Land Politics in Hungary between the Two World Wars

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Summary
The paper discusses the Hungarian legislation that regulated the ownership referring to real property in the period between the World Wars. The discussion included also the review of the law on colonization and division of the land, as well as the law on bank loans offered to those who were professionally engaged in farming. In addition, the authoress made an analysis of the archaic institution of fideicomissum. While depicting the background of legislative efforts of the time, the authoress recalled the developments that took place prior to the discussed changes in the ownership relationships. Therefore she discussed also the 19th century reforms that abolished serfdom and serf labour, introduced the land and mortgage register etc.
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1. Introduction

On the examination of the Acts relating to land politics that were passed and entered into force between the two World Wars in Hungary, we may arrive at the conclusion that the antecedents of this era are deeply rooted in the land and agrarian politics of the second half of the 19th century. The development of Hungarian agrarian politics should be interpreted as a process which started during the so-called reform era of the Hungarian Kingdom (the period lasting from 1825 or, according to the recent research, from the Hungarian Diet of 1829/1830 until 1848) and which continued until the period between the two World Wars when several Acts aimed at introducing sweeping changes in the agrarian situation were passed by the Hungarian Parliament.

The regulations relating to landed property and its ownership conditions were put on a new ground after 1848. The Acts of April of 1848 abolished both the serfdom (socage) system and avitivity (aviticitas) relating to the familial property, but beyond the declaration of the abolishment the Diet could not elaborate any further detailed regulations for the lack of time caused by the War of Liberation eventually lost by Hungary in 1849.

Neoabsolutism (1849–1867) prepared the toolkits for the reforms. The total liquidation of serfdom was implemented by establishing the Austrian type of courts for hearing the legal claims of the former serfs and their landlords. Later, the introduction of the Austrian Civil Code provided the legal basis for the free and unlimited ownership of property without any differentiation. Apart from this, instead of the previously existing pawn system, the introduction of the land register system also laid down the guarantees of the mortgage system facilitating the free transfer of property by the end of the 1850’s

1 These reforms were implemented in Hungary by the royal decrees of 2 March 1849, 29 November 1852 and 15 December 1855.
Although the abolishment of the socage system constituted a significant achievement in the modernization of private law in Hungary, the process of its liquidation produced some difficulties, which may be proved by the fact that the special courts created during the Neoabsolutism and designed to settle the legal disputes of the landlords and former serfs continued to exist even after the Compromise of 1867 between Austria and Hungary. This happened because redemption fees for landlords were sometimes paid in uncovered debenture-bonds.

After the liquidation of serfdom, the former serfs could only turn into independent farmers if they had the possibility to take out a loan. In Hungary agricultural production had always played a dominant role, so the former serfs had to be taught how to become independent smallholders if they wanted to secure their means of living. Therefore, the state had to interfere into this process in order to facilitate the functioning of the free ownership-system and the switchover from the squatter system to the smallholders’ system. Besides, the landlords were also forced to employ paid manpower instead of serfs in order to have their lands cultivated, which also made it inevitable to establish a land-loan system with a sufficient capital inevitable2.

Parallel to these problems, urbanization, catalyzed by industrialization, and the migration of the agrarian population overseas, from time to time, generated huge agricultural crises, such as, for example, the crisis of the 1960’s, which spread all over Europe and which also had its effect on Hungary. Smallholders became indebted and faced a lack of manpower, thus the powerful state intervention was required for consolidation. For this reason, the colonization process and the repartition of land had to be carried out under the patronage of the Ministry of Agriculture in order to impede land speculations3.

2. The colonization

While reading the Bills and the Acts passed by Parliament relating to the colonization process, one may detect three distinct trends in Hungarian land politics: the national, the economic and the social one. National land politics was aimed at the fortification of the Hungarian nation as opposed to other nations by giving land to the Hungarian citizens. Economic land politics emphasized the exploitation of the less useful lands by their colonization, while social land politics endeavoured to move landless citizens to the foreground. The optimal solution would have been the combination of the latter two trends, because social land reforms could only lead to success if they were coupled with the augmentation of productivity. Only the establishment of a profitable smallholders’ system would have served the purposes of economic development. The aim of an appropriate land politics should have been to assist existing landowners by creating a safe market and stable crop prices. Furthermore, there would have been a need for a well-functioning land-loan system and the parcelling out of the landed property in order to provide the

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Landlessness with land as well as for colonization to promote the peopling and utilization of those areas of the country that had lain fallow until then. Successful colonization would also have required a well-functioning land-loan system. Although, an Act of Parliament was passed on colonization at the end of the 19th century, neither this Act, nor the repartition of land implemented after the end of World War I proved useful for economic development. Soon after the land repartition of 1920 some problems appeared. It was found soon that providing 1–2 “holds” of land to the peasantry could not solve their problems, or maybe it is proper to say, this pushed them further into poverty instead of helping them.

The Hungarian National Farmers’ Association dealt in detail with the land problems and tried to work out the best solution for colonization and land repartition, and lots of experts in the field of agriculture held presentations on colonization at their assemblies beginning from the 1930’s.

The root of the land problem varied depending on the regions of Hungary, so it was different in the Trans-Danubian part of the country and in the Great Plain. The Trans-Danubian part of Hungary was mainly characterized by great landed properties, because most of the fideicommissa properties were situated in this part of the country, originating from the end of the 17th century. There were also small estates there – although their number was insignificant. In order to maintain the undivided status of the land, peasant families had less children, or sent the second or the third born child into the towns to find employment for him there instead of living from farming. As opposed to this, in the Great Plain there were huge unexploited lands, where farming families should have been settled in order to help the populating of the area.

In order to implement a functioning land ownership system, the Hungarian Parliament prepared the conditions according to which only those citizens could become landowners who met the requirements of the Act containing regulations corresponding to the objectives of the country’s land politics. The essence of these conditions was to create such landowners who were willing and capable of reasonable and rational farming and who could remain landowners only if they carried out their activities in accordance with the aims of the legislative organ. It was not indifferent for the government, either for

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5 This land repartition was made under the supervision of István Nagyatádi Szabó, Minister of Agriculture, who prepared the Act XXXVI of 1920 on the land reform. The aim of this act was the elimination of the inequalities between the landowners and the Act was made for the abolishment of the huge landed property system and for the creation of a functioning network of smallholders.
7 “Besides the expertise, the criteria of gumption should be noticed in the willingness to be settled to other regions of the country. Someone who is expecting only to get things ready-made and is not willing to resign to the slightest extent from his comfort does not deserve to get the expensive support the state is willing to provide him by its land politics.” J. Czettler, Földbirtokpolitika..., p. 21; E. Nizsalovszky, A földbirtokpolitika