

Protectorate should rest on Proclamations specially dealing with that branch of the law, and not on the general introduction of the doctrines of English law and equity contained in No. 4 of 1900. We think, further, that it will be necessary also to repeal so much of the Supreme Court and Provincial Courts Proclamations as enables the parties by an express or implied contract to submit themselves to English law in matters relating to the tenure and enjoyment of any land.

"The Lands Proclamation No. 8 of 1900 has already been quoted. This enactment prevents the acquisition of any interest in or right over land from a native by a non-native without the consent in writing of the High Commissioner first had and obtained. This, as has been already observed, is a strong assertion of the principle that the Government has the right and the duty of controlling acquisition of land within the Protectorate by non-natives. It is, in our opinion, a most useful and necessary provision. The phraseology may, perhaps, be open to criticism as recognising a form of alienation foreign to Nigerian custom, and probably the Proclamation may be superseded by a wider declaration of the law to the effect that no right of cultivation or enjoyment of land can be acquired either by a native or non-native without the assent of the Government. We think it is desirable that a declaration of this principle should be made by Proclamation as the basis of the system of land tenure.

TAXATION.

"One of the forms of wealth which is most likely to increase in value is land. All experience shows that in a progressive community the profits arising from the use of land tend constantly to increase. The construction of roads and railways, the introduction of new industries, and the general progress of Northern Nigeria, will, independently of the exertions of the cultivators, augment the profits derived from the use of land. It is desirable that taxation should be such as to aim at securing for the state this increment in value, but at the same time, while recognising this general principle, it is not clear to us that it has yet been accepted or forms any part of the indigenous scheme of taxation. The reason for this is no doubt that such an increase in the profits derived from land has not yet been experienced; there is still an abundance of good land not brought under cultivation, and rent in the economic sense, whether payable to the State or to an individual, has not yet emerged. But that, with the growth of population and the pressure upon the means of subsistence, it will shortly emerge appears probable, and it seems desirable before it has come into view and been made by native custom or legal decision the subject of private property to declare the right of the State in these expanding values. These considerations point to the imposition of a special contribution from occupiers of land which would rather be in the nature of rent than a tax upon agricultural profits. We are united in thinking that a land revenue, which would in fact be economic rent and would increase with the development of the Protectorate, should eventually form an integral part of the revenues of Northern Nigeria, but before such a land revenue can be accurately assessed the country must be surveyed; for this the Government of Northern Nigeria does not possess the necessary staff. . . . In order to carry out our recommendation it is only necessary that the payment made to the State for the use of land should be kept distinct from other taxation and be recognised by the people to be assessed upon distinct principles.

"If our recommendation is accepted, taxation in the Protectorate will fall under three heads, viz. :-

"I. Payment for the use of land, urban as well as agricultural.

"II. A tax on the trading and industrial classes.

"III. A tax on live stock:

"(a) Jangali.

"(b) On other live stock.

"This tax may perhaps ultimately be merged in one or other of the preceding heads.

"The retention in Northern Nigeria of annual revisions of the assessment is desirable. It appears that the revision of the assessment provides the occasion for an annual gathering of the district headmen in the presence of the Emir and the Resident at which the rates of assessment are discussed, and if no changes are brought to notice the previously existing rates are renewed. We can well believe that these annual gatherings provide useful opportunities for discussing the condition of the province and a variety of administrative questions, and we are therefore not prepared to recommend any change in what we understand to be the recognised rule, that rates of taxation and land revenue are liable to revision every year."

GERMANY.

DEFECT OF UNEARNED INCREMENT TAX.

A Reuter message from Berlin on March 9th gives the following information about the tax on unearned increment :-

The introduction of an unearned increment tax in Berlin has produced a rush on the part of sellers of land to complete bargains before the impost comes into force. Every day large land sales are announced. Two of them to-day amounted together to 11,000,000 marks (£550,000). In many cases owners have escaped the necessity of paying hundreds of thousands of marks to the city treasury. The tax can only be collected when the property changes hands. The city fathers foresaw the present development, hence their moderate estimate of half a million marks (£25,000) as the first year's yield of the tax.

A further dispatch on April 11th states that :-

As a part of the Imperial financial settlement last year it was enacted that the Government should within a given period introduce a Bill establishing a tax on unearned increment to produce at least £1,000,000 a year. It is announced that the drafting of this Bill has been completed, and that it will be introduced in the Reichstag on its reassembly to-morrow. It provides that the tax shall apply only to real estate. It will be payable on the sale of property and is to be collected by the municipalities and rural authorities, many of whom already have local taxes on unearned increment.

Local authorities will be required to hand over 6 per cent. of the yield of the tax to the Imperial Treasury, which expects to net £1,500,000 yearly from the impost. All forms of property other than real estate are exempted from the operation of the tax on the ground that the inclusion of securities, &c., would impose an intolerable burden on trade, drive capital abroad, and keep foreign capital out of Germany, with a resultant depreciation of German State and other securities and loss of revenue from stamp duties. It is hoped that the measure will pass the Reichstag this session, and, as last year all Parties accepted in principle an unearned increment tax on real property, the hope will probably be realised. The Federal Council gave its assent to the Bill at to-day's sitting.

THE LAND QUESTION IN HUNGARY.

By ROBERT BRAUN, Ph.D.

The history of landholding in Hungary begins—as it does in every other country—with common property in land. When the Hungarians conquered their country, the whole nation was divided into seven tribes, each tribe getting its share of the land. With the introduction of the Christian religion (in 1000 A.D.) and the creation of a new central power, that of a king, the ownership of these tribal lands was transferred to the Crown. With the establishment of western law feudalism appeared, and in the course of centuries—as in other European countries—nearly all the land fell into the hands of large landlords, with tenants and landless peasants under them. But still there were some exceptions, and there were places where the cultivators of the soil had no individual landlord, but were tenants of the crown. In the earliest period of its history the kings, anxious to strengthen their newly created power, looked for support in foreign countries, and to that end encouraged Germans to migrate to Hungary. As an inducement the Germans were promised the maintenance of their own law, the free election of their judges and priests, and exemption from all intermediate ecclesiastical and temporal power. The colonisation of Hungary went on, and many thousands of western Europeans settled, finding relief from the oppression of the land system in their own countries. The descendants of such settlers are the Germans in Transylvania, generally called Saxons. Other citizens of Hungary had similar privileges conferred on them for special services.

The year 1878 put an end to feudalism in Hungary. The peasants became freeholders of the land they had cultivated, the landlords being paid rich compensation for their rights. But only a small fraction of the whole land was under cultivation. The greater part consisted of woods and pastures, up to that time held in common by peasants and landlords, and this had also to be divided. In this division the landlords used their greater political influence in order to secure for themselves the best and richest areas; nevertheless the peasants obtained, in the vicinity of the villages where they lived, their smaller or larger

portion of this land. This was of very great importance to them, as many gained partly or exclusively their livelihood from cattle-raising. The question then arose whether this common land should be the property of the village, with equal right of use to every inhabitant, or the property of the individual peasants who had been using it at the time of division. The question was solved in the latter sense and the consequence was the creation of a rural proletariat. But this was not all. The government regarding common property in land as an obstacle in the way of its proper use, facilitated subdivision and private property. Nearly all the common land in Hungary is either divided or in process of being divided. The basis of the allotment was the amount of arable land held. The more arable land a proprietor had, the greater was his share of the common land, with access to the commonage now denied to them, and artificial pastures were at that time nearly unknown in Hungary, most peasants were rendered unable to feed their cattle, and they were obliged to part with them. The consequence was a decrease in the number of all domestic animals, the land was deprived, not only of the animal power necessary to work it, but also of manure, and a sudden decline in agriculture set in. Even worse results attended the division of the woodland. Systematic forestry cannot be conducted on a small scale; many of the holders of the land after division quickly got rid of their portion, selling as a rule without knowing the extent, location, and still less the value of the property that belonged to them. Adventurers and speculators took advantage of the ignorance of peasants and robbed them of their patrimony. It might be mentioned here that a very conservative author (Dr. Sebes), who held a high position in the ministry, writes that on an average a Hungarian acre (1.72 English acre) of woodland was sold for about 1s. 8d., its real value varying from £17 to £30. The first work of the new proprietors was to cut down the woods, which had become especially valuable during the previous 8 or 10 years. The consequence was quite disastrous. The thin stratum of land being no longer protected, was soon washed away by torrents and the bare rocks exposed, which are never likely to be capable of cultivation. This caused a most unfavourable change in the climate, and in the distribution of moisture. The government felt obliged to interfere in order to check this wholesale denudation and to force the proprietors to observe less reckless methods. They forbade them to give a share for free use to any owner having less than 170 acres. These measures were, however, ineffective as the speculators bought up several shares and, having more than 170 acres, they secured the free use of these lands.

Hungary is a country with remarkable agricultural resources. Of the whole area only 5 per cent. is incapable of cultivation—in Great Britain the proportion is 41.8 per cent.—the soil is, without question, one of the most fertile in Europe. Yet there are few European countries in which the average yield of crops per acre is less than in Hungary.

One third of Hungary is owned by 1000 proprietors. The cultivatable area is poorly exploited, especially on the larger estates. For instance, the Greek Episcopate of Nagyvarad grows cereals on only 1 per cent of its 170,000 acres. The emigration from Hungary is nearly 200,000 people per annum, being second only to Italy. Strangely enough many people are inclined to say that the emigration is due to there being more people in the country than the land can support. There is said to be "over population." People who think this to be the cause are led to think that the remedy is the "protection" of home industries. Aided by a tariff, they say, a manufacturing industry could provide more people with work, that the taxes would be paid partly by the importers, and the cry is "tax the foreigner!" But that the evil is due to other causes and must be cured by other measures, can be proved from the evidence, which even a superficial examination of social conditions will reveal. Let us take an example and a contrast. In the eastern part of Hungary, called Transylvania, where I live, there are two nationalities who never had individual tenure of land: the Hungarians, called in Transylvania Szekelys, and the Saxons, the descendants of the ancient German colonists. The former will provide the example and the latter the contrast. When the new land laws were passed the leaders of the Szekelys used their political influence to promote the division of common pastures and woodlands. The greatest and most valuable part went over to speculators, and the people themselves are now living in misery, often exposed to starvation in winter. The full effect of this expropriation is not yet felt as there is still plenty of work in the woods, and the building of an important

railway in that part of the country provides employment for the time being. The railway will be opened next spring, and gangs of men discharged, and as work in the woods is gradually growing scarcer, the outlook for the people in that region is indeed bad; for there is little opportunity for them making a living. These 600,000 people near the frontier belonging to the properly Hungarian (Magyar) race, have a special political importance, and the government, heedless of the expenditure incurred, are giving them all possible support. A special Szekely relief department has been created in the Ministry of Agriculture, which disposes of considerable sums providing seed, well bred cattle, horses, poultry etc., at cheap or nominal prices, teaching home industries and new methods of agriculture. The Department is working honestly, I myself see its work and know its officials, but in spite of all their efforts there is no essential change for the better. There is not one of the officials who would say there has been improvement. Indeed, it would be a marvel to me if there was any change. For what can such petty means do to make amends for the greatest economic misfortune a people can suffer, namely, the loss of its land? They can be sustained as beggars are sustained and demoralised by gratuitous gifts, but they can never become a free, self-supporting people until their rights to the land are restored to them. Now look on another picture. There are about 200,000 Saxons in Hungary who own about 2 million acres and of this not quite 70 per cent. is common land. The legal proprietor is the village community. Consider how different has been the development of the Saxon territory from that of the Szekelys I have described. The Saxon deputies pleaded in the Hungarian parliament for their special customs, and a territorial law was passed in 1880, exempting all ancient Saxon territory from the operation of the new land-laws. This prevents any individual proprietor from claiming any portion of the common land, large or small. This common land is used partly as common pasture, and partly as arable land, rented to individuals. The woods are managed by the State, and the timber is either divided among the villages or it is sold to the highest bidder. All returns are used for local purposes. Now, everybody knows in Transylvania that these Saxon villages are the most prosperous in the country. Most of them pay no local taxes. Many villages are giving timber and some electric light as a gift to the inhabitants. There are 13 villages in the county Brasso, which are especially prosperous. Even county taxes are paid out of the income from the common land, and to avoid the trouble they had of soldiers being quartered upon them in the villages, they built comfortable barracks to provide for the visits of regiments. Their special endowments for the poor they cannot spend as they have no poverty except perhaps temporarily. Last year one village spent 15 shillings on paupers. The Saxon communities are raising more wheat per acre than is raised in any other part of Hungary, though their soil is by no means the most fertile. As the State does not support their schools (the language in them being German), they maintain their own schools, and not only do they have the best public schools, but they have 10 colleges or "gymnasias." They have the best schools, the best instructed clergy, and the most favourable economic conditions in the country. Is it necessary to add that they have the least amount of crime? Their banks are the richest in Transylvania and one of them spent last year for schools and humanitarian purposes as much as £5,000.

Many argue that this thrift and public spirit is a special characteristic of the Teutonic race. I do not think so. There are many hundred German villages in Hungary in deep poverty; nay, there are even such Saxon villages: but they all parted with their common lands. The good public spirit is the natural outcome of common moral and material interests, the emblem of which is common land. This land once lost, all moral and material ties, which keep a community together, are lost too.

GREECE.

THE LAND QUESTION IN THESSALY.

An article on this subject appeared in the TIMES of April 12th. The following extracts indicate the nature of the problem:—

The existing system of land tenure in Thessaly, unlike that of the rest of Greece—where, except in the Ionian Islands and a few isolated districts on the mainland, peasant proprietorship has been established—is based on feudal principles. It owes its origin to the institution of the Turkish feudal system in 1397, after which a number of Seljuk noble families came over from Asia Minor and received fiefs in this country and in Southern