

## Inside Hungary

By DR. CHARLES K. RAVASZ

Undaunted by gaol and the concentration camp, courageous Hungarians have openly upheld the Henry George philosophy of freedom and equal rights. Initial partial success was followed by persecution during the police Reign of Terror. Since 1953 their voices were heard increasingly—demanding freedom, and influencing legislation.

A NUMBER OF OUTSTANDING contemporary historians and thinkers have already expressed the opinion that the importance of the Hungarian revolution for the history of mankind may equal the French and Russian revolutions. Whether this is so future events will show.

It would be wrong to claim that the Hungarian freedom fighters were motivated by any particular ideology, let alone a definite economic programme. Revolutions are started to overthrow a social system which has become intolerable, and it is generally only the main trends of ideas and emotions that contemporary observers or even later historians can trace. Nevertheless, Georgeists all over the world should have no difficulty in proudly identifying themselves with the Hungarian revolution.

Many who have played, on various levels, a very active part in recent events are known to be well acquainted with the teachings of Henry George and to have approved them at some time or other in their lives. Among them are the revolutionary Prime Minister, Imre Nagy.

The revolution had no time to formulate an economic programme. The demands of the revolutionaries were directed mainly towards the establishment of human and civic rights, the respect for which Georgeists share with all genuine liberals. This, of course, would be sufficient for Georgeists to support the aims of the revolution. But I used the word "identify"—with good reason. To explain this we have to delve a little into recent history.

The revolution was sparked by the liberal wing of the Hungarian Workers' (Communist) Party. The demands enthusiastically accepted by the entire people, and reiterated and adhered to throughout the revolution, had been formulated by this group. After the Stalinists had managed to remove Mr. Nagy from his first premiership—following the fall of Malenkov in Russia, in February, 1954—the liberal wing continued to resist re-Stalinisation. It was especially the writers and young intellectuals who showed outstanding courage and who were successful to the extent that the official party line almost completely lost control of the literary and scientific periodicals. These periodicals provided the ferment which led first to the demand for democratisation and, when this was stubbornly

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*Dr. Charles Ravasz, who studied in Budapest under the eminent late Dr. J. J. Pikler, fled Hungary in 1949. For a short time he was associated with the Henry George School of Social Science in London, later emigrating to Australia. He edits our Sydney contemporary, "The Standard," and is a Vice-President of the International Union for Land Value Taxation and Free Trade.*

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resisted by a handful of Stalinists, finally to the outbreak of the revolution.

The economic policy of the liberal wing was formulated by the head of the Department of Statistics, Professor George Peter-Pikler, in several articles which he published between 1954 and 1956 in the Hungarian *Economic Review*. George Peter-Pikler is the son of Dr. J. J. Pikler, who was for many decades the doyen of Hungarian Georgeists. It caused Dr. Pikler much bitterness that his son had become a Communist, and it is a great pity that he did not live to read his son's articles, which in their very style, in their lucid and witty disposal of opposing views were so reminiscent of the writings of Dr. Pikler himself.

Professor Peter-Pikler's articles were perhaps the most outspoken and best documented condemnation of the planned economy ever written. They showed that planning of production and distribution was not even a Marxist policy, but was grafted on Marxism. Had not Marx himself rebuked Rodbertus when he proposed something similar? Professor Peter-Pikler proved that the arbitrary determination of prices was incompatible with the Marxian theory of value. He demanded that central planning be limited to the allocation of new investments; that production, distribution and exchange be completely free; and that price should be allowed freely to fulfil its natural function of regulating supply and demand.

Professor Peter-Pikler created a school of thought, and several economists started to expound and amplify his views, including the Dean of the Karl Marx University of Economics. Lecturer in Economics Peter Erdos advised his students and readers to study the Physiocrats, who had exposed all the fallacies and mistakes of government regimentation of the economy 200 years before the Communist planners committed the same errors again.

Land-value taxation was included in the programme of the liberal wing of the Workers' Party. It was under pressure from them that at the beginning of 1956 a new "agricultural income tax" was introduced, which was based entirely on the value of the land, and disregarded actual income. The Government explained that as the tax was constant and did not rise with any increase of the farmer's income due to his own efforts, it would encourage production. However, the tax was graduated and it differentiated between collective farmers, individual farmers, etc. The liberal wing demanded that these graduations and differentiations, in which the Stalinist policy of forced collectivisation was reflected, be removed.

Although, as already mentioned, the revolution had no time to develop an economic policy, it is virtually certain that it would have followed the policy laid down by George Peter-Pikler.

To my knowledge the only economic programme reported was that put forward by the students of the University of Mining Technology in Sopron. The students declared that while oil and other mineral resources should belong to the entire Hungarian nation, they saw no reason why mining equipment should not be privately owned. They proposed that concessions to exploit mineral wealth be openly auctioned to the highest bidders, even expressly declaring that the Soviet Union should be invited to bid on equal terms. Such a view is, of course, wholly in line with Georgeist theory and policy. Yet the students of Sopron probably had never heard of Henry George. This solution just seems natural and it appears likely that it would have commended itself in many branches of the economy.

#### Taught in the Colleges

One should not imagine, however, that conscious proponents of Georgeist policy were far removed from the scene of action. It is difficult to know to what extent, if any, juvenile memories have influenced Imre Nagy, or to what extent they might have influenced his decisions on economic policy should the revolution have prevailed. But there was a small but very capable set of men in their thirties whose Georgeist education was much more recent. In 1945-46 a great popular youth movement arose in Hungary: the People's Colleges. Young intellectuals, mainly of peasant ancestry, founded colleges all over the country which copied all that is best in the English public school and university college system. They were very largely autonomous and self-supporting and at first were enthusiastically supported by the Communist Party. However, Georgeist study circles were formed in some colleges and short Georgeist lectures were delivered in others. The effect was such that it caused serious concern to the Communists, and the chief ideologist of the Communist Party, Joseph Revai, personally conducted an investigation and threatened to withdraw support from the colleges. (This was during the coalition period, before the Communists gained complete control of the country.)

#### PROVED IN HUNGARY

The truth that I have tried to make clear will not find easy acceptance. If that could be, it would have been accepted long ago. If that could be, it would never have been obscured. But it will find friends—those who will toil for it; suffer for it; if need be, die for it. This is the power of Truth.

Will it at length prevail? Ultimately, yes. But in our own times, or in times of which any memory of us remains, who shall say?

—HENRY GEORGE in *Progress and Poverty*.

I would not assert that the acceptance of Georgeist views spread at that time very much beyond the hard core who had been taught by Dr. Pikler or by his immediate disciples. The general reaction of the students in the People's Colleges, who were to a certain extent already indoctrinated by Marxists, was that the Georgeist system seemed to be a good and desirable one but was not possible to be achieved while there was a class-society dominated by landlords and capitalists. They thought that the next step of social evolution was necessarily the liquidation of the landlord and capitalist classes (as classes not as individuals) and that a Georgeist society would then be, to use the exact words of many of them, "the next stage." In the light of recent events these views may or may not be very significant.

Because of my work I lost contact with my Georgeist friends in 1946, and when I was again able to look around for them two years later, I found that those of my generation had split and gone two completely separate ways. While the more urban types chose internal or external exile, some—mainly those who had close contact with the peasantry—had joined the Communist Party and were in leading positions in the Communist Youth Movement, the People's Colleges, and even in the Faculty of the University of Economics. Whether they had abandoned Georgeism completely and had become convinced that the Communists were right, or whether they sensed that this was the only way in which one could actively do something, I do not know, and I chose not to ask. That was the year when police terror became oppressive and even good friends avoided asking each other delicate questions.

However, the People's Colleges were soon declared unreliable and dissolved. The charge against their members and leaders was that they were "Narodniks" (the Narodniks vied with the Socialists for the leadership of the Russian revolutionary movement around the turn of the century. They were influenced by Tolstoy and George, and were attacked by the Bolsheviks mainly for their "romantic" attachment to soil and people). Between 1949 and 1953, among many others, the former Georgeists disappeared one after the other. Some, I know, spent years in gaols and concentration camps. Then, during the first premiership of Imre Nagy, towards the end of 1953 and at the beginning of 1954, I began

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to hear news of some of them again. And early in 1956 when the writers became the vanguard of the coming revolution, I could hardly wait to see new issues of the writers' journal. I know now that I was not alone. On the eve of the day on which this weekly journal was published in Budapest people started to queue up after work in front of the publishing house and stood all night to make sure they got a copy in the morning. The Government limited the journal's circulation, but did not dare to suppress it altogether. Every issue had a special interest for me, for in each I found the names of two or three, sometimes four, of my former Georgeist friends. They were still speaking and writing as Communists but they were in the forefront of those who demanded freedom in all its aspects.

### A Clean and Peaceful Revolution

I have no wish to exaggerate the rôle of Georgeists or former Georgeists in recent events. Perhaps it was only a drop in the sea—perhaps it was much more; it is difficult to fathom. What is certain is that events have vindicated Henry George's teaching that no amount of tyranny can ever erase the yearning for freedom from the human soul.

So far I have written of the positive aspects which I believe will induce Georgeists to identify themselves with the Hungarian revolution. But I feel that it is also necessary to say a few words of the absence of any negative aspects that might prevent Georgeists from doing so.

The first question is that of the use of violence. There are many people who maintain that it is wrong to use violence even for a just cause. It should therefore be clearly understood that the revolution started as a peaceful demonstration, and that it was only after the massacre of defenceless people by the Russians and some formations of the Security Police that the people proceeded to take up arms and to defend themselves against the reimposition of a fearful terror regime. All western observers who were present agree that it was the cleanest revolution in history. There were only a few isolated cases of lynching of Security Police officers who had opened fire and killed scores of demonstrators. Perhaps for the first time in the history of armed revolts there was no looting. Beside the extreme courage shown in battle, the moral conduct of practically the whole people was what made the greatest impression on western observers, and this may give a clue to one of the reasons for the revolution and re-affirm our faith in human nature. For ten years everybody was forced to lie, to cheat, to hide his real thoughts and personality day after day, and often even to steal regularly in order to be able to support his family. While everybody knew that he was doing all this under duress, he could not escape a sense of guilt. When the day of the revolution came everybody wanted to prove to himself and to the world that he or she was a decent man or woman who wanted to live up to the highest moral standards.

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It is difficult to say which is greater, the monstrosity or the ludicrous absurdity of the Soviet assertion that the Hungarian freedom fighters were fascists or counter-revolutionaries. Not only in the history of Hungary, which proverbially has always been rent with internal strife, but in the history of any nation, it is almost impossible to find an instance of such complete unity as was demonstrated in the revolution. Catholics, Protestants, Jews and non-believers fought side by side in complete harmony. As to the allegation that it was a counter-revolution, it is the fondest wish of the Soviet bureaucrats that it should have been that. Then they would have little need to worry.

As Milovan Djilas, the leader of the unofficial Yugoslav opposition, and the former second-in-command to Marshal Tito, pointed out in his article for *The New Leader*, the most reactionary element in the Soviet Union realised that they had to crush the Hungarian revolution because its success would have demonstrated that it was possible to establish a society in which there was no exploitation of man by man in which the individual enjoyed freedom. This would have rendered completely invalid the argument that it was necessary to maintain a terror regime to prevent exploitation and would have shown that this argument was nothing but a pretext under which the Soviet bureaucracy itself was exploiting the masses.

### Tools of Reaction

I believe that we can accept Djilas' analysis as essentially correct. Even those who assert that where landowners and monopolists exploit the people Marxist-Leninist Communism is a step forward can have no argument to justify the suppression of a people's demand to establish freedom in their classless society. Perhaps one of the reasons of the complete unity of the Hungarian people in their revolution was that there were no classes or vested interests which would have turned Hungarian against Hungarian, except for a very small group of Stalinist bureaucrats and the Security Police. Even members of this group could not feel secure or completely detached from their exploited relatives.

Even if somebody chose to apply the Marxian theory of social evolution and revolution to the events in Hungary, he would have to come to the conclusion that the Hungarian people had overthrown a social system which had become completely out-dated and useless, which had outlived itself, an empty shell. He would find evidence to support his theory in the inability of the Soviet army to re-establish the overthrown social order by the use of thousands of tanks and scores of divisions. Besides the loss of life and the tragedy that has befallen the Hungarian people, the most ominous feature of the events is that the Soviet government and army have become a tool of reaction even by their own Marxist standard and yardstick.

No amount of dialectics can offer an escape from this fact.