

THE "MAFIA" AND THE LAND OF RUSSIA

HE IS HEAD of the Department of Urban Land, a division of the federal government's Land Reform Committee. A big wheel who will influence the future of 165 million people. Vasily F. Tretiakov exuded the quiet confidence of a career civil servant, who had moved from one monolithic ministry to another as he made his way up the Soviet bureaucracy. Outside, the fluorescent flicker of snowflakes relieved the steel-grey Moscow gloom.

He leaned forward. Clause 12 of the Constitution, he explained, did not allow the privatisation of land. Yet: "Yeltsin says it is necessary to sell and buy land."

Had any land been privatised?

"Yes, in Moscow." Three words that deepened the gloom.

Did the owners pay for the land?

"Yes." The price, he explained, was determined by auction.

Could the buyers sell the land?

"Yes."

Under President Yeltsin's decree, state enterprises only could buy their land. But there were restraints on the way that the land could be used. "If you buy a bread shop, with the land, then it is one of the written conditions that the bread shop must continue on the site for 15 years."

A dispiriting picture emerged. The bureaucrats really believed they could prevent injustices from flourishing. For example: "The state can still control the process of land use. We are sure we can prevent the mafia structures from getting a lot of land." Any profit maker is smeared as "mafia".

Why should the "mafia" not own land? "We are afraid they will be able to buy a lot of rural land, but won't use it effectively; they won't produce a lot of agricultural produce. They will start to sell it in small pieces at high prices. Speculation."

How would they distinguish between the mafia and legitimate users?

"We have created a special structure to deal with mafia structures, and the head is the vice-president."

THE NEXT stage, explained Mr Tretiakov, was to prepare a new law allowing private ownership of land for foreigners.

Foreigners want to get their hands on the low-cost land. In St. Petersburg, where city administrators lease land to users, politicians are being told by investors that finance cannot be obtained without offering land as collateral. In 10 years, prime sites on St. Petersburg's Nevsky Prospekt and around Moscow's Red Square will be worth a fortune.

Meanwhile, it seemed, land was even now being sold to privatised enterprises in Moscow. The birthright of the Russians, the one legacy that was worth saving from the disastrous

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experiment in communism, was being frittered away.

Well, I asked, how many sites had been sold? And for how much? Kremlin bureaucrats are not used to being asked to justify their statements: the targets of the 5-year plan are always achieved - documented in the reports of the civil servants - and what right had anyone to challenge them?

Glasnost. Mr Tretiakov reached for the telephone; he would obtain the statistics. He dialled, and spoke, and listened...and a smile broke on the face of my translator, Tatyana Roskoshnaya.

"The land has not been sold," she whispered. "The enterprises were sold, but the land was made available on 49-year leases, which is an even shorter

period than in St. Petersburg."

How could he make such a mistake? He had an answer: "There is a theoretical opportunity to buy land. I wasn't speaking about Moscow." But Mr. Tretiakov had been emphatic: land had been sold in Moscow...

He had not wanted to mislead me, of course. But the President had signed a decree that land should be sold - so, land *must* have been sold. Right? When decrees are issued, they are obeyed. Right?

Wrong! Much to Boris Yeltsin's fury, there is a deep-seated opposition to the alienation of land. Angrily, he said as much to the Congress of People's Deputies on December 3 when he denounced the opposition: "They call for abandoning the idea of private land ownership..."

Yeltsin railed for months against the impending Congress, a conservative body which, notably, would not privatise the land. His fears were realised in December when Congress refused to endorse the reforming Yegor Gaidar as Prime Minister.

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The Democratic Russia party wants everyone to be free to buy land. Their call for a referendum - endorsed by 1m signatures - was suitably ambiguous: "Do you agree that in the Constitution of the Russian Federation there should be an article allowing the private ownership of land, which means that it is the right of every citizen of the Russian Federation to possess, to use and to be in charge of land?"

Every citizen would endorse that ideal, if every citizen could have a piece of land. One million naive citizens of Russia do not realise what would happen, if land became a tradable commodity.