

News and Comment



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France "Observes" Land Prices

HOW DO THE PRICES of building land evolve and what laws do they obey in the Paris district? A commission for the general inspection of finances, under the direction of Mr. Jacques Darmon, has tried to reply to these questions in an enquiry conducted recently at the joint request of the Ministries of Housing and Local Government and of Economy and Finance. It is the first attempt at a thorough exploration of the land market. The instigators of this enquiry have, in fact, compiled a list of approximately 20,000 transactions covering the period from 1963 to 1968, thanks to the original documents of the Land Registry and those of the Inland Revenue.

The commission found that in 1968, building-land prices in Paris and its outlying districts generally varied from £9,150 to £151,250 per acre,* but there were sharp deviations from this scale—for instance, land which had kept a purely rural character, as at Dampmart (Seine-et-Marne) was only £3,650 per acre while in certain prestige areas, e.g. around the Bois de Vincennes, it could be £211,750 to £363,000 per acre. (It must be added that for certain areas, including the centre of Paris, no prices were given as the land market was "inactive", because no further building was permitted).

In general, there had been a steady increase all round in land prices between 1965 and 1968, but where small parishes had been rapidly transformed into densely populated areas, the increase had been much sharper—on average, 45 per cent. The commission felt these sectors merited watching, for they set the tone for the building-land market. The areas in question are all within 50-70



minutes' journey from the heart of Paris and the prices per acre range from £18,150 for sites within 70 minutes to

£39,325 for sites within 50 minutes.

Land prices are governed not only by natural factors—area, environment, amenities, location etc.—but also by the availability and nature of development permission.

Now that this first analysis has been made, the Paris prefecture working party on housing and land use considers that an "observation post" should be set up to keep an eye on the state of the land market, the extent and level of transactions and the development of prices.

This investigation into land prices falls far short of a general land valuation and perhaps only confirms, although in more detail, what was already known. However, it is hoped that "keeping an eye on the state of the land market" will be a prelude to action to make land more available, to bring its price down and to channel the rent of land into the public purse. If, however, it leads to the consideration of the kind of betterment levies we in Great Britain have been plagued with, then let them take heed of the "laws that prices obey" under such travesties of land reform and reject them forthwith in favour of the sound principle of land-value taxation.

Beggars Come to Town Again

THE PRESIDENT of the National Farmers' Union, Mr. Henry Plumb, in his recommendations to the Chancellor of the Exchequer, put forward an urgent plea for relief for farmers from capital gains tax when a firm changes hands by gift or inheritance. He also wants death relief from capital gains tax doubled to the first £10,000.

Mr. Plumb requests a substantial extension to the time limit for paying capital gains tax and estate duty on land, and for an extension of the estate duty relief on plant and machinery.

Among other brazen requests for special treatment is a change in the system of taxing income from landowning. The farming unions of the UK say that great importance is attached to the continuation of a "healthy landlord and tenant system, which is vital to the well-being of British Agriculture." They ask that income from the management and letting of agricultural land should be treated as trading income on the same basis as earned income from farming.

They also urged that farmers' income tax be charged on a three-year average of profits because of the wide fluctuations in income from year to year, due to weather and other conditions.

Moving away from the specialised areas the unions

* Figures converted to English measures and values.