( $6,40 \times 450,0 - 2457,6 = 422,4$ ).

A profit of each worker is formed and calculated in accordance with an amount of excess value (the impartial and fair result of labor) he or she produced.

For the operators Checheneva and Bikmulina the amount of profit is accordingly 4591,0 and 581,4 roubles. The operator of machine milking Filimonova did not produce excess value, that's why she didn't make a profit.

#### ABOUT THE ORDER OF THE FORMATION AND CALCULATION OF EACH WORKER'S PROFIT

A profit from the sale of products (milk) on the account of an organization in the bank is the source of a profit for each working owner (co-owner) of this organization.

As I have already said, a profit is appropriated in accordance with an excess value a worker produces.

A profit for distribution to each worker is set in percentages and may not be, according to our estimates, less than one third of the profit remaining at the disposal of the enterprise for the formation of a fund for economic stimulation.

In this example it is equal to 34 %.

A profit of a working owner equals to the specific weight of excess value produced by him or her (column 4, lines 2, 3, 4... of the form CX-2G (figure): the calculation of the specific weight of the excess value produced by a worker in the total excess value of a farm), multiplied by the profit for distribution on a farm (column 7, line 1 of the form CX-3G (figure): the calculation of the profit for



distribution among the producers of excess value).

Thus, the profit of Checheneva equals to 4591,0 roubles ( $68,77 \times 6676 : 100 = 4591,0$ ), and the profit of Bikmulina equals to 581,4 roubles ( $8,71 \times 6676 : 100 = 581,4$ ).

The specific weight of excess value produced by a working owner (form CX-2G) (figure) is equal to the ratio of the total amount of the excess value he or she produced (lines 2, 3... form CX-2G) to the total amount of all the excess value of the farm (line 1 of the form CX-2G).

**The calculation of the specific weight of the excess value produced by a worker in the total excess value of a farm**

Form CX-2G

№ (line)	Operator	Excess value (in roubles)	The specific weight of excess value (%)	Signature of operator
1	2	3	4	5
1.	On the farm in total	4848,3	100	
2.	L.V. Checheneva	3334,4	68,77	
3.	N.L. Bikmulina	422,4	8,71	
4.	N.N. Filimonova	-	-	
5.				
etc.				

**The calculation of the profit for distribution among the producers of excess value**

Form CX-3G

№ (line)	Farm	Gross milk yield (in centners)	Cost price of milk (roubles) in total	Maximal profit (in roubles)	The specific weight of the maximal profit (%)	The profit for distribution to each according to labor (roubles)
1	2	3	4	5	6	7
1.	Babykino	6123	176792	43636	57,77	6676
2.	.....					
3.	In total	8862	243494	75538	100	X

Thus, the specific weight of excess value created by Checheneva equals to 68,77% ( $3334,4 \times 100 : 4848,3 = 68,77$ ), while the specific weight of excess value created by Bikmulina equals to 8,71% ( $422,4 \times 100 : 4848,3 = 8,71$ ).

The profit for distribution on a farm (column 7 of the form CX-3G) (figure) equals to the product of the profit of a collective enterprise for distribution to each in accordance with produced excess value (column 6 of form CX-4G) (figure): (the calculation of a profit of the Kalinin collective enterprise) on the specific weight of the maximal profit of a farm (column 6 of the form CX-3G):

$$11557 \times 57,77 : 100 = 6676.$$

The calculation of profit in the Kalinin collective enterprise

Form CX-4G

№ line	Indicators	Profit* (in roubles)				
		In total	I the enterprise	Including profit for distribution		
				To each – according to the produced amount of excess value		
				In total	Including workers	
Not taking into account innovations	For introduction of innovations					
1	2	3	4	5	6	7
1.	In the enterprise in total					
2.	Including dairy husbandry	67984	33992	11557	11557	-

\* Calculated by a bank

The specific weight of the maximal profit of a farm (column 6 of the form CX-3G) is equal to the ratio of the total amount of the maximal profit of a farm (column 5, line 1 of the form CX-3G) to the total amount of profit of all dairy farms in the enterprise (column 5, line 3 of the form CX-3G):

$$43636 \times 100 : 75538 = 57,77.$$

Since the guaranteed annual payroll (warranty) of Checheneva equals to 2457,6

roubles, and the profit is 4591,0 roubles, the income of this operator of machine milking equals to 7048,6 roubles ( $2457,6 + 4591,0 = 7048,6$ ). The income of Bikmulina equals to 3039,0 roubles ( $2457,6 + 581,4 = 3039,0$ ). The income of Filimonova equals to 2336,0 roubles.

The personalized appropriation is a fundamentally new method of forming highly effective industrial relations that exclude the equalization of payment for social labor.

This method gives the excess of the product of labor over the costs of the maintenance of labor (excess value) to those who produce it;

It encourages the achievement of higher productivity on the basis of appropriate education, training; it builds up the productive forces by introducing the achievements of science and technology to the production process;

It excludes the obtaining of unearned income;

It eliminates the conflict of interests between the worker and the state, instead, it organically links their interests.

## CONCLUSION

I distinguish three forms and three modes of production and appropriation of the excess of the product of labor over the costs of the maintenance of labor. They are:

Capitalism (the excess of the product of labor is produced by employees in the form of surplus-value, but it is appropriated in the form of profit, owned and used by individual capitalists);

State capitalism under communism, as in the USSR (the excess of the product of labor is produced by workers in the form of surplus value, or net income, but it is appropriated in the form of profit, owned and used by the state which is a joint capitalist);

Personalized system of appropriation (the excess is produced by working owners (co-owners) in the form of excess value, and it is working owners who

appropriate, own and use this excess in the form of profit).

The personalized system of appropriation gives the result of work in the monetary form to its original manufacturer. And it is done not through an intermediary, but directly.

The new way of personalized appropriation developed by the author during the Soviet period makes every laborer a self-motivated person, and all people become the true owner of the total national wealth.

In the new system of appropriation, each worker is paid - in accordance with the produced excess value and the standards of obligatory payments.

A disinterested employee under capitalism; an inspired - terrified - frustrated employee under the Soviet state capitalism,- in our system he or she will become an active working owner (co-owner) and a source of higher productivity. The form and method of appropriation enter the new, more productive social and economic system of genuine socialism.

## WHAT TO DO TODAY?

There is a possibility to implement the socially personalized system of production and appropriation in today's Russia. In order to build the system aimed at the rise of the Russian national economy and based on the laws of Economics we need, first of all, to introduce within 3 - 5 years a socially personalized way of appropriation of national income.

It will take about two years during the implementation period:

- to train specialists in enterprises, departments, research institutes;
- to form standards (output norms, prices, etc.);
- to create specific techniques for different industries and types of products;
- to introduce new forms and methods of management on pilot enterprises;
- to start the process of accumulation of profits (produced by personal work) on the accounts of workers participating in the implementation of the socially personalized system.

It will take about a year to prepare all industrial and agricultural enterprises in a subject of the Federation to switch to the socially personalized way of appropriation.

It will take about two years to introduce a new order of appropriation (to deploy the system) in the social sphere, in the industry of storage of agricultural products, in trade, and to involve all industrial and agricultural workers in the process of the implementation of innovations to improve productivity on a certain enterprise and in a certain region.

The scheme of implementation of the personalized appropriation on the territory of a subject of the Federation is shown in figure 1.

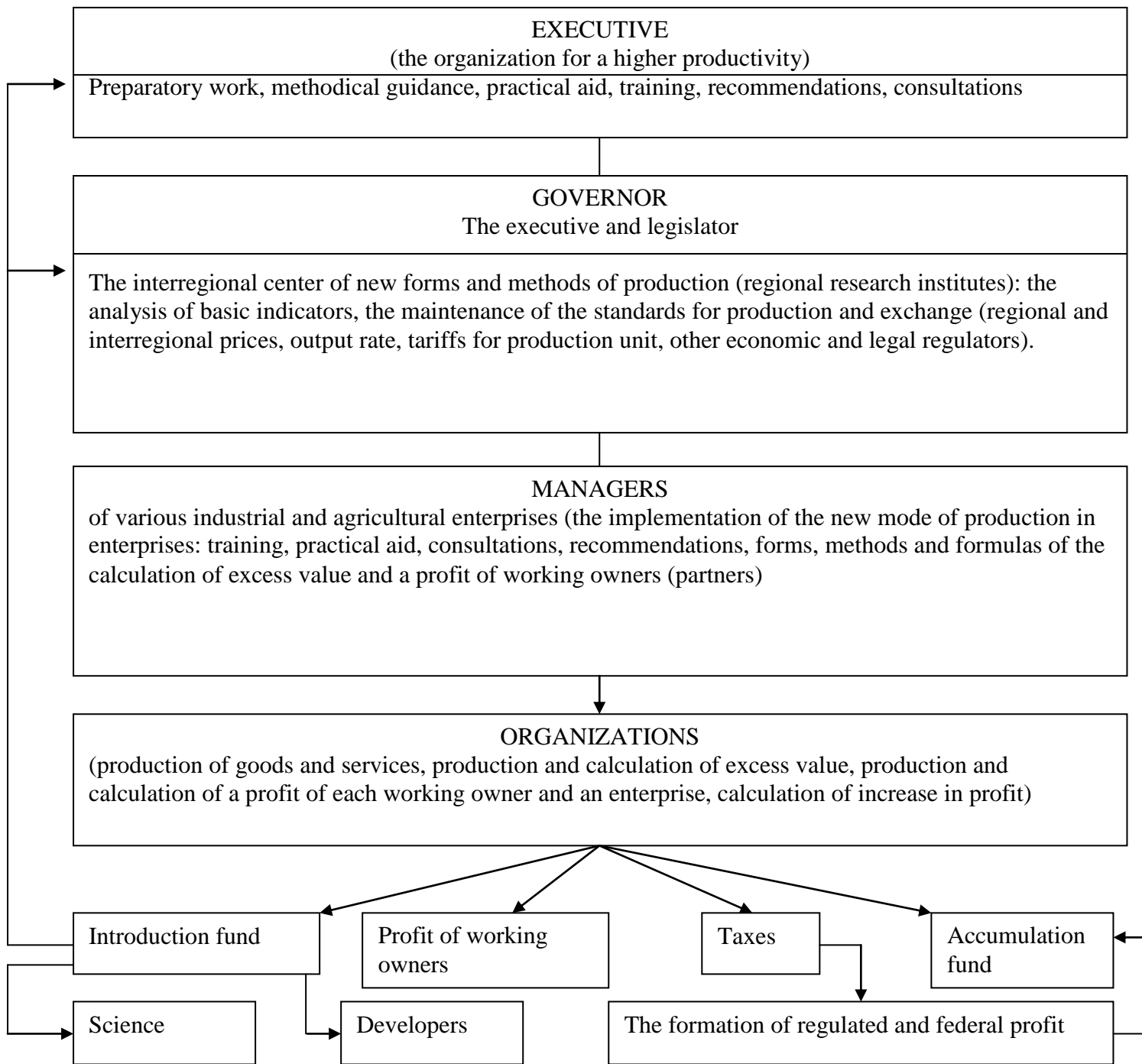
The methodological framework (the Organization for a higher productivity, scientific research institutes and universities in a certain subject of the Russian Federation):

1. The procedure of calculation of the excess value, personal appropriation and distribution of profits.

2. The procedure of appropriation and distribution of a profit by the working owners of agricultural enterprises (for example, in dairy farming), managers, specialists of R&D institutes and organizations, specialists and coordinators of the departments (ministries) of a subject of the Federation.

3. The order of the formation of standards for different types of products.

4. The order of the implementation of the personalized way of appropriation.



**The scheme of implementation of the socially personalized mode of appropriation on the territory of a region**

The essence of the personalized mode of appropriation: a profit is appropriated by a worker in accordance with the excess value he or she produced.

The sequence of the implementation of the personalized system in a certain

subject of the Federation:

- a decision of the head of an enterprise approved by the workers of the enterprise to introduce the system of personal appropriation of profit;
- a preparation of a part of the economy of a subject of the Federation for the implementation of the new mode of appropriation;
- a resolution of the government of the subject of Federation on the approval of the program for the establishment of a fair competition for all workers in the process of production;
- the creation of the personalized system in agriculture, industry, transport, trade and social sphere with the participation of the Governor (the head of administration) of the subject of the Russian Federation.

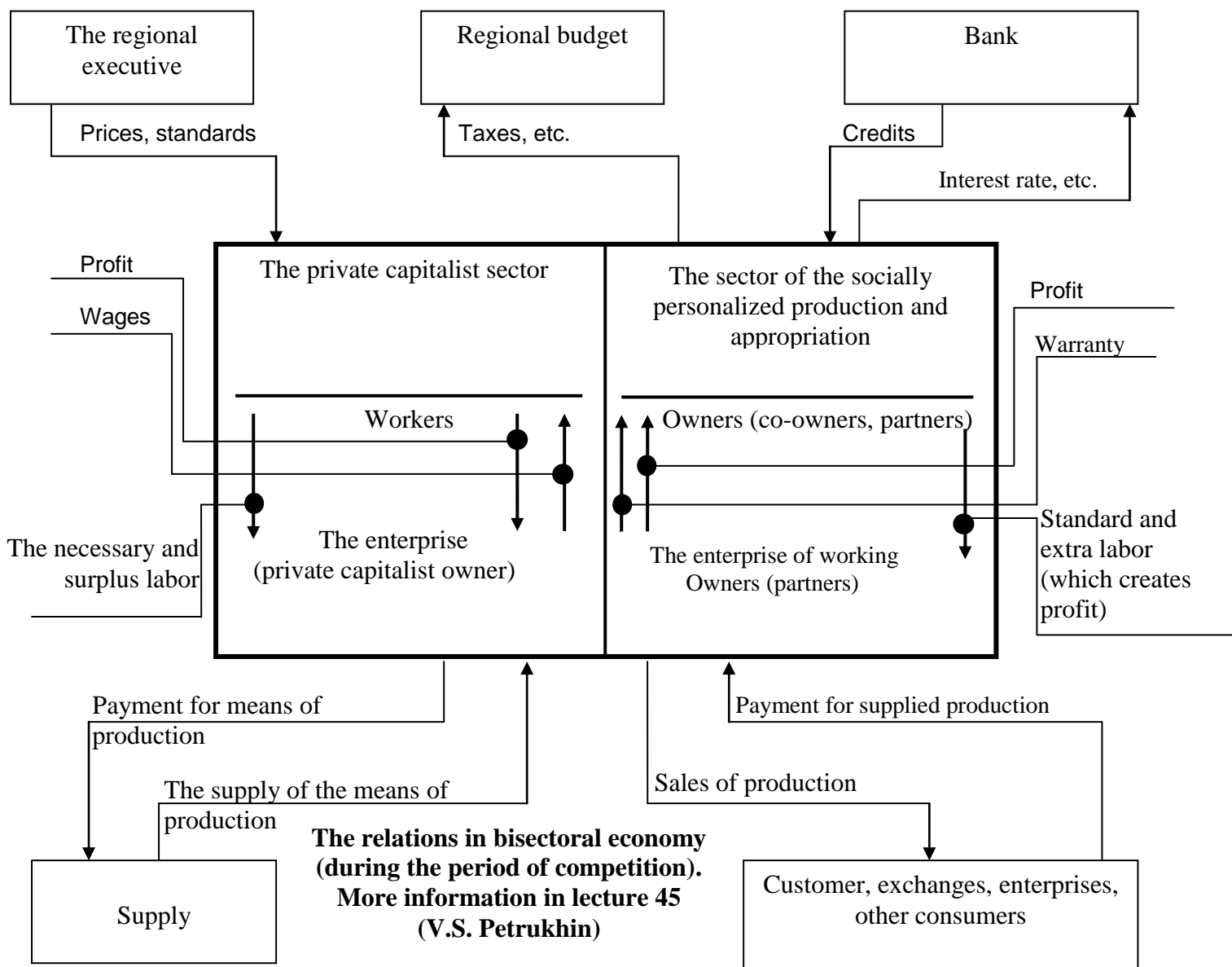


Figure 2 (above) shows the scheme of the economic relations of the mixed economy of the region.

In the proposed system of personalized economy (introduced on the territory of a certain subject of the Russian Federation) every citizen is the source of personal and common wealth of the subject of Federation, the subject and the object of the activity. Every citizen acts as a single worker or a partner; by working for his or her personal profit a working person also creates the necessary intra-and intersectoral integrated systems.

THE APPEAL  
OF THE INITIATIVE GROUP (FOR THE CREATION OF  
THE PARTY OF THE WORKING CLASS OF RUSSIA) “NEW  
COMMUNISTS”

Practice has shown that the present leaders of the Communist parties and groups that call themselves Marxist are unable to lead a movement for economic supremacy of the working class and all working people, for higher productivity and social justice. It is even less possible that centrist and liberal parties could lead such a movement. All who agree with this point of view and is ready to stand in the ranks of the fighters for their human dignity, and happiness of their families, for prosperity, and greatness of our country, are welcome to participate in the creation of the organizing Committee of the unified national political force ("the Party of the Working Class of Russia - New Communists") on a socially personalized economic platform.

WHAT DISTINGUISHES OUR GROUP  
FROM OTHER POLITICAL FORCES

The key difference between the forming unified national political force and the "United Russia" and the left parties lies in the sphere of property relations:

The economic credo of the left parties is the Soviet state capitalist property, which, in the end, triumphed in the USSR. The means of production (factories, institutions, land) do not belong to the workers, peasants and Soviet labor



intellectuals, it belongs to the state. The salary of employees is formed as in the whole capitalist world, and, in fact, is the price of labor. The surplus value produced by employees is appropriated by the state in the form of profit. There is an exploitation of a man by the state. The nomenclature of the Communist party manages the production, controls trade and monetary flows, distributes and redistributes profits.

The economic credo of the “United Russia” is the private capitalist property. The means of production (factories, institutions, land) do not belong to the workers. They belong to the business class, or a new national bourgeoisie (the thieves). Wages and salaries of employees is the price of labor, established by private capitalists. The surplus value produced by employees is appropriated in the form of profit by the national bourgeoisie and the state. The source of wealth of the bureaucracy, which consider themselves as the national bourgeoisie, is in the direct and indirect (inflated food prices) taxes. The workers have to obey the whim of their owners. Exploitation thrives.

The economic credo of our political group is the personalized public (socialist) property, which could have replaced the state form of public ownership in the USSR if the Communist party hadn't made some critical mistakes. The means of production (factories, institutions, land) are indivisible and are owned by all people. Wages of the worker-owner takes the form of a guarantee, the amount of which is enough for him or her to live a healthy life and to create a family. The excess value produced by working proprietors in excess of the guarantee is appropriated, in the form of profit, personally by its producers, who pay a set portion of their profits in the public budget. Exploitation (in the form of alienation of surplus value) is impossible in this system.

## OUR OBJECTIVES

The Soviet state in our understanding is the joint owner of the means of social production, which uses hired labor, i.e. labor that produces excess of the product of labor (profit) over the costs of the maintenance of labor (wages), alienated by the

state, distributed and redistributed by it under the guidance of the nomenclature.

We understand that the Soviet working class was the employees of the state (workers, peasants, intellectuals), who were not owners of the means of production and were themselves the property of the capitalist state, worked on its land, at the factories and institutions, receiving for their labor wages and salaries as employees around the world.

We understand that the Communist party of the USSR betrayed the workers in the USSR and around the world, failed to complete the revolution of 1917 to transfer the property and power to the people (everyone). The Soviet Communists were the basis for the new bourgeois states formed on the territory of the USSR.

We understand that the members of the Communist party of the Russian Federation are the former members of The Communist party of the USSR, and they want to reclaim power and to revive the state property of the Soviet pattern. They consider the USSR as a pattern of socialism. The working class does not think that the Communist party is able to complete the revolution of 1917, to transfer ownership and power to the people (everyone).

We understand that the bourgeoisie is “the class of modern capitalists, owners of the means of social production, that use hired labor”, i.e. labor that produces the excess of the product of labor (profit) over the costs of the maintenance of labor (wages), appropriated by the bourgeoisie.

Under the working class we understand the class of modern wage workers who, being deprived of their own means of production, are forced to sell their labor power.

We witness the results of the combined state and private capitalist ownership, use and disposal of the means of production.

The private capitalist mode of production causes poverty, inflation, low productivity, tyranny, the extinction of the population, drug addiction, drunkenness, immorality, corruption, lies, hatred, corruption, crises. Poor people of Russia are held hostage by thieves and traders.

The main sources that generate all these afflictions are:

1. The separation of people to the owners and the poor, who face the problems of private and state capitalists, municipalities and officials.

2. Constitutionally approved robbery of economically active population (approximately 60% of the population of Russia) by a handful of private owners and the state, which establishes taxes and the minimum wage, to maintain the wealth of the rich.

3. Conscious or unconscious antagonistic confrontation between different social groups and individuals.

4. Natural (conscious and unconscious) desire of every person to live comfortably and better than others and the inability to reach the upper levels of well-being through honest personal work. In every layer of society, each person solves the problem of his being, but under constant exposure to all four powerfully acting sources.

The Soviet state mode of production had its vices and diseases: the stagnation in the economy, low productivity, informal economy, drunkenness, outright theft, division of the people to the party and non-party, the natural desire of every person to live better than he or she lives, and the inability to achieve the desired levels of well-being through honest personal work.

Despite all the negative things, the Soviet Union was one step away from the production method, for which the revolution took place in 1917. The economic system built by the Communist party of the USSR, had no relation to the property and power of the people (everyone).

The party of the Working Class of Russia - New Communists considers property relations as the basic element of any economic system. We are against the relations of the Soviet state property (the exploitation of a man by the state). We are against bourgeois property relations (the exploitation of a man by a man). We are for truly socialist property relations (without the exploitation of a man by a man or of a man by the state). The socially personalized production is the way and the form of existence of new property relations, of production and social relations: property and power belong to the people represented by each person. The working class does not

destroy capital (this is nonsense). The working class and the people in general possess the capital. "Capital and labor are initially identical." But private property has separated capital from labor. With the abolition of private property and the transformation of the Soviet state property labor and capital will reconnect. Only the acquisition of capital will protect a person from manipulating his life by anyone. Only in this case, the destiny and the life of everyone is not in the hands of a private owner or a government official, but it is in the hands of the owners-workers (who are represented by each working person).

Our political group “won’t reject the opportunity to appropriate social products, it will only reject the opportunity to subject the labor of others through this appropriation “. The socially personalized system, claiming every citizen of Russia the owner of the means of social production, thereby rejects the use of personal income for the exploitation of the labor of others.

Taking into account present capitalist state of affairs, we will again have to carry out the nationalization of capital and all the instruments of production for a short period of time in order to introduce the public personalized method of production, to transfer ownership and power in the hands of people represented by each capable person; and then our political force will relinquish its authority, political power will be transformed to the coordinating power of the people.

It is obvious that the adoption of the new property relations, relations of production and social relations will change (for the better) not only the conditions of life, but also the ideas, views, concepts, and actions of people.

You can get a more detailed and thorough information about the socially personalized production and appropriation on the following Websites: <http://21-petrukhin.ucoz.ru/>, <http://www.tulaignk.ucoz.ru>, <http://centrmarxissled.ucoz.ru/>.

Moscow,

23.10.2008

Initiative Group  
for the creation of  
the political party PRKR-NC

## ECONOMIC PERSONALISM IS YOUR SUCCESSFUL FUTURE

IN THIS SOCIALLY PERSONALIZED WAY AND FORM OF PRODUCTION AND APPROPRIATION:

1) YOU ARE EQUAL WITH ALL OWNERS OF THE NATIONAL WEALTH OF RUSSIA, BECAUSE EVERYTHING THAT WAS PUT INTO THE PROCESS OF PRODUCTION BELONGS TO US - THE CITIZENS OF RUSSIA (TO EACH PERSON);

2) EACH ACCOUNT IS OPENED IN THE STATE BANK (IN ITS SUBSIDIARIES). THIS IS YOUR PERSONAL (INITIAL) CAPITAL, THE MONTHLY INTEREST ON WHICH (WHEN YOU ARE NOT WORKING TEMPORERALLY) – IS YOUR COST OF LIVING;

3) THE CAPITAL LYING ON YOUR ACCOUNT, CANNOT BE USED, BUT YOU CAN AND SHOULD INVEST IT IN THE PRODUCTION PROCESS (INDIVIDUALLY OR JOINTLY, A NEW OR ALREADY EXISTING). IN THIS CASE, YOU GET A WARRANTY FOR YOUR SOCIALLY-NECESSARY (AVERAGE) LABOR, WHICH EQUALS AN AVERAGE SUBSISTENCE LEVEL, AND THE PROFIT WHICH CORRESPONDS TO THE EXCESS VALUE YOU PRODUCE, BECAUSE YOU ARE BOTH THE OWNER AND THE WORKER.

ECONOMIC PERSONALISM IS A SUBSTANTIALLY DEVELOPED SOVIET SYSTEM OF PRODUCTION AND APPROPRIATION. THIS IS YOUR SYSTEM OF TRUTH, JUSTICE AND MORALITY, LIFE AND PROSPERITY IN CONTRAST TO THE EXISTING SOCIAL AND ECONOMIC SYSTEM OF BRIBERY AND LIE, DRUNKENNESS AND DRUG ADDICTION, IMMORALITY AND AIMLESS EXISTENCE, DEGRADATION AND DEATH.