

# HUNGARIAN LAND REFORM BILL DISTRIBUTES 1.500.000 YOKES TO LANDLESS

BY

JOHN KEMENES

The successive Hungarian Governments after the war introduced with great *élan* a series of social reforms in the field of agricultural policy the object of which was to achieve a more proportionate distribution of the land among the population and to provide an independent existence for as many peasants as possible by making them the owners of the land they and their families tilled. The moving force behind this aim of the successive Governments was primarily a social one, but there was also another consideration, one of agricultural policy; for although a wholesale transfer of land would appear to result in an upheaval of the system of agricultural economy and is not favourable to those branches of agriculture where extensive farming promises better results, these seeming diadvantages are largely offset by the fact that of recent years the exportation of vegetables, fruit, poultry and eggs, cattle-breeding on a co-operative system, and the sale of milk and dairy produce, promise far better results at a lower cost of investment, and the best method for the production of these commodities is the system of small holdings and farms in vogue in the West of Europe. Despite the complete collapse following the war, the Bethlen Government made a superhuman effort to introduce a reform on these lines, and was succesful in raising the large amount of capital needed for this economic change.

*In view of the difficulties with which it had to contend at the time, we must not underrate the results achieved by the Bethlen Government's Land Reform, for in five years, out of the land expropriated for the purpose, 260.000 sites for houses and 928 common grazing pastures were distributed*

*and over 1.200.000 yokes were used to establish or enlarge 411.000 small holdings. Another 123.000 yokes were given on long-term leases to small farmers. Since then, in order to enlarge or create small holdings, a further 170.460 yokes have been sold privately to agriculturists in lots of less than 50 yokes, and 150.000 yokes have been parcelled out. The following figures will illustrate the importance of the results achieved. Before these reforms were introduced, the total area of arable land in Hungary was 9.730.164 cadastral yokes, of which, however, 5.989.815 were already owned by small farmers. The considerable area distributed by the Hungarian Governments was taken from the remaining lands belonging to the large estates.*

Act XXVII of 1936, by way of settlements, provided the poorer classes with further opportunities of acquiring land; as, however, the present Government does not consider the provisions of that Act sufficiently extensive, it has now introduced a much more radical Bill dealing with the creation of small holdings to be let to the peasantry, and making the acquisition of building sites possible. Within a comparatively short time — it has not yet been decided whether it is to be five or ten years — the land distributed annually under this Bill will amount to about 1.500.000 cadastral yokes, part of which will be used for building sites and the rest, the greater part, for the creation of small farms to be held on lease. This system of small tenancies was chosen in order to make it possible for those who have only a minimum of capital to acquire land. Provision has also been made that those who till the land allotted to them on this system well for ten years will, at the expiration of that period, be allowed to purchase it on favourable terms and pay for it in instalments spread over a long term of years. Care has been taken in drafting the Bill to provide against a too rapid and radical transformation disturbing the continuity of production.

For the purpose of the Land Reform certain categories of estates over 300 and other categories over 500 yokes may be expropriated. The extent of expropriation will be determined by the legal nature of the estate in question, how old its owner's title to it is and the legitimate demands of the agricultural population of the district. Certain exceptions

may be made in the cases of estates of greater economic importance employing a larger number of labourers. In general agricultural estates over 1500 yokes in extent will receive the following treatment. The area that may be expropriated in the case of estates under 4000 yokes in extent is 20 per cent of the land over 500 and under 1500 yokes, and 40 per cent of the part over 1500 yokes; in the case of estates over 4000 and under 10.000 yokes, besides the afore-mentioned 20 and 40 per cent, 60 per cent of the part over 4000 yokes may be expropriated, while in the case of estates over 10.000 yokes in extent, besides the afore-mentioned 20, 40 and 60 per cent, 80 per cent of the land over 10.000 yokes is liable to expropriation. In special cases this scale may expand or shrink according to the points of view above enumerated. In determining the areas exempt from expropriation, special attention will be paid to the size of the proprietor's family; the extent of land exempt from expropriation will increase after the second and with every additional child.

The owner of the land expropriated is to receive its full value. The owner who asks the State to take over the area expropriated will receive half of the price in cash on the date of its conveyance and the other half in equal annual instalments over a period of 25 years. The interest to be paid on the balance is  $3\frac{1}{2}\%$ . *Should the landowner not wish to avail himself of this arrangement, he will receive an annual rent guaranteed by the State. Besides these provisions the Bill affords the possibility of turning large tenancies into small ones.*