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INDEPENDENT NEWS FROM RUSSIA

Putin Promises Controlled Freedom in Face of Western Containment

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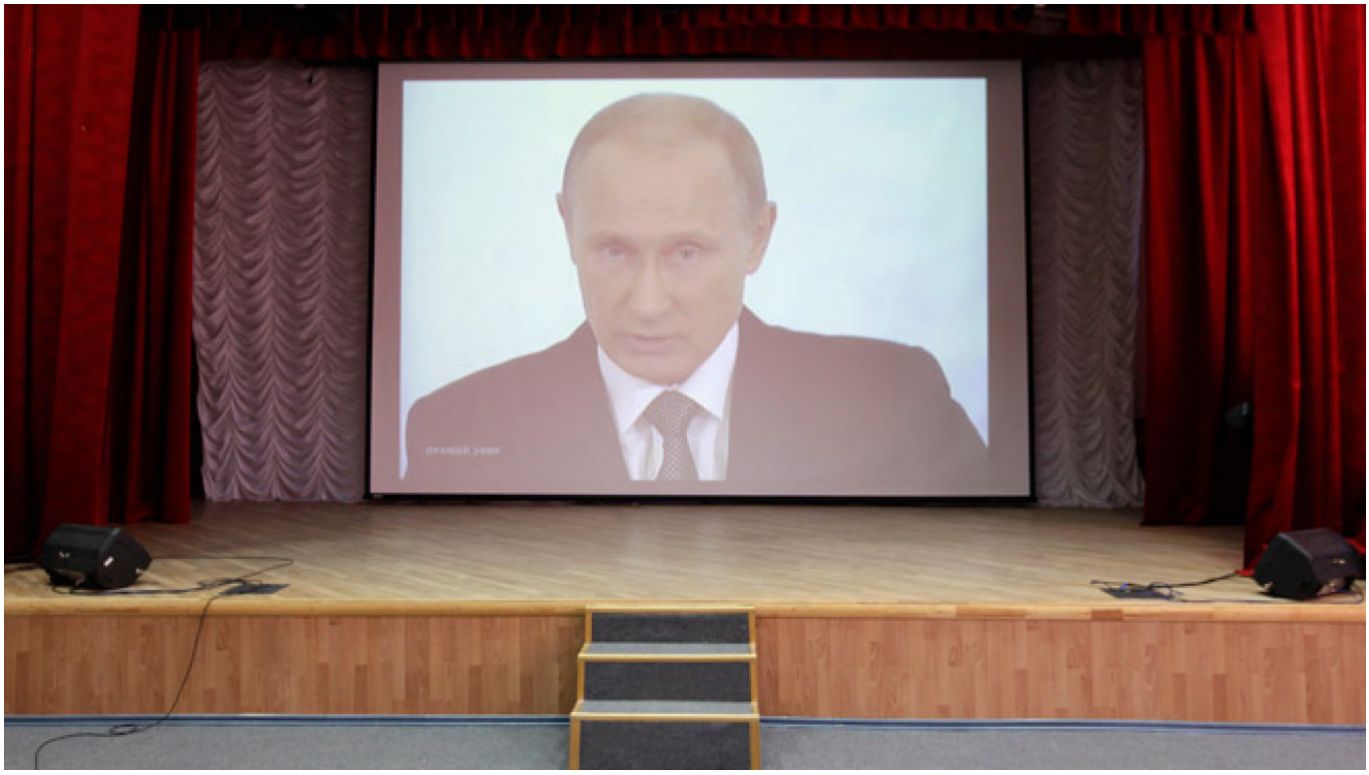

President Vladimir Putin is seen on a screen as he addresses to members of parliament and other top officials in the Kremlin, Dec. 4.

President Vladimir Putin told the nation on Thursday that Russia's ongoing clash with the West — which he compared to Hitler — was inevitable and will only make the country stronger by mobilizing its economy and society around common goals and traditional moral values.

In his annual address at the Kremlin Palace, Putin combined his trademark ultraconservative stance against the West with the promise of an unexpectedly broad liberalization in the economy while retaining control of it from the top.

Speaking in front of 1,100 members of the country's elite in the ornate Georgiyevsky Hall, Putin addressed his keynote speech to the Russian population at large, praising people's patriotism and resilience in the "decisive moments of history."

Economic Relief

Putin said the government would freeze current levels of taxation for four years through 2018, when the next presidential election is due, and proposed a range of measures aimed at reducing the amount of red tape that small businesses are forced to navigate, including relieving newly opened small businesses of all taxes for two years.

The president proposed suspending inspections for three years of small businesses that have not been fined for any violations during the last three years. All inspections must become public, Putin said, with the government introducing a list of inspections recording which agency has initiated the check.

"We have to get rid of all constraints on business, and relieve it of obsessive control," he said.

Putin also proposed an amnesty for all offshore capital returning to Russia, with owners relieved of the need to declare the source of their wealth.

In addition to these measures, Putin said Russia would increase investment in its transport and industrial infrastructure, doubling road construction.

Russia will use its $80 billion National Welfare Fund to recapitalize the country's major banks on condition that they lend it to the real sector of the economy at accessible interest rates, he said.

Faced with 40 percent depreciation of the ruble this year against the U.S. dollar, Putin ordered the Central Bank to combat "the desire of speculators to play on the fluctuations of the Russian currency."

To invigorate the country's economy, Putin proposed relying on internal resources, boosting industrial production, promoting import substitution and battling to keep inflation — predicted to reach 10 percent by the end of this year — at 4 percent.

In the next three to four years, Putin said, Russia must boost GDP growth to a level higher than the world average, which the International Monetary Fund puts at 3.9 percent in 2015. Russia's Economy Ministry currently predicts the country will go into recession next year with a contraction of 0.8 percent in GDP.

Contained by the West

Putin said Russia would have been sanctioned by the West — and the United States in particular — regardless of its actions in Ukraine this year.

"They would have come up with another reason to contain Russia's growing capabilities," he said.

According to Putin, Russia has been contained by the West, which — "like Hitler" — has wanted to push Russia beyond the Ural Mountains for centuries.

The president blamed "our American friends" for trying to manipulate Russia's relations with its neighbors and accused them of ruining Ukraine as a country. Putin also said the West had

helped separatists in the 1990s in Russia's North Caucasus, which suffered another terrorist attack in Grozny on Thursday.

"If for a number of European countries national pride is long forgotten, and sovereignty is an excessive luxury, then for Russia state sovereignty is an absolutely necessary condition for its very existence," Putin said.

The president said that Crimea, which Russia annexed in March from Ukraine, was a spiritual location for the Russian nation, saying that Vladimir the Great, the leader of Kievan Rus, converted to Christianity there. Putin did not mention that Vladimir was a grand duke of Kiev, the capital of the modern Ukrainian state.

In a more conciliatory note, he said Russia would not isolate itself from the West and would contribute to the resolution of the most pressing international issues, including the fight against terrorism and the spread of infectious diseases.

But Putin also brought back to the table the seemingly forgotten problem of U.S. plans to build a ballistic missile shield in Eastern Europe, which Russian officials claim aims to undermine the country's nuclear capabilities and threatens international stability. Putin said Russia has a non-conventional response to the plans, but did not disclose any details.

Live Long and Prosper

Putin boasted of Russia's recent successes in demography and health care, saying that the average life expectancy has reached 71 years, while the population will stand at 144 million by the year's end. He said the government aims to increase life expectancy to 74 years in the near future.

He urged more reforms in health care and education, urging competition into all spheres of public life.

At the same time, Putin stressed that in these "decisive times," Russia must stand consolidated and unified. Despite talking a lot about civic initiatives and people's growing appetite for inclusion in public life, Putin said nothing about the potential role of the country's opposition.

Freedom — In Theory

In an unconventional rhetorical move, Putin spoke a lot about freedom and self-realization, quoting from his favorite Russian religious and political philosopher Ivan Ilyin to say that "whoever loves Russia must wish her freedom."

"The main thing now is to let our citizens realize their potential. Freedom for the development in the economy, society and civic initiatives: This is the best answer both for external constraints and our internal problems," Putin said.

The president made no mention, however, of the country's electoral and judicial systems and political institutions, which are often named as the main obstacles to the development of civil society.

"We are ready to rise to any challenges of the time — and win," he said in his final remark.

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