

HUNGARY.



AFTER all the losses entailed by the world-war, the revolutions, the foreign occupation, the conditions of the peace treaty, and the unprecedented economical crisis of the last years, Hungary has made a supreme effort in order to regain her economical and financial equilibrium. Thanks to the scheme drawn up by the League of Nations and to the whole-hearted support given to it by various financial markets, as well as to the enormous sacrifices made willingly by her population, Hungary has carried out a very important part of the programme prescribed by the League. Monetary inflation has been stopped, a new Bank of Issue has been established, the fiduciary circulation of which is being steadily reduced week by week. The Hungarian crown, having been stabilized upon the pound sterling, is advancing in comparison to the other currencies in sympathy with the English exchange. The first six months of the so-called reconstruction period, which were supervised by the League's plan to close with a deficit of 42.5 million gold crowns, show a surplus of 2.1 millions. The revenues pledged for the loan service are yielding more than double the estimates. All foreign obligations of the State were duly met. There is certainly a scarcity of capital, resulting largely from earlier monetary depreciation and economic slump. As an example we might mention the fact that over nine milliard gold crowns invested by the Hungarian public in war loans represent now only 500,000 gold crowns. It may, however, be reasonably expected that this scarcity will be remedied in the near future, especially when one takes into consideration the interdependence of the various world markets at this stage of economic development.

The scarcity of capital has been recently accentuated by last year's exceptionally poor harvest, caused by unprecedented unfavourable meteorological conditions.

AGRICULTURE.

As a result of the peace treaty, Hungary has lost over two-thirds of her former territory, chiefly her forests and mining districts, having retained mainly the plains in and around the middle-Danubian basin, suitable almost exclusively for agriculture. The question of Hungary's vitality is therefore closely connected with the development of her agricultural production. The great possibilities under this heading are best shown by the progress made during the 50 years immediately preceding the war. Between 1855-1880 the area under agricultural cultivation increased from 22.88 million to 26.68 million hectares, an increase by nearly 20%, mainly attributable to drainage works, which reclaimed over 3,822,000 hectares. Between 1871-1915 the average crop per cadastral yoke rose from 4.7 to 6.9 quintals. Whereas agricultural machinery was hardly known in 1871, over 770 steam ploughs and 20,000 steam thrashing machines have been registered in 1915. The average yearly import of artificial fertilizer rose from 200,000 quintals in the nineties to 610,000 quintals at the beginning of this century.

The territory of present-day Hungary (91,114 square kilometres) shows the following agricultural cultivation:—

Ploughing land	9,563,900 cad. yokes
Meadows	1,144,900 "
Pastures	1,756,000 "
Forests	1,815,000 "
Orchards and gardens ..	166,000 "
Cane-brake	47,000 "
Soil unfit for cultivation ..	982,000 "

A cadastral yoke equals 1.42 English acre.

The years immediately succeeding the armistice brought a period of agricultural stagnation, owing to dilapidations caused by the war, the revolutions and foreign occupation, as well as by lack of capital and labour, depletion of live-stock and marketing difficulties. Nevertheless great improvements have been achieved within a short space of time. The following table shows the increase in exportable surplus during the last four years, the sign "—" being for imports and "+" for exports:—

	1920.	1924.
Wheat Quintals	15,280	+ 1,658,093
Rye "	1,279	+ 1,394,176
Barley "	3,160	+ 123,424
Oats "	12,075	+ 220,517
Maize "	4,954	+ 307,994
Heads of Live stock ..	7,150	+ 164,159
Animal byproducts ..		
Quintals	72,503	+ 131,720
Fruit & Vegetables ..	806,572	+ 1,092,946
Flour and Semolina ..		
(wheat and rye) Quintals	128,043	+ 2,493,680
Sugar "	78,308	+ 1,029,171

The following table shows the changes in the area under cultivation on the territory of present-day Hungary, before and after the war:—

In thousands of cadastral yokes.



View of Budapest, showing Royal Palace and Danube.

The total value of the crops was:—

	1911-15.	1920-22.	1923.	1924.
In thousands of gold crowns.				
Wheat	434,381	280,862	392,495	298,941
Rye	143,791	105,252	142,198	100,500
Barley	119,750	79,313	99,758	53,812
Oats	76,085	56,727	68,941	39,456
Maize	226,778	161,294	180,130	271,124
Potatoes	108,758	87,836	74,715	85,968
Sugar-beet	36,014	15,444	20,726	30,581
Forage	145,477	136,206	122,210	146,164

£1 at par equals 24.02 gold crowns.

The total value of the aggregate crops increased from 1.197 million gold crowns in 1920 to 1.367 million gold crowns in 1923. The average yield of the crops on the territories corresponding to present-day Hungary amounted in pre-war times to 1.699 million gold crowns per annum. The average yield of ploughing land was 175 gold crowns before the war, 80 g.c. in 1920, 101 g.c. in 1921-22, 155 g.c. in 1923, and 190 in 1924. This shows also the general trend of improvement in agricultural production.

From the 500,000 yokes of vineyards of pre-war Hungary over 370,000 yokes have been left to present-day Hungary, among which is the most valuable and world-wide known wine-growing districts of Tokaj. Against the vintage in 1913 of 1,934,000 hectolitres, 3,476,000 have been produced in 1921 and 4,640,000 in 1923.

The stock of cattle has, to a considerable extent, recovered from the losses caused by the war, the revolutions, and the foreign occupation, and shows, according to the census of 1922, the following figures:—

Horned cattle	1,827,832 heads.
Horses	717,485 "
Pigs	2,473,251 "
Sheep	1,352,449 "

The export of cattle in 1922 amounted to 110,000 heads of horned cattle, 71,000 pigs, and 13,000 horses.

In 1923 the export in poultry and products therefrom was:—

	Quantity.	Value in thousands of gold crowns.
Poultry alive (piece) ..	1,053,403	2,636.9
" slaughtered ..		
(quintals)	50,421	14,844.
Eggs (quintals)	35,210	5,771.6
Feathers	16,077	6,625.1

Fruit-growing is also a well-developed branch of agricultural production. In a normal fruit-growing year like 1921 Hungary exported almost 300,000 quintals of fresh fruit, 11,000 quintals of dried fruit and fruit jam, and 2000 quintals of canned fruit, while large quantities were also utilized for the production of alcohol. The great number of fruit trees made the remunerative keeping of bees possible. 7968 quintals of honey and 407 quintals of wax have been produced in 1921, more

than 700 quintals serving for export purposes. Over 15,000 families kept silk-worms, producing 350,000 kilograms of cocoons, worth 250,000 gold crowns.

INDUSTRIES.

In spite of the losses in territories and raw material, the average output of industrial production might be estimated at 1,200-1,400 million gold crowns per annum.

Industries dependent on agriculture are a chief feature. Budapest is, after Minneapolis, the greatest milling centre of the world, though the steam mills in Hungary are actually working only at 30 per cent. of their total capacity, owing to the loss of some of the richest wheat-growing districts in the South. The 13 sugar factories, though working only at 80 per cent. of their full capacity, are producing 20,000 wagon-loads of fine sugar, two-thirds are for export, including a considerable part to England. The output of the alcohol distilleries is in the neighbourhood of 250,000 hectolitres, the greatest part being exported. Dried sausages ("Salami") are being manufactured in 14 great factories at the rate of 130-150 wagon-loads per annum, 80-90 of which go abroad. The highly developed meat and fruit canning, preserving, vegetable drying industry, beer breweries, factories of fruit pulp, brandy, &c., are also worth mentioning. There are 260 factories of various chemical goods; their total export reached the value of 150 million gold crowns in 1924, the chief productions being: artificial fertilizer (18,000 wagon-loads per annum), vegetable oils (16 factories with a total output of 5,000 wagon-loads, worth 12 million gold crowns), household and toilet soap (2,000 wagon-loads), matches (800 wagon-loads; obtained recently large orders for the French State monopoly of matches), artificial silk, paint, varnish, lubricating oils, starch, glue, dextrine, candle factories, oil refineries, tar distilleries, &c. The leather industry, besides utilising all the raw hides produced in the country, imports over 400 wagon-loads per annum from overseas.

Though the peace treaty has entailed the loss of some of the best coalfields, yet through the opening up of new mines the coal production amounted in 1923 to 77 million metric tons, surpassing by seven million tons the total output of the whole of pre-war Hungary. The output of the iron industry of 13,000 wagon-loads per annum is being absorbed entirely by the home needs. The machine industry in and round Budapest employs over 50,000 workmen, and is doing a brisk export trade with the Balkan States and with Russia, the chief items of export under this heading are: agricultural machinery, locomotives, railway coaches and trucks, electric machinery, tools, &c. The world-famed porcelain works of Herend have been recently restarted with great success, potteries and the glass industry, brickworks, &c., are also doing well. The textile industry—both woollen and cotton—created almost entirely since the conclusion of the peace, is now employing 32,000 workers and covers 68 per cent. of the home demands, considerable quantities being also exported to the Balkan States. Successful experiments of cotton-growing are being conducted in the Southern districts.

FOREIGN TRADE.

The following table shows the development of the foreign trade in the last five years: (Millions of gold crowns.)

Year	Imports.	Exports.	Difference.
1920	417.3	164.3	253.-
1921	520.7	253.9	266.8
1922	539.4	330.1	209.3
1923	423.-	338.1	84.9
1924	702.8	575.-	127.8

All import restrictions were finally abolished in October, 1924, and this was naturally followed by a flood of imports. This accounts for the slight increase of the adverse trade balance, which can be considered therefore as a purely temporary symptom. The general trend of commerce shows a marked improvement, imports not covered by exports being only 18 per cent. in 1924, as against 24 in 1923. The construction of an international Danubian free port in Budapest, which has been partly opened already and is near to completion, is sure to become one of the most important factors of the exchange of goods between the Western countries on the one hand, the Balkan States and the Levante on the other hand. Traffic arrangements, railway and passport facilities, customs and economical agreements, partly concluded, partly in the state of negotiation with the various Central European States, will do a great deal towards facilitating the traffic of passengers and goods. The following are the chief items of Hungary's foreign trade in 1924:—

	Quantities in quintals.	Value in millions of g.c.
A—IMPORTS.		
Cotton fabrics	119,048	98.9
Wood and timber	24,239,751	71.0
Woollen goods	43,126	62.6
Coal	11,385,690	49.2
Cotton yarns	71,945	33.7
Machines and appliances	195,398	31.9
Dressed leather	21,616	23.1
Woollen yarns	19,985	19.2
Paper	376,280	16.7
Mineral oil	932,349	13.4
Metals (raw)	90,660	12.5
Iron ware	132,427	8.6
Cotton (raw)	29,602	7.7
B—EXPORTS.		
Flour	2,495,453	101.1
Livestock (heads)	168,580	55.3
Wheat	1,803,918	48.3
Sugar	960,929	44.0
Rye	1,295,244	32.5
Poultry (killed)	66,226	17.8
Electric machinery and appliances	39,508	17.4
Wool (raw)	52,464	17.0
Meat (raw and prepared) and sausages	78,275	16.1
Machines and appliances	136,514	15.9
Feathers	21,072	12.7
Beans (dried)	360,778	12.9
Eggs	60,045	9.1

BANKING.

The stabilization of the crown was followed immediately by a considerable improvement in the deposits branch of banking business. The table given below shows the increase of deposits entrusted to the Post Office Savings Banks and the 13 principal Budapest banks:—

	Savings Deposits.	Current Accounts.	Total.
Gold Crowns			
Dec. 31, 1923	5,045,715	117,144,377	122,190,002
June 30, 1924	3,162,147	73,567,679	76,729,826
Sep. 30, 1924	9,508,452	154,426,471	163,934,922
Dec. 31, 1924	26,419,347	204,694,505	231,113,852
Mar. 31, 1925	47,220,952	223,960,868	271,181,820

The following figures show the proportion of cover in gold and foreign exchange to the whole volume of the note circulation:—

Date.	Per cent.
June 30, 1924	45.7
July 31, 1924	57.5
August 23, 1924	60.4
August 31,	58.5
Sept. 30,	54.5
Oct. 31,	52.7
Nov. 30,	53.1
Dec. 15,	54.5
Dec. 31,	53.8
April 23, 1925	55.6

The return of the 23rd April compared with the return dated April 15th shows a decrease of 140,700 millions in the note circulation.

The following table shows the turnover of the Stock Exchange in the second half of April:—

1925.	Number of deals.	Paid in Settlement.	Total Turnover.
		Milliards of crowns.	
Apr. 17-21	52,291	52	00

National Bank of Hungary.

Bank Return for the week ending the 23rd April, 1925.

ASSETS.		Changes since 15th April, 1925.	
	Kr.		Kr.
Metal Reserve			
Gold coin and bullion ..	653,518,007.654		