

#### WHO SAID THAT?

**T**HE budget should be balanced, the treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and assistance to foreign lands should be reduced, lest the State become bankrupt. The people should be forced to work and not depend on Government for subsistence.

—Marcus Tullius Cicero,

106-43 B.C.

## Letter

### LESSON OF FRANCE

**S**IR,—Early in 1789 France found itself in great financial embarrassment, a heavy debt and a serious deficit. Much of it the result of certain political reforms and a general industrial depression. To meet the situation the National Assembly decided to resort to paper money and 400 million francs were issued and known as assignats.

Five months later the government were again in distress and new issues of paper money were authorised. By September 1793, 3,000 million assignats had been issued and the value of the assignat in francs had fallen below thirty. Various devices were introduced in an effort to maintain the purchasing value of this paper currency.

One such was called the Law of Maximum which fixed the price of each article of necessity at one and one third of its price in 1790, allowed five per cent profit for the wholesaler and 10 per cent for the retailer, and transport cost at a fixed rate.

In Great Britain in 1973, excessive issues of paper money had caused prices to rise to such an extent that there was financial embarrassment and much industrial unrest. To meet the situation, certain devices were introduced known as Phase 1, 2, 3 and 4; they

controlled and fixed the limit of prices and wages.

In 1795 the French returned to specie money; let us hope that in 1975 common sense will have prevailed in Great Britain and our currency is based solely on gold, silver and copper.

Yours faithfully,

STEPHEN MARTIN

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### Inflation Leads To Revolution

**B**OLIVIAN ARMY troops and police are hunting for the hidden leaders of the recent peasant uprising, the worst crisis in General Hugo Banzer's 2½ year old Government, reports the *Sunday Observer*, February 3.

The rebellion broke out when food prices rose by more than 100 per cent. Miners and farmworkers immediately demanded higher wages.

The Army was ordered to crush the peasants' protest and nine were shot dead.

In 1972 the Bolivian peso was devalued by 60 per cent in relation to the United States dollar. Government sources estimated that the Bolivian cost of living has risen by almost 280 per cent since General Banzer took over.

### Clumsy and Superficial Land Reform

**A**LL uncultivated farmland and all farms considered by the government to be badly run would be expropriated and divided up among 100,000 poor peasant families, said President Lopez of Honduras, January 1 reports *The Christian Science Monitor*. The land owners would be compensated with government bonds redeemable in twenty to thirty years.

President Lopez also said that the government had nationalised all forest land. Owners would receive a share of the profits from the sale of their timber, but the government would control all lumbering and forest development.

### Full Rates on Empty Properties

**E**ALING Council, under the Local Government Act 1974, will levy a statutory 100 per cent rate on properties remaining empty for more than three months.

A surcharge of 100 per cent of the full rates will be introduced on commercial properties still empty after six months, and where the owner has not tried hard enough to let them. The mandatory surcharge would be increased 100 per cent for each subsequent year.

### Land Values

#### FARM LAND

**T**HE average price per acre of all farms sold with vacant possession during the year, was £662 in 1972 and £924 in 1973, an increase of 39½ per cent.

The average price per acre rose most sharply for small farms (0—50 acres), from £1,044 in 1972 to £1,500 in 1973 (up 43½ per cent).

For farms over 300 acres the rise was 28½ per cent, from £714 (1972) to £919 (1973).

#### BUILDING LAND

**T**HE average price per acre of building land during the first half of 1973 showed an increase of 185 per cent over the figure for June 1970.

#### LAND RENTAL EVIDENCE

**A** ¼-acre building site in Kings Road, Reading, has been let by tender for more than £100,000 p.a. with seven-yearly reviews. This means a pure land rent of perhaps £140,000 - £150,000 per acre per annum.