

The Land Question in Hungary

TOWARD THE END of the first world war an effort was made in Hungary to solve the land problem on the basis of proportional land value taxation. The effort succeeded in 1917 in introducing in Budapest, capital of Hungary, an uncompromised site value tax at the rate of $\frac{1}{2}$ per cent per annum. However, the counter-revolution in 1919 suspended this law.

The second world war ended with the victory of the democratic forces but this time attempts to grapple with the problem of land monopoly took another direction.

How seriously land monopoly had developed in Hungary in the absence of means for socializing rent can be seen from the following statistical summary:

DISTRIBUTION OF LAND IN HUNGARY, 1938

Size of Holdings (in acres)	Total Acreage of Class	Number of Proprietors
200- 300	1,244,000	4,040
500-1,000	1,028,000	1,480
1,000-3,000	1,435,000	879
3,000-5,000	562,000	146
above 5,000	2,593,000	199
Total	6,862,000	6,744

The average estate was 1,025 acres. Of the 6,862,000 acres, 46.4 per cent, or 3,200,000 acres, was what is considered arable land. The remainder consisted of gardens, meadows, vineyards, pasture and forests.

This was the situation in 1945 when a revolutionary movement distributed the landed properties among the peasants. The distribution was afterwards legalized by the government. Under the law, all real estate (land, buildings and live stock) in estates above 1,000 acres was completely confiscated. In estates of less than 1,000 acres, 200 acres were exempt from confiscation when the proprietor was the actual farmer, and 100 acres were exempt in the cases of others. This rule, however, was not always carried out in accordance with the law.

The new proprietors were obliged to pay in ten yearly installments twenty times the net cadastral income into a fund. Out of this fund the old proprietors are to be recompensed if the economic situation of Hungary should allow compensation to be granted them. The price thus fixed represents only a quarter of the present market value of the confiscated estates; but the condition means that practically no payment will be made at all.

According to reports available up to February, 1947, 3,258,756 acres were distributed among 642,000 peasants. The average was 5.1 acres.

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