

Land reform was promised to the landless peasants again and again during the interwar period. A few feeble attempts were made at reform, most notably in 1920, but for the most part, the promises were used as a tool by various political parties to gain electoral support among the peasants, and few structural changes were made prior to World War II.

World War II and Early Stalinist Period

The war devastated rural Hungary. One half of the livestock and one third of the machine and tool equipment were destroyed. Total material losses for the nation were estimated to be about seven years' aggregate national income. The death of over 400,000 Hungarians caused a severe labor shortage, and food distribution came to a standstill (Fekete 25).

In 1945 another land reform program was initiated by a ruling coalition of the Smallholder, Social Democratic, National Peasant, and Communist parties. This time the effort was relatively successful, and by the end of the year, 34.6 percent of all arable land had been divided up. Holdings of less than eleven acres increased from 19.2 percent to 39 percent, and the acreage held in estates of more than 284 acres decreased from 43.1 percent to 16.5 percent. Those who benefitted most were the landless peasants, although the quality of life for most did not improve noticeably, mainly because the plots given them were too small to provide adequate income. More than one million peasants still owned less than 2.5 hectares, and over 500,000 peasants were still without land. Consumption levels were no higher in 1949 than they were in 1940. Livestock production reached pre-war levels by 1949, but grain yields remained low (Volgyes, "Dynamic Change" 367).

By August 1949, the Hungarian Workers Party had gained sole control of the Hungarian government and had set up a government and economic system