

## THE GEORGISTS ARE COMING! Part II: Leningrad & Estonia

by George Collins

Early on the morning of Wednesday, May 15th, Prof. Nic Tideman, Ted Gwartney and I arrived in what was then Leningrad but has since resumed its historic name of St. Petersburg. We were met at the train by the perfectly English-speaking Tatyana Ivanova Roskoshnaya, Head of the Department of Coordination and Application of Research Works of the Leningrad Institute of Urbanism. We were charmingly welcomed with a presentation of flowers. With her were the Deputy Director of the Institute, Sergei Metiaguin and a staffer. We were lodged in a small hotel next to the Institute and had our first meeting with the senior staff that morning. Among others present were Tamara Chistyakova, head of the Section on Urban Economy and Alexey Ulanovich Belinsky, chief of the Department of Transport Problems. The director of the Institute, Igor Alexandrovich Nerush, at whose invitation we were there, was away on a trip and would not meet with us until Friday afternoon.

The introductory meeting went as well as the meetings in Moscow. Here too they had been doing work on "zoned valuation". The response to our ideas was enthusiastic. Then followed a visit to City Hall where we were greeted by Sergei Belyaev, a member of the City Council and Chairman of the Krasnogvardeysky District Council of People's Deputies. In a brief statement, the President of the Council stressed the great need for reform to a market economy and welcomed whatever contribution we could make toward development of sound land laws. The afternoon was taken up with a bus tour of the city, acquainting us with the charm of old St. Petersburg; we ended the day with an evening of ballet.

Thursday began with an early morning visit back to Leningrad City Hall. We entered the splendid 19th century edifice through a very decorous demonstration of Leningradians parading with picket signs, demanding the right of individuals to buy their apartments. Some cooperative apartments have already been sold in Moscow, Leningrad and Tallinn, Estonia, the city we were to visit next. Of course, costs are extremely high. But the most important deterrent is the absence of laws which clearly define the terms of ownership and permit the transfer of state property to individuals.

Once again we were met by Sergei G. Belyaev. He is mounting an aggressive campaign to establish his district as a free enterprise zone. Chairman Belyaev escorted us to the office of Mayor Anatoly

Sobchak, a charmingly engaging politician who agreed to give us twenty minutes of his busy day. As would occur at the office of any big-city U.S. mayor, we arrived at the appointed time to find several people ahead of us awaiting their turn. A parade of constituents trooped into his office and out again. Still others held intense conversations with his secretary who busily tried to keep the schedule straight, answer the telephone and deal with newcomers.

Finally, we entered his resplendent office. Mayor Sobchak greeted us warmly and in his remarks outlined his aim to make Leningrad a free trade zone. High on his list of projects is a thorough restoration of the historic area of the city to fully exploit its tourist potential. Each of us had an oppor-



Sergei Belyaev (2nd from left) explaining Leningrad land valuation map to LVT experts and city officials

tunity to make a few remarks. Mayor Sobchak, upon hearing that Ted was an assessor, immediately asked him for assistance in valuing the land of the city. It did work out that Ted was able to return to Leningrad from Tallinn for the first two days of the week we were to spend there. On the return visit he did field studies of Chairman Belyaev's district and other historic areas and conducted valuation exercises with the researchers of the Institute.

A visit to the town of Pushkin (named in honor of the poet) in the afternoon once again revealed the extent of the mapping and land valuation that has already been undertaken. The work was reviewed for us by the Pushkin Executive Committee Chairman, Pavel Alekseevich Mikhaylov and the Institute's Economist Tamara Chestyakova. In Pushkin we also toured the Catherine Palace, also known as the Summer Palace, which was destroyed by Hitler's army in WWII. The palace has been painstakingly restored in all its original splendor with just a few rooms remaining to be completed.

Back in Leningrad, we paid another visit to Chairman Sergei Belyaev, this time at his District office. There, maps were re-

viewed. High value locations and neighborhood boundary indicators were identified. That evening we were the guests of Alexi Belinski, head of the Dept. of Transport at the Institute, for a delicious Russian dinner at his home with his wife and a friend.

Our last day in Leningrad began with a tour of the famous Hermitage Museum in the Czar's Winter Palace, scene of the 1917 October Revolution. The objects displayed there number over two and a half million pieces brought from the Near East, the Far East, Western Europe and Russia. Its collection of French Impressionist paintings is particularly impressive. The museum's extraordinary collection of works in every art form vividly demonstrates the opulence of the regime that was overthrown.

That afternoon, the final seminar in Leningrad, led by Director Nerush and attended by some 20 researchers from various institutes including his own, revealed the great depth of interest in land taxation. Prominent among the participants was Leonid Limonov, a mathematical economist at Leningrad Institute of Economics and Finance, and Chief Economic Advisor to the City Council.

The Architects Club, home of the Leningrad Chapter of the Union of Architects was the scene of a splendid farewell dinner hosted by Nerush and the researchers with whom we had worked. There were eloquent toasts in grand Russian style expressing deep bonds of friendship, commitment to the high ideals of freedom and the method of attaining it which we had spent the last few days discussing. The sentiments went beyond mere rhetoric. The Institute initiated a written understanding between us setting out the meaningfulness of our visit. It said in part: "Because of the strong desire in the USSR to adopt a system of funding public activities by the collection of rent and to move to an equitable functioning market economy, there are promising opportunities for future collaboration between the two groups."

After another overnight train ride, Ted, Nic, and I arrived in Tallinn, Estonia on Saturday morning. We were met at the station by Tambet Tiets, Chief of the Cadastre Branch of the Estonian Land Department, and Vallo Saar, a geographer and land use planner in the department.

We checked into the Olympia, a "first class" skyscraper hotel, built for the 1980 Olympics which was boycotted by the U.S. in reaction to the Soviet invasion of Af-

ghanistan. The rooms were of modest appointment. Virtually our first free day of the trip, Saturday, was spent in quiet relaxation until dinner that evening in one of the handful of private restaurants now operating in this Baltic breakaway. Evidence of the five decades of resentment and challenge to Russian control of Estonia surfaced from an innocent comment after dinner. One of my colleagues said, "This is the best meal I've had since we've been in the Soviet Union!" The waiter clearing the table muttered something as he left with stacks of deftly balanced dishes. "What did he say?" was our immediate chorus. "He said," our host replied, "This is not the Soviet Union."

Touring the historic sector of Tallinn on Sunday morning, we saw symbolic evidence of Baltic defiance. Huge boulders, put in place when Soviet troops attacked Vilnius, Lithuania earlier in the year, blocked the entrance to Parliament Square. We were treated to yet another feature of independent Estonian action in the afternoon. Just outside Tallinn in the surrounding farm country we were introduced to Vello Euensalu on his privately-owned and operated 125-acre farm. Estonians have been demanding the return, to their original owners, of lands confiscated by the Russians when they took control of the country in the 1940s. This farmer is the grandson of the original owner and he has recovered half the land. Working by himself, he buys his own supplies and equipment, hires temporary labor when needed, produces grains and milk and finds his own markets. By contrast, a 20,000-acre state-run farm which we visited later in the trip employs ten workers for every 125 acres.

Our schedule was adjusted to allow Ted to return to Leningrad to work with the Institute on Monday and Tuesday, as mentioned before. Nic and I gave all-day seminars on both days to an audience of roughly twenty people representing the Land Department, the Estonian Agricultural Academy and the State Agricultural Design Institute. Each of us covered a different aspect of the reform. Nic outlined the efficiency benefits on the first day; I spoke of equity. On the second day he took up security of tenure and other necessary conditions, and I reviewed the experiences with land value taxation around the world. We gave our presentations in the morning immediately

followed by questions, primarily for clarification and amplification. Throughout the tour we'd had consecutive translations of our meetings and discussions, but for these morning lectures simultaneous translations were provided. The afternoons were devoted to more wide-ranging challenges and discussions. Ivar Raig, a member of the Estonian Parliament and the Supreme Soviet, at whose invitation we were in Estonia, guided us through the Estonian Parliament and dined with us in the evening while his secretary Faya attended the daytime seminars.

Upon his return from Leningrad on Wednesday morning, Ted took over with an all-day seminar on land assessment methodologies. Simultaneously, Nic and I met with eight members of the Estonian Parliament, then lunched with Juhan Telginan, Chairman of the Parliamentary Commission on Rural Life. Entertainment that evening was an organ concert at historic Nigulisk Church-Museum.

Thursday was spent in consultation with researchers at the Estonian State Land Department and the Estonian Agricultural Designing Institute, where their mapping and valuation methods were reviewed. At midday we journeyed to the office of *Maaleht*, the largest circulating newspaper in Estonia, where we held a news conference attended by reporters from two other newspapers. Two days later an item appeared in *Maaleht* complete with our photograph.

In response to our critique of the draft land reform law that the Estonian Land Department had prepared for submission to Parliament, we were asked to do a redraft. Assigned to Prof. Nic Tideman, the draft was completed and is expected to be pushed with vigor in Parliament by Ivar Raig, with the support of other members.

Friday's visit to the Estonian Agricultural Academy in Tartu, and the University of Tartu, our last working day of the tour, was delightfully concluded with a reception at the home of Ivar Raig with his lovely wife and two very young children. They seemed

the perfect emblem of a country renewed with hope and promise. On Saturday morning Ted and I boarded the ferry for Helsinki, while Nic flew back to Moscow for yet more meetings.

Concrete proposals for further pursuit of the knowledge and skills required for the operation of a system of public collection of land rent in the Soviet Union have been issued by each center with which we worked. The Estonian Parliament was set to begin debate on the land reform law as soon as presented to them by the Land Department.

The Leningrad (St. Petersburg) Institute of Urbanism expressed, through a jointly signed memorandum of understanding with us, the desire to have reciprocal visits in which their experts will be trained in land valuation techniques and implementation procedures for the collection of land rent.

Upon my return to New York, a proposal was awaiting me from the Central Scientific Research and Design Institute for Town Planning in Moscow. It was delivered by Prof. Cord, who had remained in Moscow to meet with members of the City Council when we went to Leningrad (St. Petersburg). The proposal contained a request that we return to Moscow this fall to begin the training program that would have their experts coming to the US in 1992 for first-hand observation of a functioning assessor's office. It even expressed the ultimate aim of establishing a system of schools such as we have in the States to teach Georgist economics.

The attempted coup, the subsequent erosion of the power of the Supreme Soviet, and declarations of independence by republics other than the Baltics created considerable uncertainty that these initiatives would survive. But they have, and may now be of even greater urgency.

Professors Nic Tideman and Steve Cord are making a return trip this October. The links made with Moscow, St. Petersburg and Estonia will be more firmly forged. In association with five other Georgist visitors, they will also reach into the wider audiences of Greens, students, and democracy politicians in other cities.

The critically-needed training programs for development of the practical skills in land valuation, appraisal and administration are not yet in place. They require more careful development and funding. But indeed, the Georgists are coming.



*Gwartney and Tideman conversing with the director of 20,000-acre state farm and the mayor of a town enclosed within*



*Tallinn: symbolic defiance of Soviet tanks*