

HUNGARY AFTER THE ARMISTICE

(Quoting Count Michael Karolyi in the *Manchester Guardian*, February 1.)

THE PEACE of the Danube Basin requires that Hungarian feudal reaction should be removed from the saddle and that the landless peasants should rise from their political and economic oppression. One of the parties participating in the coalition forming the Provisional National Government, the National Peasant Party, has put forward a draft scheme for land reform which will shortly come before the Provisional National Assembly, and which represents a suitable foundation for the solution of this problem. If this scheme is realised we shall be able to regard Hungarian feudal reaction as dead and buried. This is the key problem. . . .

A democracy without fundamental land reform in Hungary could only be a formal democracy in the same way that France, in spite of the French Parliamentary system, was led into catastrophe in 1940 by the famous "two hundred families." That kind of democracy is out of date to-day, and would become an easy victim of various brands of Fascism. If we really want to utilise the force inherent in the Hungarian people, if we really want to eliminate any kind of reaction, simultaneously with the building up of local government organs and the extension of the controlling powers, we have to raise the standard of living of the masses. Only a democracy built on such foundations could guarantee peace, and only a peace signed by such a democracy will be more than a scrap of paper. In such a democracy the Hungarian peasant will no longer dispute the rights and sovereignty of the neighbouring peoples. He will not want to rule over Serbs, Slovaks, or Rumanians, as he will have nothing to do with the old ruling clique which kept him, not unlike his neighbours, in misery and oppression. When the people determine the country's policy the false ideologies will disappear.

A SOCIALIST ON PERSONAL LIBERTY

OF WHAT use, we are sometimes asked, is liberty to a starving man? Obviously of no use at all, since nothing is of any use to him but food. But, although man cannot live without bread, he does not live by bread alone. One of the worst infamies of our existing social system is that so many people are preoccupied so exclusively by the necessity of getting their bread, and the constant uncertainty as to whether they will get it or not, that they cannot concern themselves with anything else. Such people exist: they can hardly be said to live. If they were offered enough to eat and drink for the rest of their lives at the price of certain restrictions on their liberty, they might well accept the offer. But, when once they were relieved from anxiety about their daily bread, they would demand liberty. . . . The desire for liberty is not an exclusively human instinct; it

exists among all the higher animals. A wild bird caught and caged has greater security than in freedom. It is in no danger of dying of cold or hunger, or of falling prey to a hawk. But, in the effort to get free, it will beat its wings against the bars of the cage until it breaks them and perhaps kills itself. It prefers death to slavery. We shall make a mistake if we attempt to base any social order on the assumption that the love of liberty is less deeply rooted in the nature of men than in that of birds. . . . Liberty becomes positive only when the individual is regarded in his relations with society, that is, with the totality of individuals. Absolute personal liberty is in the nature of things impossible, except so far as opinion is concerned, since several absolute liberties cannot exist together. The liberty of each individual is necessarily limited by that of others. But it does not follow that any and every interference with personal liberty is permissible in the supposed interest of the collectivity. Experience has shown that the real and ultimate interest of all is to secure to each the maximum of liberty, or, in the words of Henri Barbusse, "to use a much more concrete expression, the minimum of constraint." And it is possible to define the minimum of constraint. The irreducible minimum is such constraint as may be necessary to prevent an individual from so using his liberty as to interfere with the liberty or the rights of others. . . . What greater restriction of personal liberty could there be than the power of a few to deny to others the right to use the land, that is, the right to exist? There can be no economic freedom without access to the land.

From *Socialism and Personal Liberty*, by Robert Dell.

PRACTICAL QUESTIONS

A BELFAST READER writes:—

"I am greatly interested in the taxation of land values, but I cannot grasp the details of the technique by which the tax is to be paid and what difference it makes to our present procedure.

"May I give an example? I took a lease of one-eighth of an acre at a ground rent of £9, equivalent to a capital value of about £200. On this I built a house costing £700, which is valued for rating at £36. As the rates in our city are 11s. 4d. in the £, I pay in rates about £21 a year.

"Under the proposed system would I pay 11s. 6d. in the £ on the £9 annual value of my land? Do I continue to pay the £9 ground rent? If I pay the rate on land values how is it passed on to the ground landlord?"

The answers to our correspondent's questions are:—

Under the rating of land values all sites, whether built on or vacant, whether used or unused, would be assessed at their annual value as sites. That is to say, they would be assessed at the amount for which they could be let at the time of valuation on a perpetual

tenure assuming that there were no improvements on the site.

This annual site value may be greater or equal to or less than the amount of any ground rent payable for the site. Even if the ground rent was a fair estimate of what the land was worth at the time of the lease being made, the value may have altered subsequently.

The valuation should be revised frequently and the annual site value assessed would, therefore, be very near to the true value at any time.

The amount of the rate which would be imposed upon site values would depend upon the total site value of the district, just as the rate at present levied is determined by the total revenue needed and the total rateable value. It is, therefore, impossible in your illustration to say what rate on site values is needed because the total site value of your city is not known. What can be said is that experience in every country in which the rating of site values has been introduced, shows that the annual site value is much more than sufficient to provide the municipal revenue needed.

Although it seems improbable that a valuation which includes only the annual value of the site would be greater than one which includes the annual value of buildings and improvements also, it is to be remembered that unused land is not valued at present, and badly developed land is only valued according to the use currently made of it. In addition, in England at any rate, the existing rateable values are often much less than the true annual value. It may therefore be that the rate in the £ required on annual site value might not be very different from that levied on rateable values at present.

As to the way in which the rate would be collected. In the first place you would pay it, and then you would deduct from your ground rent the share to be paid by the landlord. If, for example, the true annual site value of your land is now £12, and suppose that a rate of 12s. 6d. in the £ would be needed. Then you would pay 12s. 6d. on £12 or £7 10s., and you would recover from your landlord by deduction 12s. 6d. on £9 or £5 12s. 6d. On the other hand if your annual site value is £9 or less, you would pay the site value rate and deduct the whole from the ground rent. (In this case the ground rent would be more than the site was worth, but this is a problem in the law of landlord and tenant and not in that of rating. All that need be said here is that rating of site values would make this problem easier to deal with, because among other things it would provide a valuation without which the facts in any particular case would be obscure.)

2d. HOW THE ENGLISH PEOPLE BECAME LANDLESS. And How to Regain the Land.

2d. UNEMPLOYMENT AND THE LAND. By W. R. Lester. M.A.

2s. 6d. LAND AND FREEDOM. A new, comprehensive and up-to-date treatise on Land Value Taxation. By Frederick Verinder.