

Points from the Post

Whether critical or controversial, interrogative or informative, letters from readers are always welcome. Correspondents are asked to be concise—and prompt. Last date for acceptance is 12th of month preceding publication. The editor does not accept responsibility for views expressed.

Whitehall Arithmetic

To the Editor of Land & Liberty,

Sir,—Congratulations on your trenchant criticism of the Budget. It is now patently clear that in so far as economic affairs at least are concerned there is nothing to choose between Tories and Socialists.

May I add one further point to those made in your editorial? Last year, when estimating his revenue, the Chancellor made an error of over £300 million, and this is typical of the record of all post-war Chancellors. It is pertinent to ask, therefore, how Socialists can believe detailed planning to be possible in view of this state of affairs which makes nonsense of fiscal calculations.

Yours faithfully,

LYNDON H. JONES.

Hornchurch, Essex.

Taxation in U.S.S.R.

To the Editor of Land & Liberty,

Sir,—George Bashmakov states clearly that the "ground rent" collected on urban land in the Soviet Union does not correspond to differential rent. By his statement that it is not levied on farm land "where there can be differential rent" he seems to imply (1) that there is differential rent for farm land and (2) that he is unaware that differential rent (*i.e.* economic rent) necessarily applies equally to urban land.

Superficially the six different categories of "ground rent" (varying according to location and population) may have some resemblance to land value taxation. However as tax is so much per square metre, two adjoining sites both of 2,500 sq. metres, would be equally taxed although one has the benefit of, say, a 100 metre frontage and the other only 25 metre frontage.

Bashmakov states that land in the Soviet Union has no price. Would he deny that it has an economic value that varies from place to place according to how such factors as proximity to raw materials, transportation, public services and population affect what a given amount of exertion can produce?

Land values (*i.e.* rental values) can vary in Britain from a few shillings an acre in the remote wilds to a few pounds an acre for agricultural land. Land suitable for housing in the suburbs of London may have rental values of anything from tens to hundreds of pounds per acre whilst as one gets nearer the centre values go from thousands to hundreds of thousands of pounds per annum per acre.

It is difficult to believe that the contrast in Russia between urban land values and those of remote rural

areas is not similarly striking even although there is rampant land speculation in Britain and despite the differences in area and population. (Russia has four times as many people on nearly 90 times as much land).

Bearing this in mind, we see how very far from the likely range of economic rental values of urban land are the "ground rents" charged in the Soviet Union. Converting Bashmakov's figures we get the following:

Class	Kopeks/per square metre	Sterling Equivalent Per Acre	At 20 Years' Purchase *
I	18	£76	£1,530
II	15	£64	£1,275
III	12	£51	£1,020
IV	9	£38	£765
V	6	£25	£510
VI	4	£17	£340

* *i.e.* what the approximate selling value would be if the "ground rent" were in fact ground rent.

Yours faithfully,

VICTOR SALDJI.

Highgate, N.6

London Labour Party's Error

To the Editor of Land & Liberty,

Sir,—On page 85 of your June issue the executive committee of the London Labour Party are quoted as saying that "a site value rate is borne by the owner as distinct from the occupier". The answer to that is that it is not!

Some owners receive only a peppercorn rent. Others have granted a lease at a low rent such as the London Mansion House property, which is let at £10 a year in perpetuity.

A site value rate would have to be divided among the several interests in strict proportion to their enjoyment of the land value. Thus, a leaseholder whose site was valued at £50 a year, and who paid £10 ground rent, would pay a site value rate on £40 and the freeholder on £10. Occupying freeholders would pay the whole of the site value rate.

The L.L.P. Committee conclude that the present system of improvements rating is likely to stay but suggest that site value rating could be used as an additional source of local income, at around two shillings in the pound on site value. In plain terms this would mean that every home-buyer in the Kingdom would be faced with a ground rent payable to the municipality. Those who had bought their freehold would have a new landlord.

Yours faithfully,

GEORGE ALFRED GRAVES.

London, N.16.