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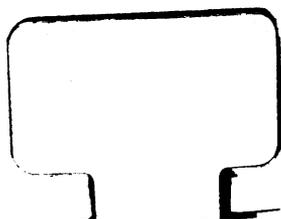
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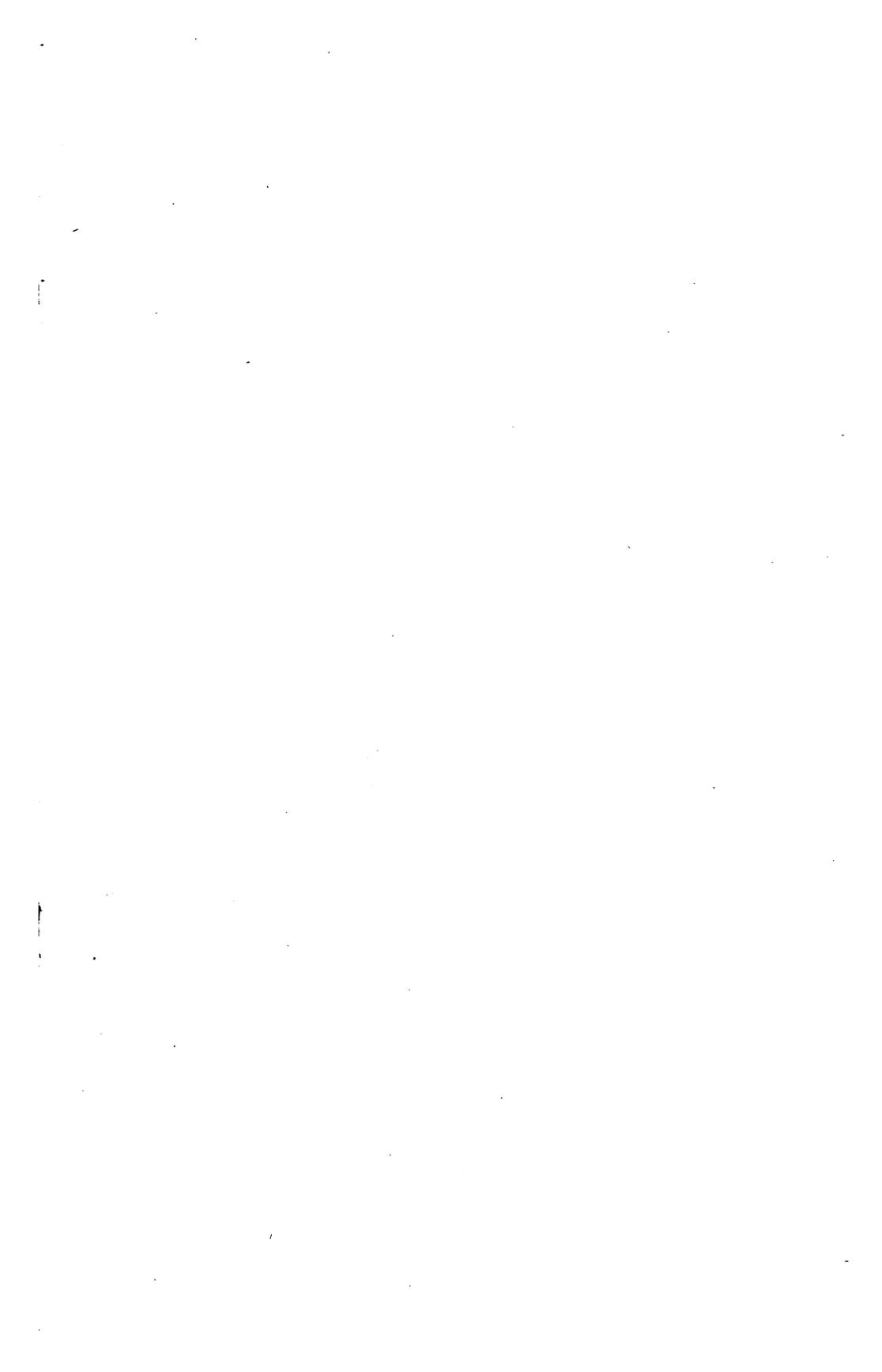
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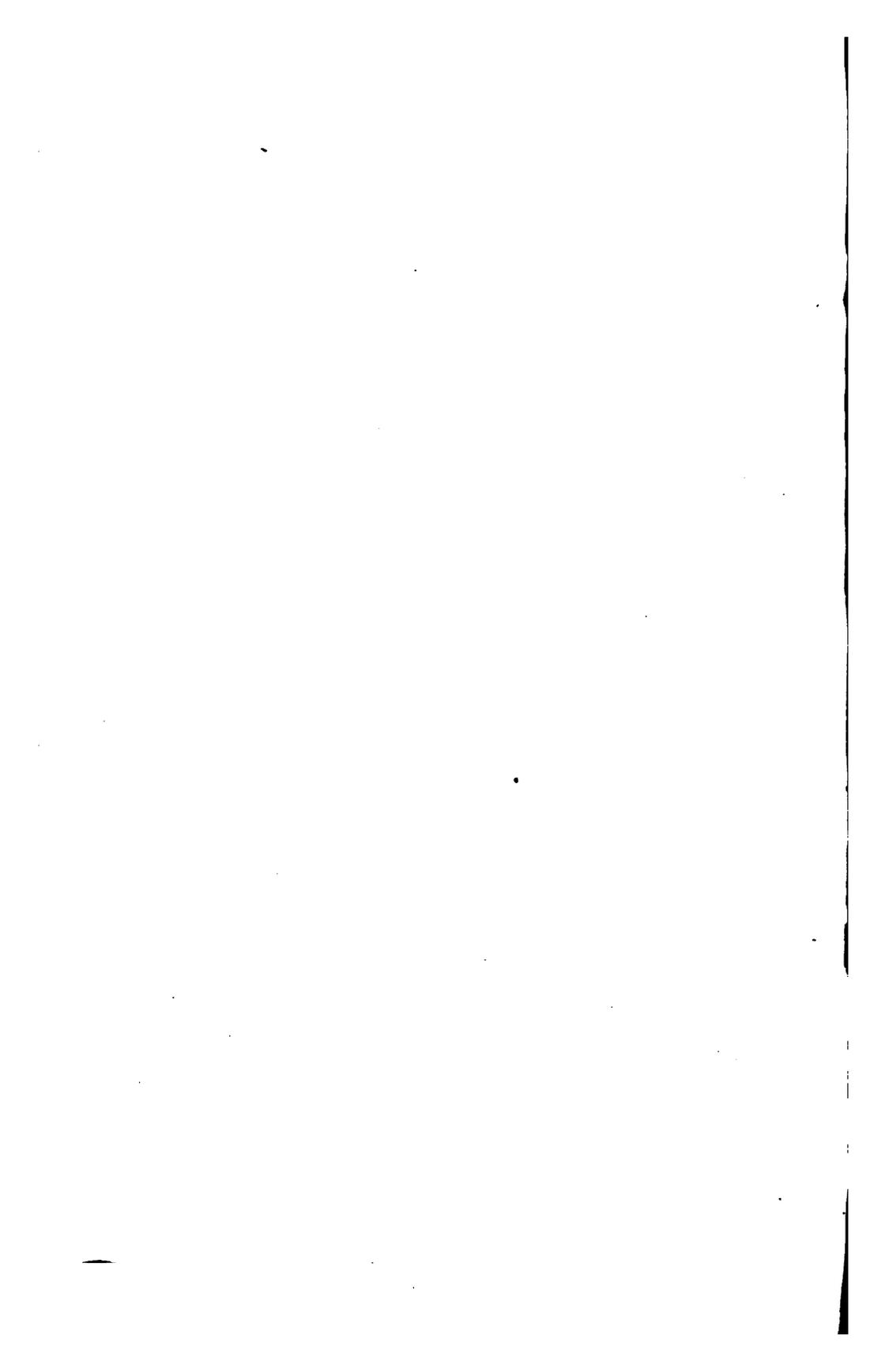
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HUNGARY

A SKETCH OF THE COUNTRY ITS PEOPLE AND ITS CONDITIONS



BY

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E. D. Sunderland
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1. The country.

The Hungarian Kingdom takes rank as seventh among the States of Europe, in point both of territory and of population. With an area of 324,851 square kilometres it exceeds in size such countries as Great Britain, Austria, and Italy: and the value of this extensive territory is enhanced by the mildness of the climate, the wealth of the soil, and the abundance of natural treasures.

Hungary lies in the centre of Europe, on the borders of East and West, a bastion of Western Europe projecting eastwards: the country indeed, for ten centuries of European history, played the part of a breakwater, against which the waves of Oriental barbarism dashed and were broken. With its sharply defined natural border, it has been destined by Nature herself to be an uniform State. From the point where, on the West, the Danube enters Hungarian territory, to the point where, in the South-East, it leaves the country, the long chain of the Carpathians forms a huge semi-circle round Hungary: while the southern frontier is formed by the Lower Danube and the Save, in a channel corresponding to the northern line of the Carpathians. Thereby the whole country assumes the form of an ellipse, the regular shape of which is only broken by the neck of land projecting on the Adriatic Sea.

Besides the external formation, the orological and hydrographical conditions impart a peculiarly uniform character to the territory of Hungary. The long chain of mountains forming the northern and eastern frontiers throws branches out as far as the great plain stretching over the centre of the country. The rivers too all display a centripetal tendency, hastening to unite with the mighty stream of the Danube, and then continue their course towards the Black Sea. This distinctly concentric character makes the various parts of the country interdependent, and welds them into an organic whole: while their products, owing to their manifold nature, as it were complement each other.

In geological respects, practically every stratum, from the earliest geological formations to the latest deposits of mud (clay) made by the rivers, is represented: though the latest formations, the diluvial and alluvial deposits, are the most preponderant. These

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latter cover the surface of the small and great Hungarian Alföld (Lowlands), the greater part of the right bank of the Danube and of the district between the Drave and the Save, and provide that deep soil, rich in vegetable mould, in which is grown the Hungarian grain of unexcelled quality.

The chain of the Carpathians, one of the mightiest mountain ranges in Europe, offers a panorama strikingly rich in natural beauties. Though it cannot rival the wild masses of the Alps, and scarcely rises at all to the level of the regions of eternal snows, some parts of its long line rise to a very significant height, and many of its peaks exceed 2000 metres. Its highest peak on the North is 2663, that on the South-East, 2534 metres high.

The best known part of the Carpathians, which has recently been visited by large numbers of foreigners, is the High TÁTRA, which rises up in enormous proportions without any foothills at all. Its rugged, fissured granite rocks, covered with snow, that rise above a dark-green zone of thick pine forests, rank among the most enchanting natural beauties. At a great height deep, crystal-clear lakes, the so-called «tarns», present glittering mirrors playing in light and shade. At every step bubbling streams, and in places mighty waterfalls roar and blend with the bleak stillness of the dark pine-forests. On the southern slopes of the TÁTRA a whole series of watering-places has been created, which attract pleasure-seekers longing to enjoy the delights of nature not only in summer, but, of recent years, in winter too. The gigantic rocky wall of the High TÁTRA protects the southern slopes from the north winds. After the winter snow has fallen, we get a long period of clear weather. A cloudless blue sky forms an enchanting canopy over the white snow-world: while the sun's rays are so hot, that visitors are able to enjoy all the beauties of winter in a summer warmth. The whole neighbourhood is alive; all kinds of winter sports are engaged in; swift sleighs and bobsleighs, skis and snow-shoes offer a variety of distractions that attracts even princely guests.

The Eastern Carpathians too abound in wondrously beautiful spots that surprise even the most experienced tourists: while, at the most southern extremity of that range the Danube offers a series of natural beauties with which not even the valley of the Rhine can vie. The lower reaches of the Danube, from BÁZIÁS to Orsova, are quite unrivalled in their majestic wildness. The mighty river, shut in by rocky passes, carves its way by sheer force, forming eddying whirlpools and rushing torrents in its rapid course. It was to Hungary and Hungarian engineers that Europe entrusted the glorious task of overcoming the dangers to navigation of this stretch of water and opening it to the traffic of the world.

All the mountains of Hungary do not belong to the system of the Carpathians. On the West three branches of the Alps enter Hungarian territory. One of these stretches along the shores of the Adriatic; a second extends east between the Save and the Drave; while the third flanks the long frontier line of the country between the Drave and the Danube, and after being intersected by the valleys of rivers and being reduced in many places to low-lying hills, ends at the Danube, in the neighbourhood of Budapest. This branch of the Alps stretching towards the East, near Visegrád faces the spurs of the Carpathians which also extend right down to the Danube. This part of the river, the mighty stream of which is enclosed by wooded mountains, also offers a magnificent panorama.

That part of the country which extends along the right bank of the Danube, the Pannonia of the Romans, is generally speaking composed of gentle slopes and more extensive flatlands. Here are situated the two largest lakes in Hungary, the Balaton and the Fertő. The former occupies an area of 690 square kilometres and stretches 76 kilometres in length, from N. E. to S. W. Its banks are flanked by watering-places: and from the hills surrounding it rich vineyards smile down upon us. On the very edge of Lake Balaton rises the huge basalt cone of Mount Badacsony, which produces excellent wine: while in the background, other cones, which are also the outcome of volcanic forces, may be seen, each of them crowned with the ruins of a castle. The right bank of the Danube, the home of a culture that has lasted, practically without a break, for over 1500 years, is still the most cultivated district in Hungary. Its soil cannot indeed vie with the deep vegetable mould of the Lowlands (Alföld): but the long years of cultivation have not exhausted its fertility; and it still yields one of the largest averages of natural produce, a fact which testifies to a rational system of cultivation.

The Great Hungarian Lowlands (Alföld) are an enormous stretch of flat country with a surface of from 70 to 130 metres above the level of the sea. It occupies the central part of the country; to the South, it stretches right down to the frontier; and on the N. E., it penetrates a long way into the Carpathians. There are slight elevations scattered over the infinite expanse of flatland, above which, in the close heat of summer, the fairy-like phenomenon of the mirage may be seen hovering. Ever since the expulsion of the Turks, the depopulated Lowlands were mostly covered with pasture-lands and marshes. Its few inhabitants tended their flocks and cattle on the rich meadows: while the interminable rush-brakes of the flooded districts swarmed with myriads of water-fowl. Today the picture presented by the Lowlands is an entirely different one. Owing to the regulation of the rivers, the inundations

have disappeared ; ploughed lands stretch over the spots once occupied by pastures ; in the sandy districts we meet wealthy vineyards and extensive orchards ; and the confines of the more populous villages and towns are studded with white farm-houses.

The wide valleys and plateaus that skirt the Carpathians and the mountain ranges that in some places extend right into the heart of the country, into the large plains, are also well adapted for cultivation, in many parts for viticulture (the Hegyalja range that produces the world-famed Tokay wine is itself a spur of the Carpathians) ; but their natural wealth in wood, metals, and minerals predestines them as the home of industry, while the enormous water power available may also be employed for industrial purposes. The only things required are, capital and a spirit of enterprise.

Though the whole territory of Hungary falls within 44° and 49° (latitude) North, i. e. within the temperate zone, yet there are great divergencies between the various parts of the country in respect of mean, minimum, and maximum temperature. The mean annual temperature varies between 5·4° and 14·2° C. The highest mean temperature is in a little inlet of the shores of the Adriatic, in the neighbourhood of Fiume : while the lowest is to be found on the skirts of the Carpathians, particularly in the N. E. and N. The annual mean temperature is generally a high one in the Lowlands (Alföld), in the part of the Trans-Danubian district between Lake Balaton and the confluence of the Danube and Drave, and in the greater part of the territory lying between the Drave, the Danube, and the Save.

The monthly temperatures show considerable divergencies from the mean annual temperature. In January the temperature is highest in the western half of the country and lowers gradually towards the East. In July, on the other hand, it is highest on the sea-coast, and in the district between the southern frontier and the centre of the country on the right and left banks of the Tisza : though the greatest degree of warmth is to be found in the latter part.

In accordance with its situation on the Continent the climate of Hungary is characterised by extremes, — great heat in summer and extreme cold in winter. But enormous fluctuations have been observed in the same season, and actually in one and the same month.

In point of rainfall, there are great divergencies between the several parts of the country. At the foot of the N. E. Carpathians, there is an average annual rainfall of 1500 millimetres (59·055 inches) ; in the Carst (mountain) district near the Adriatic the average annual rainfall is more than 2000 millimetres (about 79 inches) : whereas in the Small Hungarian Lowlands it is only 500 millimetres, and in the Great Hungarian Lowlands (Alföld) about 600 millimetres. But even

this comparatively slight rainfall is not distributed uniformly : and it often happens that a long summer drought spoils the growth of late spring plants and vegetables. Yet the restorative power of Hungarian soil is wonderful : and crops that seemed completely done for have very often been entirely restored by one or two good showers.

Notwithstanding this fact, the dearth of rain in the Hungarian Lowlands (Alföld) is a great obstacle in the way of the complete success of agriculture, which depends in no small measure upon the existence of a large number of animals, a *conditio sine qua non* for which is the provision of fodder that requires an extensive rainfall. Until the regulation of the Tisza and its tributaries the Hungarian Lowlands were blessed with a far greater rainfall. The extensive inundations did much to produce rainfall and dew. Something should be done to remedy the defect by watering : only that all through summer there is not enough water in the fallen rivers to supply the ditches and troughs that would have to be used to feed the fields. Gigantic dams would have to be built among the hills to close the valleys and collect the enormous volume of water that rushes down in spring, when the snow melts, often causing the inhabitants of the villages that skirt the river banks to struggle desperately to preserve their goods from destruction by wave-beaten dykes.

A splendid field for the use of capital and technical genius is offered by the work of collecting all the waters that flow away, are wasted, and in many cases cause the gravest damage, and of supplying the Hungarian Lowlands with ditches and troughs for the object of watering the parched soil. A more profitable enterprise could scarcely be conceived : for it would transform the Hungarian Lowlands into the wealthiest land in Europe.

2. Historical Sketch. The political Status of Hungary.

The Hungarian Kingdom is one of the oldest states in Europe. With its present area, practically with the boundaries of its frontiers of today, it has existed, as a united National State, for over a thousand years.

The brave horsemen who founded a state at the foot of the Carpathians, started westwards from their home beside the Volga and the Don in the second half of the ninth century ; for their enterprise they replaced the ancient tribal organisation, with all its looseness, by a union of forces under the control of one leader, who later on assumed the dignity of a prince. In the history of Europe the Hungarians (Magyars) so feared for their gallantry and peerless military

organisation, first appeared as the allies of the Greek Emperor Leo the Wise, and later on of Arnulf, King of Germany. In a few years they obtained possession of practically the whole territory of modern Hungary, on which there was then no united National State : it was in fact inhabited by Bulgarians, Cosarians, and Slav peoples, with a sprinkling of Gepidae and Avars, organised into separate principalities, in places absolutely without any organisation at all.

After the occupation of the new country, the wild young nation started on warlike adventures : and pursued their victorious march in Greece as far as Byzantium, in Italy as far as Apulia, in France as far as Aquitania, in Flanders right up to the shores of the North Sea. But Germany was the country to suffer most from them, until in 955, near Augsburg, the German Emperor Otho the Great inflicted a decisive defeat on a considerable part of the Magyar army. This blow was a blessing to the Magyars : for it cured them of their thirst for warlike adventures, and incited them to engage in peaceful occupations. Not that they were barbarians when they settled in their new home : for they brought with them the refinement of Persian culture ; while in Hungary they learned to cultivate the soil, and by the ancient inhabitants whom they subdued and the prisoners of war they brought with them from the West they were initiated into the elements of Christianity. The Christian faith made its way into Hungary from two quarters at the same time, from the East and from the West : but the influence of the latter was far greater. Saint Stephen himself, the crowned apostle of the Magyar nation, when he embraced Christianity, entered the Western Church, and was followed by all his subjects, who were thus drawn into the attractive sphere of Occidental civilisation and became partakers in the same.

It is characteristic that, despite its unbroken intercourse to the East with Byzantium and with the peoples who had identified themselves with Byzantine culture and the Eastern Church, the Hungarian (Magyar) nation did not for a moment fail in its loyalty to Western civilisation, and was always ready to imbibe Western currents of thought, a fact that was proved with striking clearness later on at the time of the Reformation.

The breaking up of the ancient tribal system, accelerated by the overthrow of the revolution of the party that clung to the ancestral faith, rendered imperative the re-organisation of the system of national defence. Saint Stephen, following the example of the Franks, organised the system of burgraves, who at first were exclusively the local representatives of the royal power : but they gradually assumed a national importance, and the offices they held became the basis of the system of counties that is still in existence.

The civil organisation of the country was accompanied by the organisation of the Church. Saint Stephen founded bishoprics, established monasteries, and built churches : and provided generously for the needs of the clergy. The seeds of culture that had been sown in the land soon took root, and before long produced a wealth of fruit. Not a century after the crowning of Saint Stephen (in 1000) with the crown presented by the Pope Silvester II, in point of wealth, power, knightly virtues, and religious zeal, Hungary was one of the first countries in Europe. Its acknowledged prestige is proved by the fact that Saint Ladislas, the heroic and chivalrous King of Hungary, was chosen to lead the first Crusade, though his death in the meantime prevented him from carrying out the mission entrusted to him of conducting the flower of European knighthood to rescue the grave of the Redeemer from Saracen hands.

The House of Árpád, which until 1301 was on the throne of Hungary, gave the nation other great Kings besides the two who were canonised (Saint Stephen and Saint Ladislas). But the progress of the country was not interrupted. As Saint Stephen died without male heir, the period succeeding his death was marked by a state of chaos : and two kings occupied the throne for a short time, who were descended from Árpád on the female side only, the princes of the House of Árpád being excluded from the succession for the time being. And when the legal order of succession was re-established, there were frequent quarrels for the possession of the throne. The right of succession of the male line of the House of Árpád was never, indeed, questionable : but the principal of primogeniture had not been established. The quarrels for the possession of the throne led to the weakening of the royal power and an increase of the influence of the oligarchy : but at the same time they helped to further the development of constitutional liberty. It is to the weak rule of Endre II. that we owe the Golden Bull, granted in 1222, the Magna Charta of the Hungarian nation which, in point of time, external circumstances, and even of contents, is so closely akin to the famous fundamental law of the English Constitution.

The fact that the Hungarian State was able to withstand so many trials and vicissitudes was due to the genius of the great kings of the House of Árpád and to the indomitable perseverance of the Hungarian nation. The Germano-Roman Emperors, whose ambition was to rule the world, who had incorporated Bohemia in the Empire and had for a time reduced the King of Poland to the position of a vassal, desired to extend their supremacy to Hungary too. And during the quarrels for the possession of the crown that followed the death of Saint Stephen, it seemed as if their dream would be fulfilled : but after an obstinate struggle, Hungary succeeded in

preserving her independence, though the German Empire threw all its power into the balance to gain the day. Danger to Hungary was only threatened once by the declining Empire of the East, during the reign of Manuel : this too was a consequence of internal troubles in Hungary, a struggle between pretenders to the throne. But the fight against oriental barbarism had already begun an almost uninterrupted course. First of all the invasion of the Pechenegs, later on that of the Cumanians had to be repelled : while, in the middle of the XIII century, during the period of the decline of the royal power, the Mongol invaders completely inundated the country, laying it waste and depopulating it. But the second invasion of the Mongols, who had held Russia for two centuries in their thrall, was a complete failure.

Despite the many attacks from without, the territory of Hungary, far from diminishing, was ever being added to by new occupations. Saint Ladislas annexed the old Kingdom of Croatia lying to the south of the Kulpa : while King Kálmán (Coloman) conquered Dalmatia with a view to opening up a route to the Sea. Later on Bosnia, Servia, the Alpine Lowlands, Moldavia (then Cumania), Bulgaria and the eastern half of the Galicia of to-day (Halics) became dependent on Hungary : in fact those part of the Bosnia, Servia, and Roumania of to-day bordering on Hungary as Hungarian Banats, were practically annexed to the mother country. Consequently the realm of the Árpáds was one of the largest States in the Middle Ages, and at the same time one of the most uniform, for on its soil feudalism was unable to obtain so firm a footing as in the West, a fact which prevented the formation of separate feudal states, as in Germany and France.

With the extinction of the House of Árpád, in fact during the reign of Endre III, the last King of that dynasty, internal dissensions and the struggles for the possession of the throne, exhausted the energy of the country, which was, however, soon restored under the Anjou kings, monarchs descended from Árpád on the female side who succeeded to the throne by free election. On the head of Louis the Great, besides the crown of Hungary, there glittered that of Poland too : and it was during his reign that the Hungarian Kingdom reached the utmost limits of its expansion.

It was a sad misfortune for the Hungarian nation, that this great princely house which seemed destined to do great things for the country should have been so soon extinct : for of the kings of various lines that succeeded, only one was really great, while the disputes and quarrels with regard to the succession were continual. And yet, as early as this period, the Ottoman power had gained a footing in the Balkan Peninsula, and in its triumphal march came

into collision with the Hungarian Kingdom. It is true that even this period was not without its glory: the heroic struggles of the great general John Hunyadi against the Turks read like a great Christian epic; while Matthias Hunyadi, the glorious son of a glorious father, succeeded in restoring the ancient power and prestige of the country.

With his quickness of perception, Matthias, one of the greatest monarchs of the Renaissance age, realised that Hungary could not long withstand the onset of the Ottoman forces, if left entirely to its own resources: so he desired to annex to his own Kingdom the populous and wealthy neighbouring Western provinces. He did actually succeed in subjugating Silesia, Moravia, Lower Austria, Styria, and Carinthia.

The power of the Kingdom of Matthias very soon declined under the rule of the two incapable Jagellos, his immediate successors: and 36 years after the great King's death, came the terrible catastrophe, — on the field of Mohács, the Sultan Solyman routed the Hungarian army, and during the flight that followed King Louis himself met his death (1526). Apart from the Battle of Hastings, there has scarcely been any engagement in the history of the world, which in its consequences has been more fatal to a country than the rout at Mohács was to Hungary. The Turkish conquest did not, indeed, follow at once; after laying waste a part of the country, Solyman retired with his army: and the country might have had time to recover from the blow, had not a fatal dispute about the succession perfected the work of disorganisation begun by the military catastrophe at Mohács. The ignominious rule of the foreign Jagellos aroused in the majority of the nation a strong desire for a national King, such as the glorious Matthias had been: this party elected John Szapolyay, a wealthy Hungarian magnate, to the kingship, while the remainder of the nation gathered round the Habsburg prince Ferdinand II, the husband of the daughter of Wladislas, not indeed as a consequence of the contract concluded between the Habsburg and Jagello Houses, which was invalid from the point of view of the Hungarian constitution, but on the basis of the right of the nation to elect according to their choice. Although this election was to a large extent influenced by the personal interests of certain magnates, the decisive point was the conviction, which was even politically perfectly justifiable, that the country would derive far more advantage from the rule of a monarch who could bring the wealth and military power of his own hereditary provinces to the aid of Hungary.

Unfortunately the hopes entertained were not fulfilled, either in one direction or in the other. The result was, that the southern

and central parts of the country came under Turkish dominion ; while in the eastern part of Hungary an independent Hungarian principality was established, and only the western counties remained in the possession of the Habsburg Kings. The bleeding divisions of the country torn into three parts were for a century and a half the scene of continual warfare and devastation. At intervals large armies advanced from Germany and the Austrian provinces against the Turks : but, beyond robbing the unfortunate country, they did practically nothing. Even at the time when Nicholas Zrinyi, with a few thousand men at his disposal, held an ordinary earthwork, the fortress of Szigetvár, for more than a month against the whole army of the Sultan Solyman, and died a martyr's death (as he himself had already written in a letter, by shedding his blood and sacrificing his head, he was serving his beloved country that was on the verge of destruction), an enormous army was lying inactive at Győr, under the command of the Emperor King Maximilian, which might with ease have taken the field against the Turkish forces.

But it was the national disaster that displayed the heroic valour and ardent patriotism of the Hungarian nation. Such splendid instances of intrepid bravery, undaunted self-sacrifice and chivalrous virtues brighten these dark pages of our history, that we may justly call this period the heroic age of the Hungarian nation. But it was not only military prowess that preserved the national character of this country, torn as it was to pieces and bleeding from a thousand wounds. It is remarkable that just at this very period a rich and flourishing national literature sprang into being. During the reign of Matthias, humanistic literature and culture took deep root in the country ; its tongue, however, was not Hungarian, but Latin. The intellectual movement of the Reformation made the soil of Hungary that had already been cultivated bring forth a national literature, which the struggle evoked by the Anti-Reformation succeeded in fostering to a higher development.

When Ferdinand I. was elected King of Hungary, he was lord of Bohemia and the Austrian provinces only : but after the death of Charles V, he obtained the crown of the Holy Empire also, and his successors were without exception chosen to be the rulers of the German Empire. This had an effect on the relations between the monarchs and Hungary. Even had the country maintained its ancient territory and power unimpaired, it would to a certain extent have been thrown into the background by the policy of a dynasty which at the same time sat on the throne of a mighty empire surrounded with the almost saintly halo of traditions. Still less was the importance attached to that little tract of land, all that remained of the

Hungarian Kingdom in the hands of the Habsburgs. So we cannot be surprised that the Habsburg Kings looked upon their Hungarian possessions as nothing more or less than a *glacis* acting as an impediment to the onslaught of the Turks : and it was their constant endeavour to incorporate it in their empire. But it is quite as natural that the Hungarian nation, jealous of its liberties, clung obstinately to its ancient constitution, a fact that led to bloody conflicts between the nation and the ruling dynasty. The antagonism was only accentuated by the fact that the monarchs, as the patrons of the Catholic Faith, used every violence to eradicate the Protestant religion that had got so firm a hold on the country : and national resistance was rendered still more passionate and fierce by the grievances of the persecuted Protestants.

In the struggle that ensued, an important part was played by Transylvania, which had by that time developed into an independent national principality. The distinguished princes of Transylvania, Bocskai, Bethlen, George Rákóczi I., on more than one occasion gave military assistance to the Hungarian malcontents ; by the conclusion of the Peace of Vienna, and those of Nicolsburg and Linz, they secured liberty of conscience and the maintenance of the Hungarian constitution unimpaired without, however, an unbroken continuity of peace and quiet. Even the recovery of Buda from the Turks and delivery from the Ottoman yoke did not result in the dawning of the happier age so devoutly wished for. The nation was sincerely desirous of reconciliation. Out of gratitude to the reigning dynasty, by the aid of which they had succeeded in throwing off the Turkish yoke that had pressed hard upon them for a century and a half, the Hungarians spontaneously annulled the final clause of the «Golden Bull» which had sanctioned the use of armed force against Kings who defied the constitution ; they further resigned their right of electing a king and recognised the right of succession of the male line of the Habsburg House. But all this was of no avail. Leopold I, listening to the advice of his Viennese councillors, treated Hungary as a province conquered by force of arms. Persecution was the order of the day ; and an attempt was made to extinguish the smouldering flames of discontent by terrible reprisals, while bands of German and Spanish mercenaries harried and laid waste the country, reducing it to poverty.

Although the national resistance had no longer a pillar of support in Transylvania — which had in the meantime likewise come under the rule of Leopold —, the nation which had been harrassed to death, took up arms, and under the leadership of the Prince Francis Rákóczi II, at the opening of the XVIII century carried on a bloody struggle for nearly 8 years against the power of the oppressor. The

exhaustion of the nation, which was in no small measure due to the havoc caused by the plague, put an end to the struggle, which was concluded, however, not by defeat, but by an honourable peace. The Peace of Szatmár, concluded in 1711, secured the immunity of the constitution of Hungary. The constitutional independence of Hungary was also fully recognised and confirmed by the Pragmatic Sanction of 1723, which extended the right of succession to the female line of the Habsburg House as well, and decreed the indivisible possession of the countries under the rule of the Dynasty.

The friendly relations thus established between the nation and the dynasty were sealed in a most magnificent manner by the unparalleled magnanimity displayed by the Hungarian nation in the defence of the throne of Maria Teresa, as well as by the enormous sacrifice of blood and money offered during the Napoleonic wars. It was a most critical moment for both nation and dynasty : but even the tempting proclamation of Napoleon failed to shake the loyalty of the Hungarians. They showed a thorough appreciation of the unity of interests of nation and dynasty, which had become a living reality that admitted of no misconception ever since the Holy Roman Empire had ceased to exist, and still more so after the ruling dynasty had been completely driven out of Germany. In the many-tongued monarchy at present under the rule of the House of Habsburg, it is the Hungarian nation whose interests and national ambitions are identical with the interests of the dynasty, and do not act as a centrifugal force. We can refer to facts that are public property. However strong the specially Austrian traditions may be, the Germans (in Austria-Hungary) stand under the alluring influence of the splendour and power of the great German Empire. The Italians long to join Italy ; the Slovenians, Croatians, and Servians dream of the establishment of a great Southern Slav Empire ; the Roumanians are drawn towards the independent kingdom of Roumania. The Hungarians (Magyars) alone are possessed of no dreams of disintegration : their past, present, and future, binds them to their present home ; and they are, consequently, the firmest pillar of the Monarchy of the Habsburgs, which is so necessary in the interests of European peace and the balance of power. The identity of the interests of nation and dynasty is proved in a most unmistakable manner by the fact that, even after the deadly conflict in 1848—49 and the absolute rule that followed it, an honourable reconciliation without any ulterior motives, was able to be effected. While from the point of view of the universal interests of mankind the Hungarian (Magyar) nation, which does not belong either to the Germanic or the Slav world, stands between the two like an insulator between two opposing electric currents. Its mission in the history of the

world, standing as it does on the borders of East and West, may have changed in part, but it still as important and significant as it has been in the past.

The Pragmatic Sanction not only implied a *personal union* with Austria, but the common character of defence : though, as far as the latter is concerned, it did not contain detailed measures. An attempt was not made to supply the deficiency until the conclusion of the Compromise of 1867, on which occasion the Hungarian nation succeeded in securing constitutional liberty for the peoples of Austria too. By Act XII of 1867, foreign affairs, military affairs, and the financial affairs relating to both were recognised as factors of common defence. But besides these, as a consequence of the mutual interdependence of the interests of the two States, the law appointed certain affairs to be arranged by common agreement, which were not indeed a direct issue of the Pragmatic Sanction, but the settlement of which in an uniform manner was to the advantage of both States : such are commercial and custom affairs, as well as the adjustment of the monetary system and bank rate.

Yet not even the Compromise of 1867 succeeded in dispelling all doubts and misunderstandings. Side by side with the unity of interests, there are certain points on which the interests of Hungary and Austria clash. The latter is unable to completely renounce the centralising traditions of the past centuries : while Hungary, on the other hand, desires above all to secure the complete assertion of her position as an independent State and to put the same in a light that admits of no misrepresentation. Yet all these questions do not in the least affect the essential point, viz : the constitution, legal independence, freedom and intactness of the territory of Hungary. These are all secured by several laws sanctioned before and after the Pragmatic Sanction, and have their guarantee in the Coronation Oath and Diploma issued by the King.

The relations of the countries of Croatia and Slavonia to Hungary constitute an important political problem within the confines of the territory of the Hungarian State. The Croatia of today is, in point of territory, not identical with ancient Croatia, which stretched S. from the Kulpa, and included the Western part of the Bosnia of today. The Western part of the country between the Drave and the Save was, during the reigns of the princes of the House of Árpád, an integral part of the Hungarian Kingdom (under the name of Slavonia), and possessed no special autonomy of its own : while the Eastern part had not yet a name of its own, and consisted of four Hungarian counties. When the greater part of ancient Croatia fell under Turkish dominion, the landed proprietors and the bulk of the people migrated northwards, and inundating Slavonia, trans-

ferred the name of Croatia to that country, while the name of Slavonia was given to the four Hungarian counties just mentioned. Yet the estates both of Croatia and Slavonia sent their representatives to the Hungarian Parliament: and there was absolutely no difference between the Hungarian nobility and that of Croatia. It was not until the first half of the XIX century that a conflict of interests was evoked by the Illyrian movement that took its rise during that period: and this conflict of interests led to a bloody struggle in 1848. After the absolute regime had ceased, in their sincere desire for a reconciliation with their brothers of Croatia, the Hungarians fulfilled practically every desire of that nation, guaranteed them a far-reaching autonomy, including in the sphere of the latter home affairs, education and justice; made large concessions to the Croatian language; and ceded the Hungarian counties of Slavonia, which, during the period of absolute rule, had arbitrarily been united to Croatia. And as further the material resources of Croatia in proportion to territory and population, are much smaller than those of Hungary, the latter country supplies the deficiency, amounting to some millions of crowns per annum, required to conduct the home government of the country. But the legally incorporated Act of Agreement definitely stated that the countries of Croatia and Slavonia, which have for centuries belonged to the Crown of Saint Stephen, both legally and in fact, constitute one State together with Hungary proper; that there is no separate King of Croatia; and that, as a consequence of the indivisible community of State, in all dealings with Austria and other countries, the said crown-lands possess one and the same legal representative assembly, legislature, and, for the carrying into effect of all measures, one Government in common with Hungary proper.

The countries of Croatia and Slavonia do not constitute a separate State, and are not on terms of equality with Hungary proper in point of rights. Their claim to such a status is founded neither on history nor the relation of forces. As for the latter point of view, of the whole population of Hungary (19,254,559), only 2,416,304 (i. e. 12.5%) reside in Croatia and Slavonia: and even the proportion of numbers does not adequately represent the relation of forces. The mother country stands far above Croatia and Slavonia in point of intellectual powers, economics, and wealth: though there is no doubt that in the favourable situation created for them by the Compromise of 1868, the inhabitants of Croatia and Slavonia have made gratifying progress. Unfortunately, however, this increase of wealth and intellectual progress has given rise to aspirations which are direct negations of the historic past and of the actual state of affairs founded on law. Dreams of an independent Southern Slav

Kingdom have taken possession of the public opinion of Croatia, a fact that has resulted in a conflict between the central government and the Croatian deputies which is still unsettled.

The conflict with Croatia, still more the severe struggles in connection with the economic negotiations with Austria, and the differences between the Crown and the nation called into being by the dispute as to the language to be used in the army, have been taken advantage of by the nationalistic agitators to create discord in the country. As these agitators have attempted (not without success) to excite the public indignation of Europe, it seems necessary, as far as the limits of this small work will allow, to treat of the main features of the nationalist question of Hungary, with a view to informing the British public.

3. The Nationalist Question.

The Hungarian Kingdom is not inhabited by people of one uniform tongue. According to the census of 1900, the number of Magyars, who constitute the nucleus of the State, was 8,742,301, *i. e.* 45·4% of the whole population, a number which, by the inclusion of those of other tongues who know Hungarian (Magyar), is raised to 10,175,514, *i. e.* 52·8% of the entire population. But as Act XXX of 1868 recognised Croatian as the official language of Croatia and Slavonia, — a language which is the mother tongue of 61·6% of the inhabitants of those crown-lands — from the point of view of the Magyars it is only the linguistic conditions of Hungary proper that are of importance: consequently we shall confine ourselves to the statistics of the mother country.

According to the Census of 1900, of the 16,838,255 souls inhabiting Hungary proper (*i. e.* without reckoning Croatia and Slavonia), 51·4% *i. e.* 8,651,520 were Magyars by tongue; while of the non-Magyars 1,384,729 spoke Hungarian, so that the number of persons who knew Hungarian amounted to 10,036,249, *i. e.* nearly 60% of the whole population.

If we consider the question of mother tongue merely, the Magyars form an absolute majority over all other races combined, a fact which in addition to their superiority in point of wealth, culture, and social qualifications, justifies their supremacy over the nationalities, proving as it does that they are faced, not by one compact nationality, but by a number of smaller peoples of various extraction. The number of those whose mother tongue is Roumanian (Wallachian) represent 16·6, that of the Germans 11·3, of the Slovaks 11·3, of the Servians 2·6, of the Ruthenians 2·5, of

the Croatians 1·1, and that of other races combined 2 per cent of the whole population. Even if we take the aggregate of all the inhabitants speaking Slav languages, we find they comprise no more than 19·6%, whereas in Austria the Slavs form a strong absolute majority of 60·4%, over against the German element, which represents only 35·8% of the whole population of that country.

The geographical situation of the Magyar element too is a favourable one. For the most part they live in the centre of Hungary, and compose as it were the kernel of the population: and by the aid of the expansive force of this central situation, they are endeavouring to extend the ethnographical confines in ever widening circles. In this endeavour they are effectively assisted by two other factors: the greater fertility and economic development of the soil on which they dwell, and the greater density of population connected in part therewith. It is to these facts that we must attribute the disproportionate increase in population of the Magyars as opposed to the nationalities. During the twenty years from 1880 to 1900, while the number of inhabitants whose native tongue was Magyar increased by 34·1%, that of the non-Magyars advanced only 10·7%. It cannot, however, be doubted that this favourable result is due not only to the difference in the proportion of natural increase, but partly to assimilation. It is particularly in the towns that the power of Magyar culture is at work as a permanent force acting voluntarily, without the least sign of constraint, in the interests of the creation of a uniform speech.

The nations of Western Europe have had the nationalistic question of Hungary presented to them for the most part in an entirely false light. The belief that the Magyar nation stands quite alone as a stranger among the nations of Europe is itself a mere fallacy. They are no strangers even in point of blood. During ten centuries the Magyars, a branch of the Ural-Altaic family, have absorbed numerous Indo-Germanic elements: and the Hungarian (Magyar) nation of to-day is no longer an Asiatic people, but a European nation composed of the intermingling of various races under the influence of the natural conditions prevailing in the country. The same process has taken place in Hungary as took place in the case of the nations of Western Europe which are similarly composed of the intermingling of various peoples and the heaping upon one another of various racial strata. It is to the credit of the Magyar race that this enormous transformation has taken place without their being deprived of their linguistic and national individuality. Mighty conquering peoples — the Goths, Franks, Lombards, Normans, and, of the Hunno-Scythian peoples, the Bulgarians — became completely absorbed in the conquered races:

only the Hungarians have succeeded in maintaining their racial individuality, despite the intermixture of blood. Their language has adopted a large number of foreign words, but has transformed them according to its own rules of phonology and made them its own : while it has preserved in its original purity all its peculiarities of construction and idiom.

The Hungarian nation, which on obtaining possession of its new home was thrown on a huge ocean of foreign races, owes its preservation as a nation entirely to the fact that it was never exclusive. It was never in favour of racial exclusiveness, and was always only too glad to receive into its ranks the best sons of other races. This fact resulted in a certain racial excellence. The selected representatives of foreign peoples brought with them the best characteristics of their own race, and helped to form a strong, hardy, almost indomitable nation, which was able to endure terrible catastrophes that would have wiped other peoples entirely off the face of the globe.

Even where absorption in point of speech did not take place, the various races of Hungary have been endowed with many common characteristics, partly owing to the intermingling of races, partly to the assimilating power of the Hungarian soil : in fact a veritable uniform Magyar type has been produced. This is particularly conspicuous in the Great Lowlands (Alföld), where the multilingual peoples (German, Slovak, Servian, etc.) show all the racial characteristics of the Magyar, in dress, external appearance, habits, morality, in fact in their whole ethnical being. Under such circumstances there cannot be any question of differences between Magyar and non-Magyar, and it is only the agitators who are beginning to undermine this peaceful harmony.

History is distinctly against the disintegrating tendencies of the nationalities. In this respect the situation in Hungary is quite different to that in Austria, the nationalistic conditions of which country are very frequently employed as an aid to the appreciation of the state of affairs in Hungary. In Austria, the Bohemians and Poles in their struggle with the Germans can refer to the greatness of their former national kingdoms : whereas the historical traditions of the peoples of Hungary derive from one only source, viz : the past history of the Hungarian national state. No single non-Magyar race living in Hungary can base any claim to a separate national existence on the right of first settlement, as they all settled in the country, as welcome colonists, during the rule of the Hungarian kings. Unbiased historians have proved that even the theory that the Roumanians (Wallachians) are descendants of the Dacian legionaries of Trajan, a belief that has for over a century been

treasured by them with religious fervour, is nothing more or less than an historical fable. The Roumanians are a mixed race, taking their origin from the Balkan Peninsula, who did not make their appearance in Hungary until the XIII century, when they were to be found as shepherds tending flocks in the hills. They began to spread in the XVI, and particularly in the XVIII century, receiving additions in the form of settlers from Moldavia and the Alpine Lowlands, from which districts the Roumanians feudatories groaning under the tyrannical yoke of the Bojars were attracted by the kinder and more humane treatment of the Hungarian landed proprietors.

As for historical rights, they can be claimed at most by the Saxons of Transylvania, who for more than seven centuries enjoyed certain special privileges. But, though they have always strictly guarded, and still guard, their racial consciousness, they are adherents of the idea of a uniform Hungarian State : and even by the preservation of their native tongue (German) they are rendering a service to Hungarian interests, acting as they do as obstacles in the way of pan-Roumanian aspirations.

The fact that the uniformity of speech to be found in most of the states of Western Europe could not be secured in Hungary, is due chiefly to the stormy past of the country, and partly to the excessive toleration, one might almost say the absolute indifference of the Hungarian (Magyar) race. The devastation of the Mongols towards the middle of the XIII century enormously decreased the population of the country, and rendered large settlements imperative : while at the opening of the XIV century began the gigantic struggle with the Ottoman power and its endeavour to conquer the world, a struggle that lasted for three long centuries and involved terrible bloodshed, particularly during the century and a half when a considerable portion of Hungary was under Turkish rule. It was the richest and most Magyar part of the country which was entirely depopulated and reduced to a barren waste. The settlements were too large to admit of the new settlers being absorbed : consequently a uniformity of speech could not be secured.

Yet there was no difference in point of feeling. In the lower strata their want of education prevented the nationalities from entertaining any nationalistic consciousness or feeling : while the majority of the Ruthenians and Slovaks were inspired (and are still inspired) by the heart-stirring memories of the war of independence of Rákóczi, and still encircle the ideal figure of the champion of Hungarian liberty with a halo of glory. The inhabitants of the towns were for the most part German by speech : but they

vied with their Magyar compatriots in devotion to their country. This fact explains the circumstance that during the past few decades, when the schools put the acquirement of Hungarian within the reach of everybody, the towns of Hungary became Hungarian in point of language too at one blow: and the Magyarisation of the country has made rapid strides even in towns far distant from the district where Hungarian is the universal language, which have naturally been deprived in consequence of the beneficial effects of everyday intercourse with Hungarians (Magyars).

Finally, as for the third great division of the population under the ancient constitution, viz: the nobility, it was in fact the champion and incorporation of the Hungarian national idea. Anyone of whatever nationality, who obtained rank as a Hungarian noble, became a Magyar. The same is true of the men who filled public offices. And when the abolition of the privileges of the nobility overthrew class distinctions, although oppressive absolutism did all in its power to Germanise the country, all those who had enjoyed a good education and had thereby become members of the educated classes, of whatever nationality and whatever class of society, became good Magyars, both in tongue and feeling. Even the children of strangers recently settled in the country have become Hungarian in the first generation, not being in the least different to the children of out-and-out Magyars.

This result was not obtained by arbitrary measures: nor are such applied today. It is the natural effect of historical, social and cultural forces working unseen. Hungarian science, literature, economics and politics possess many a distinguished worker who by origin is not a Magyar, though in thought and feeling as true Magyar as any direct descendant of Árpád's followers: indeed there are men of foreign descent in whom the best characteristics of the Magyar race may be seen, from whose souls the light of the Magyar genius flashes forth in purest brilliance. To call such men renegades — as the nationalist agitators do — is simply ridiculous. Were not Napoleon and Gambetta, despite their Italian descent, true Frenchmen?

Anyone who judges affairs from the high point of view of the universal interests of mankind, must necessarily sympathise with any movement to create a peacefully united nation, with uniform speech and culture, out of the various races inhabiting a country whose historical past, and vocation in the history of the world have destined it to be a uniform state. Could Great Britain have played the glorious part assigned her by Providence, had the place of the uniform English language and culture prevailing in the United Kingdom been taken by a medley of Celtic, Anglo-Saxon, Danish,

French languages and cultures? *Macaulay* himself declared that the history of the English nation did not begin till the time of the Magna Charta, i. e. till the period when the various races became absorbed into one.

By becoming absorbed in one uniform Hungarian nation, the various races of Hungary, will be rendering an inestimable service to the interests of mankind in general. The culture of small fragments of peoples living in the same country must be poor and feeble; it cannot be a serious factor in the progress of mankind; and it offers no field, no opportunity for the development of true ability. But by becoming welded into one uniform nation, even small fragments of races may be contributors to great prosperity and a high level of culture.

In Hungary it is the Magyars who, numerically, and in point of wealth and culture, are destined to lead the way: in ethnical development too they form the centre of gravity. In respect of culture, the Magyar race is superior to the nationalities not only in point of elementary education but in higher culture too. By the side of the wealthy and brilliant literature of the Magyars, those of the nationalities (with the one exception of the German) are completely overshadowed. It is a mere waste of energy to work in the service of the latter; in fact a celebrated Hungarian writer of German origin has proved, not merely by his example, but in theory too by an essay containing unanswerable arguments, that even those inhabitants of Hungary whose native tongue is German, whose language connects them with a mighty world culture, cannot display their abilities in their entirety unless they unite with the Magyar nation in speech and feeling, and seek inspiration and impulse in the struggles, ambitions, and hopes of the past and present of the Hungarian fatherland. If they remain attached to pan-German ideals, they will be like stagnant water beside the shallow banks of a mighty river, sluggish and inactive, while the waves of the rushing stream roll majestically on their way towards the ocean.

The assimilation, particularly in the better educated classes, is in fact so extensive that it would be impossible to settle the formation of Hungarian society, according to descent. One fact is, however, beyond dispute: all the races living in Hungary are more or less represented therein, some of them to a considerable extent. Consequently there is absolutely no basis for the charge that the non-Magyar inhabitants are scarcely represented in Parliament and the public offices. As if all those eminent men who, with all their various racial origins, are included in the ranks of the Hungarian intelligence, were not worthy representatives of their various

racés, to which they are attached, not only by ties of blood but by tradition too.

Apart from a few well-meaning enthusiasts, the nationalist disturbances are the work of unprincipled agitators who treat the affair from a business point of view. These latter would arrogate to themselves the position of leaders and exclusive representatives of their respective nationalities, believing thus to be able to better assert themselves. Yet there is no denying the fact that the nationalist endeavours find effectual support in the Roumanian churches, the strongly nationalist character of which (remarkable irony of fate) was established by the out-and-out Magyar princes of Transylvania.

Not only in the past, even to-day the Magyars display an excess of toleration. Hungarian chauvinism, so loudly proclaimed by Magyarphobes, is to be found at the worst in individual newspaper articles, but not in real life. Hungarian masters learn the languages of their non-Magyar servants, and speak to them in their native tongues : a whole company of Magyars, if only one stranger be present, are only too ready to adopt his language as the medium of conversation : in business relations, Hungarian buyers and sellers make no attempt to force foreign customers to speak Hungarian : in other words the Magyars make no efforts to employ that perfectly admissible social constraint which is one of the surest means of spreading a language.

Still less does the Hungarian nation have recourse to force in its legal measures. When in 1848, the Hungarian nobility, inspired by the most magnanimous idealism, without any pressure from without, voluntarily renounced its privileges and received the masses within the protecting bastions of the constitution, no difference was made between religion and religion, between race and race. German, Slovak, Roumanian and other feudatories became just as free proprietors of the land they cultivated as their Magyar brethren, and were admitted just as freely to political rights.

During the new constitutional period that commenced with 1867, the Hungarian Parliament has always faithfully adhered to the noble traditions of the legislature of 1848. Beyond the declaration of the Magyar language as the official tongue of the country, — a provision to the detriment of which many concessions have been made to non-Magyar citizens, both in the law-courts and in the field of administration — there is no single law in Hungary which secures privileges to Magyars as opposed to their non-Magyar compatriots.

As early as 1879, the Hungarian Parliament passed a law dealing with the obligatory teaching of the Magyar language, the

instruction of the children in their mother tongue being left intact : this measure was, however, taken rather in the interests of the non-Magyars, that they might not be excluded from asserting themselves in any particular sphere from an ignorance of the official language. No one can with any justice deny that there is undoubtedly need of a uniform official language, in fact of a standard speech, to enable the inhabitants of various tongues to hold social intercourse with one another. And from what has been already said, no one can doubt that this language must be Magyar.

Everyone may make free use of his native tongue, not only in his family circles, but in church and in school. Can anyone talk of oppression, when, of the 10,957 parishes in Hungary, in 3302 Roumanian, in 1051 Slovak, in 1005 German, in 389 Ruthenian, in 259 Servian, and in 66 Croatian is exclusively the language used by the preachers? Or when of the 16,561 public elementary schools (during the school-year 1905—1906), in 3154 some non-Magyar tongue was the language of instruction, in 1665 other languages besides the Magyar were used as the language of instruction, while in 1954 schools where Magyar was the language of instruction, other languages too were employed as auxiliaries in the work of education? In fact the principle of toleration is carried so far that the parishes may choose their own official language at pleasure, although such a course is extremely detrimental to the uniformity of language in the field of administration.

Under such circumstances it is ridiculous to talk of oppression and racial tyranny in Hungary. The Magyar nation with its devotion to liberty, while jealous of its own freedom, respects the liberties of others. And having resolved to maintain the national character of its state, secured by the heroic struggles of a thousand years and sanctified by the noble lustre of historic rights, it may justly count on the sympathy of the great British nation, which has always been foremost in its love of liberty and its respect for historic rights.

4. Population and Hygiene.

According to the census of 1900, the *population* of the Hungarian Kingdom numbered 19,254,559 souls: to-day it exceeds twenty millions. In 1900 there was an average of 59·3 souls to every square kilometre. This average must be called a low one in comparison to the density of population of Western countries; but it is far in advance of that of Eastern countries.

The *agglomeration* of population is very divergent in the various parts of the country. In the western, highland, and eastern counties

there are masses of tiny hamlets : but in the Lowlands we find populous villages and towns at great distances from one another. There are simple country villages with from 20.000 to 25.000 inhabitants : the largest village, Békéscsaba has 37.547 inhabitants. The populous towns possess a large area : of those in the Lowlands, Szeged has an area of 816, Kecskemét of 873, Debreczen of 957, and Szabadka of 974 square kilometres. This remarkable density of population is due in no small measure to the havoc effected by the Turks. In order to be able to defend themselves better against marauding bands, the people deserted the small villages and collected in large local centres.

As a consequence of this peculiar agglomeration of population originating from quite extraordinary historical causes, these populous towns are without an industrial character and the features peculiar to towns. There are many large towns in the Lowlands which are still of an agricultural character : although the increase of cultural institutions, the development in building that may be remarked, and the progress of traffic and commerce is beginning even here to impart a town-like appearance. This appearance is accompanied by a rapid increase of the population of the Hungarian towns. While the population of the countryside increased only 19·2% between 1869 and 1900, during the same period that of free boroughs increased 32·5%, and that of towns endowed with municipal rights 77·3%. The population of the Capital of the kingdom, Budapest, actually increased 164·7% during the said 31 years. In 1900 its population numbered 732.322 ; and it thus took a prominent place among the Capitals of Europe. Yet the population of the villages situated in the direct vicinity of Budapest, which are practically absorbed in the Capital but in point of administration have not yet been united to that city, is not included in the above figures : taken together, the population of these villages exceeds 100.000.

Budapest is situated just at the focus of the ellipse formed by the territory of Hungary, on both sides of the mighty stream of the Danube. It is also the junction for all the trunk railways. No wonder that with this favourable situation, its power of absorption is enormous, and that its development is somewhat detrimental to that of the provincial towns. The other towns of Hungary are far behind in point of population : next to it comes Szeged, on the banks of the Tisza, with a population of 102.991 only. Besides these, there are only 9 towns in Hungary whose population exceeds 50.000 : and 126 towns and villages which possess a population of over 10.000.

As for occupation, the great majority of the population of the country are engaged in agriculture. In 1900, of those engaged in

earning their living, 68·6% were employed in cultivating the soil, 13·4% in mining and industry, and only 4·1% in commerce and traffic. Besides these 4·4 were domestic servants, 3·3 labourers, 2·4 were engaged in professional pursuits; 1·6% were capitalists and pensioners, 1·5% were serving in the army, and 0·7% were engaged in other fields. These figures relate to the whole of Hungary. There is a great difference between the mother country and the countries annexed, in point of the occupations of the inhabitants. For instance, while in Hungary proper 65·9% of the population were engaged in the cultivation of the soil, and 19% in industrial pursuits and traffic, in Croatia and Slavonia the figures were 84·3 and 9·0% respectively.

Of the 19·25 million inhabitants of the Hungarian Kingdom 8·83 millions were earning their living, and 10·42 millions were being supported by others. Naturally enough, the proportion of women in these two groups was quite different, the figures being 30·2% and 67·2% respectively: the great majority of women are not engaged in any work, as breadwinners, but are employed at home keeping house.

The proportions of *men and women* in the aggregate population is practically equal. In 1900, for every 1000 men, there were 1009 women, while ten years before the proportion was 1000 to 1015. There are distinct divergencies in these proportions in the various districts. While in the West and North, the women are considerably more than the men, in the South and East, the men are in the majority.

In the *distribution of the population according to age*, a characteristic feature is the preponderance of young people, though during the last ten years there has been a certain retrogradation in this respect. The proportion of young people under 15 is 35·6%, that of people between 15 and 60 (productive age), 56·8, that of people over 60, 7·6%. As the proportion of inhabitants over 60 in 1890 was only 6·9%, this change is a welcome sign of the prolongation of vital capacity.

If we take into consideration the large proportion of young people, the number of inhabitants *in a married state* may be pronounced distinctly favourable: of the aggregate population, the proportion of bachelors and spinsters was 53·6, that of married persons 40·2, that of widows and widowers 6·1, that of persons legally divorced 0·1%. The considerable proportion of widowers and widows is the natural consequence of early marriages, while the large number of married persons is explained by the fact that the overwhelming majority of the inhabitants are engaged in agricultural pursuits. Among the inhabitants of the towns who live

in greater style and whose subsistence is a far more difficult question, the proportion of married persons was a considerably lower one. At Budapest, for instance, it was only 33·2%.

The difficulties of subsistence and the higher scale of living makes its influence felt in the decreasing proportion of marriages too. Between 1881 and 1885 there were 10·3 marriages for every thousand souls in Hungary : whereas between 1901 and 1905 the average was only 8·6. The marriages are partly contracted by people of minor age, a fact with which the large number of *births* is in some respect connected. In Hungary formerly the proportion of births was a remarkably high one : of recent years there has been a certain definite decadence in this respect. Whereas between 1891 and 1895 the average of infants born alive was 41·7 per thousand, during 1906 it was only 36·0. With the progress of civilisation and the increased demands attendant thereon, there is generally a decrease in the number of births : but we must not forget the close connexion that exists between the birth-rate and mortality. A large proportion of births is in part the cause, and in part the concomitant of a large bill of *mortality* ; of the numerous infants many perish, while, on the other hand, a large bill of mortality acts as an incentive to an impulse for the preservation of the race. This mutual influence of births and mortality is to be found in the contrary direction too. In Hungary, not only has the birth-rate decreased, but the rate of mortality too has declined in a similar measure. Between 1891 and 1895 the average mortality was 31·8 per thousand : whereas in 1906 it was only 24·8. The natural increase of population is therefore in reality more favourable than previously ; for while, between 1891 and 1895, the average birth-rate only exceeded the mortality by 9·9 per thousand, in 1906 the balance in favour of the birth-rate was 11·2 per thousand. The mortality of children also shows a decided improvement ; for while between 1891 and 1895, 52·3% of the deaths were those of children under five, in 1906 the proportion was only 45·7%. And whereas in 1891—1892, the number of deaths of children below five years of age amounted to 40% of the births, in 1906 the proportion had sunk to 31·4%.

Although the question of public sanity has been thoroughly reformed of late years, infectious diseases are still responsible for a large proportion of the deaths. Of the deaths certified by medical men in 1906, 24·14% were caused by infectious diseases. Of the latter, the largest proportion (14·21%) were due to tuberculosis. If we consider non-infectious diseases, 16·71% of the deaths in the same year were due to diseases of the respiratory organs : of these, 10·63% were caused by inflammation of the lungs alone.

This latter disease is furthered in Hungary by the extremes of temperature, practically without any transitional stages. Diseases of the digestive organs were responsible for 14·30% of the deaths : of particular frequency were catarrh of the stomach and intestinal catarrh, partly owing to the extreme richness of the food, partly, especially in the case of children, to the eating of unripe fruit. To nervous disorders 11·17% were due (5·12% to cramps, 4·47% to meningitis and strokes); to innate weakness 8·35% (including children prematurely born); to old age (debility) 7·44%; and to various affections of the heart, 5·78%. Carcinoma was responsible for 2·60% of the deaths ; and the data in our possession prove that this terrible disease is making rapid strides in Hungary, as in the other countries of Europe.

Although there is still much to be done to conquer the ravages of disease, the actual *increase of population* is progressing in a normal manner. Between 1880 and 1890 it was 10·9%, between 1890 and 1900, 10·2%. The natural increase was still more favourable, viz : 12·2 and 11·2% respectively : but the emigratory movement of the people during the last two decades has acted most unfavourably on the development of the population.

Of recent years *emigration* has made rapid strides ; the rush of the lower classes to America has assumed the proportions almost of a general migration. In 1906, according to the Hungarian statistics of emigration, 150,000, according to the American Bureau of Immigration, 168,000 Hungarians landed on the shores of the New World. During the same year the number of people leaving Hungary (including those who emigrated to America and to various countries of Europe) amounted in all probability to close on 200,000, and was almost as large as the natural increase of population. The danger of this unfortunate circumstance is, however, somewhat diminished, if we consider that the emigration is due to a desire to find work and that the Hungarian subjects working in the factories and mines of the United States not only send their savings home, but actually return when they have succeeded in acquiring a small capital.

In certain counties, where emigration has for some time been the fashion, even according to the defective official statistics, the number of those returning amounts to about 30—40% of the emigrants. Naturally enough, during the late crisis in America, the number of emigrants from Hungary decreased considerably, while the number of people returning to the country reached hitherto unknown proportions. We must not, however, attribute much importance to the latter fact, a merely temporary phenomenon. Emigration is an undeniable misfortune which must be remedied,

to prevent the proper development of the population of Hungary being brought to a standstill.

The question of *public health*, however great the improvement during the last decades, requires to be developed. At the close of 1906, the number of medical practitioners was 5370, *i. e.* one doctor to 3585 souls. Taken as a whole, this average is a large one: but the extremes are remarkably great. Particularly unfavourable is the situation where the population is not dense, but scattered over a large area in a quantity of villages. Of certificated midwives, there are 12,800, *i. e.* one midwife to 1504 souls. Besides the certificated midwives, many peasant midwives are still active. There are 2014 pharmacies, *i. e.* an average of one pharmacy to 9560 souls.

The large majority of Hungarian *hospitals* are equipped with all the requirements of modern hygiene. Yet their number is not sufficient, in proportion to the population of the country. In the whole kingdom, there are only 449 general hospitals, with an aggregate of 37,545 beds. In 1906, the number of patients amounted to 366,200; and that of nursing days to eleven millions. Besides the general hospitals, in 3030 parishes there are fever hospitals, which are more or less fully equipped. But the latter are rather means of precaution intended for the quick suppression of any epidemics that may arise. In 1906, only 4027 patients were treated in them, while the number of nursing days only amounted to 97,000.

Nature has endowed Hungary with a wealth of *medicinal waters*. In practically every part of the country are to be found cold mineral and thermal springs; Budapest itself, the Capital city, is remarkably rich in medicinal springs. A whole series of hot springs containing lime and sulphur are to be found rising out of the volcanic hills on the right bank (of the Danube). A hot spring containing lime and sulphur wells forth on the fairy-like Margaret Island situated in the middle of the river: and there is a similar water produced by the Artesian well, situated in the Town Park. The hot springs are extremely rich and so numerous that of the baths situated on the right bank of the river there is one which itself contains sixteen such springs. The permanent temperature of the water differs in the case of the various springs, ranging between 27° and 74° C. Besides these hot springs, the Capital possesses numerous wells containing bitter waters, the excellence of which is proved by the fact that they are to be found in all parts of the world, including Great Britain.

Besides the Capital, in other parts of the country too are to be found sulphuric hot springs of remarkable healing properties, which

offer relief and even perfect cure in the case of obstinate and serious diseases, *e. g.* rheumatism, gout, gouty concretions, exudations, and all diseases of the bones, etc. We have not space enough to enumerate all these places, and must confine ourselves to the more important only. One of these is Herculesfürdő near the Lower Danube, in the romantic valley of a smaller river; Pöstyén, in the lovely valley of the Vág; Trencsén-Teplitz, which is also in the vicinity of the Vág. Of the chalybeate springs, special mention is due to Vihnye and Rajecz; of the alkaline hot springs, to Lipik; of the pure and earthy hot springs to Stubnya and Keszthely. In Hungary proper, there are 38 important watering places with hot springs.

Of cold mineral springs there are still more. There are earthy, alkaline, salt, sulphatic, aluminous, and other waters. The official statistics contain 97 watering-places possessed of springs of this class, of which it must suffice to mention the following: Borszék, Előpatak, Tuzsád, situated in the enormous pine and beech forests of the Eastern Carpathians, Parád, in one of the valleys of the Mátra range that stretches down to the plains of the Great Lowlands, Tarcsa on the western frontier of the country, Koritnicza, and Bártfa at the foot of the Northern Carpathians.

Of the climatic health resorts situated in the mountains, we have already mentioned those in the High Tátra, including Old and New Tátrafüred, Tátralomnicz, Csorba-tó (Lake Csorba) and Barlangliget etc.; at the foot of the Southern Carpathians there is also an eminent climatic health-resort, Marillavölgy. The statistics deal with visitors to some 52 climatic health-resorts.

We have spoken in general outlines of the watering-places skirting the banks of Lake Balaton, the so-called «Hungarian Sea». Of these the most famous are Balaton-Füred, Siófok and Balaton-Földvár: but the other places too are developing rapidly and making remarkable progress. To-day there are 18 watering-places on the banks of the Balaton. Besides these, there are 8 other health-resorts situated on the banks of lakes, which raise the number of our watering places in Hungary proper to 213.

5. Public Education.

To give a true picture of the culture of a country in figures, is impossible: in default of a better, statistics generally employ the fundamental factor of elementary education, viz: the *ability to read and write*, as a criterion. If we take the whole Hungarian Kingdom, in 1900, of those inhabitants over 6 years of age, 59·3% were able to read and write. There is a great difference, however, between the elementary education of Hungary proper and that of the annexed countries. In the former, the number of those able to read and write corresponded to 61·4% of the aggregate of inhabitants over 6 years of age: whereas in Croatia and Slavonia the proportion was only 44·4%. There is also a great difference in this respect between the various parts of the mother country. While in the Western districts, on the right bank of the Danube, the proportion of persons able to read and write is 76·4%, in the East, in the districts beyond the Királyhágó, it is only 41·5%. This fact is due not only to the western counties having advanced much further in point of education owing to their proximity to the cultural influences of the West, but to the circumstance that the eastern counties are inhabited to a great extent by adherents of the two Greek Churches, who are behindhand in point of culture. The enormous difference in respect of culture between the adherents of the Western and Eastern Christian Churches in Hungary is proved in a surprising manner by the statistics relating to the proportion of persons able to read and write: in the former Churches, the proportion is 71·22% of the aggregate of inhabitants over 6 years of age, while in the latter Churches it was only 22·19%. To take the various confessions separately: in the case of the Unitarians the proportion was 64·95%, in that of the Roman Catholics 68·26%, in that of the Reformed Church 75·52%, in that of the Evangelical Protestants 82·26%: whereas in that of the Greek Oriental Church it was only 20·83, and in that of the Greek Catholic Church only 23·86%. These statistics prove beyond a doubt the lower level of culture of the two Eastern Churches. The proportion of persons able to read and write in the Jewish Church, viz: 83·03%, exceeds even that of the Western Christian Churches: a fact explained by the occupations of the persons belonging to that confession, who are but rarely engaged in rough manual labour.

This great divergency in point of culture between the various confessions, as well as the fact that the said confessions, as providers of schools, play an important part in the education of the country, renders it imperative that we should take a cursory glance at the numbers and proportions of these confessions.

In 1900, in the component parts of the Hungarian Kingdom, the numbers of the adherents of the various confessions were as follows :

	Number in Hungary proper	%	Croatia and Slavonia	%	Aggregate for Hun- garian Kingdom	Ag- greg- ate %
Rom. Cath.	8,198,497	48·7	1,721,416	71·8	9,919,913	51·5
Greek Cath.	1,841,272	10·9	12,871	0·5	1,854,143	9·6
Reformed Church	2,427,282	14·4	18,910	0·6	2,441,142	12·7
Evangelical	1,258,860	7·5	30,082	1·2	1,288,942	6·7
Greek Oriental ...	2,199,195	18·1	616,518	25·5	2,815,713	14·6
Unitarians	68,551	0·4	17	0·0	68,568	0·4
Jews	831,162	4·9	20,216	0·8	851,378	4·4
Other confessions	18,486	0·1	1,274	0·1	14,760	0·1

In Hungary proper, though the Roman Catholics are in a large majority relatively, no single confession possesses an absolute majority : but in the Hungarian Kingdom as a whole, the Roman Catholics are in an absolute majority. The adherents of the two Greek Churches compose nearly one fourth, those of the three Protestant Confessions almost one fifth of the whole population. The proportion of Protestants in the mother country is considerably larger than that of the same confessions in the whole Kingdom ; for there are very few Protestants in Croatia and Slavonia, where Catholicism and the Orthodox Church are practically predominant.

The distribution of the various confessions by mother tongue is instructive. In Hungary proper, 65% of the adherents of the Western Christian Churches profess Magyar as their native tongue, but only 6·9% of the adherents of the Eastern Christian Churches ; taking the confessions separately, of the Unitarians 99·09%, of the members of the Reformed Church 98·24%, of the Roman Catholics 60·50% are Magyars by tongue, whereas the proportion of Magyars sinks to 28·56% in the case of the members of the Evangelical Church. Of this Church, 36·73% are Slovaks, and 32·62% Germans. But even this state of affairs is favourable in comparison to the proportion among adherents of the Eastern Churches. Of the members of the Greek Catholic Church only 13·39%, of those of the Greek Oriental Church actually only 1·45% professed Magyar as their native tongue. In the former Church there were 57·83% of Roumanians, 22·31% of Ruthenians, and 5·52% of Slovaks : in the latter, 77·99% of Roumanians, 19·49% of Servians.

We are fully alive to the connexion of culture, not only with religious confessions, but with the mother tongue too. Taking the nationalities which are to be found in any numbers in Hungary proper, in 1900, 79·63% of the Germans over 6 years of age could read and write ; of the Magyars, 72·52%, of the Slovaks, 60·36%, of the Servians, 48·38%, of the Roumanians, 23·88%, and of the

Ruthenians, 17.78%. So the foremost in this respect are the Germans, not the Magyars. The main reason for this is that, in the Great Lowlands, a large proportion of the Magyars live in scattered homesteads. Owing to the distance from the schools, the children of the people living in these homesteads grow up for the most part without having any schooling: only recently has the State endeavoured, in conjunction with the parish authorities, to remedy this evil by establishing homestead schools.

The number of persons able to read and write is known to us only on the basis of the census which is held every ten years: and it is extremely probable that during the last seven years that have passed since the last census, those whose mother tongue is Magyar have practically outstripped their German compatriots in point of education. This supposition is quite justified by the results of the past: for while between 1880 and 1900, the proportion of Germans able to read and write rose from 68.25 to 79.63%, during the same period that of the Magyars rose from 53.56 to 72.52%. Consequently, during the course of 20 years, the elementary education of the Magyars rose in a considerably higher ratio than that of the Germans, and very nearly succeeded in overtaking the latter.

Not only does the Hungarian State not hinder the education of the non-Magyars, but, on the contrary, partly by the exercise of its right of superintendence and control, partly by the provision of schools, and by grants to existing schools, is doing all in its power to effectively further the same. To this may be attributed the development in the field of elementary education made by the non-Magyar races. Between 1880 and 1900, taking the persons above 6 years of age as the basis for our calculation, the proportion of those able to read and write rose, in the case of the Slovaks, from 39.27 to 60.36%, in that of the Roumanians, from 11.01 to 23.88%, and in that of the Ruthenians, from 8.64 to 17.78%.

In Hungary, Act XXXVIII of 1868 provided for compulsory attendance at school between the ages of 6 and 15. Children are obliged to attend public elementary schools between their 6th and 12th year, and continuation schools from the latter year till the completion of their 15th year. Yet, although the Act provided for the means of carrying this stipulation into effect, the object aimed at has not yet been fully realised; for even the school-year 1905—1906, only 83.5% of those obliged to do so were attending the public elementary schools. In point of school attendance, the same divergencies between the various confessions and nationalities may be remarked as were noticed in respect of ability to read and write.

There is a still lower grade of public education than the public elementary schools, viz: *infant schools*. The object of these is not so much teaching, though attention is paid here too to the acquirement of the first elements of knowledge and manual skill: they are more particularly engaged in the care of neglected children. An Act of 1891 (the first to regulate the question of infant protection) declared attendance at infant schools compulsory for children between 3 and 6 years of age, though only for such as were not properly looked after by their parents at home. Of infant schools (these figures, as indeed all that follow in this chapter, relate exclusively to Hungary proper), in the school-year 1905—1906, there were 2595, including the summer asylums.

Of these 1421 were parish institutions, 582 State, 338 denominational, 254 endowment, proprietary and private schools. The number of children taken care of amounted to 245,000: while the maintenance of the institutes involved a cost of nearly 3,000,000 crowns (£ 125,000).

Whereas the infant schools are for the most part parish institutions, the great majority of the *elementary schools* are in the hands of the various confessions. This is the nature outcome of historic development. The State, far from desiring to paralyse the cultural force of the Churches, gives them all the support of its own authority and financial resources. Of 16,561 public elementary schools, 12,734 (*i. e.* 76·9% of the whole) were denominational, while the number of State schools amounted to 2046, that of parish schools to 1473, and that of proprietary and private schools to 308 only. Of the denominational schools, the majority (5305) were managed by the Roman Catholic Church, the most numerous religious confession in the country (these figures relate to the school-year 1905—1906); next comes the Greek Catholic Church, with 1963, the Reformed Church, with 1903, the Greek Oriental Church, with 1723, the Evangelical Church with 1338, the Jewish Church with 466, and, finally, the Unitarian Confession, with 36 schools.

But the number of the schools is not a sufficient test of the part played by the various providers of schools in the elementary education of the country. The State schools constitute only 12·36% of the aggregate of elementary schools in Hungary: but of the 30,194 teachers employed in public elementary schools, 5291, *i. e.* 17·52%, are engaged in State schools. To continue the comparison: in the case of parish schools the proportions are 8·89% (schools), and 14·5%; in that of Roman Catholic schools, 32·03% and 30·98%; in that of Greek Catholic schools, 11·85% and 7·03%; in that of Reformed Church schools, 11·49%, and 9·89%; in that of Evangelical schools, 8·08%, and 7·42%; in that of Greek Oriental schools,

10·40% and 7·63% ; and in that of Jewish schools, 2·82% and 3·08% respectively. These figures prove how much better the State and parish schools are supplied with teachers, than are those maintained by the religious confessions, with the exception of the Jewish schools. But there are great differences between the various species of denominational schools too. The schools of the two Greek Churches are worst off for teachers : they are mostly undivided schools provided with only one teacher.

The number and distribution of the pupils attending public elementary schools in 1905—1906 is shown by the following figures :

Character of school	N ^o of pupils	% of the whole
State	316.005	16·00
Parish	265.094	13·42
Roman Cath.	710.779	35·98
Armenian Cath.	706	0·04
Greek Cath.	132.574	6·71
Reformed	204.822	10·37
Evangelical	137.514	6·96
United Protestant	441	0·02
Greek Oriental	148.162	7·50
Unitarian	2.021	0·10
Jewish	35.594	1·80
Proprietary	2.096	0·11
Private	19.540	0·99
Total	1,975.848	100·00

The part played by the two Greek Churches here is even inferior to their contribution to the number of schools and teachers.

Of all the various types of elementary schools, it is the *State schools* which develop best of all. As a matter of fact, they did not begin to be established until the seventies of last century. At first the object of the State was to create in them model schools, to act as an example, and an incentive to the other providers of schools. Later on an endeavour was made, by the provision of State schools, to make up for the more sensible defects of elementary education, and, particularly in nationalist districts, to provide facilities for acquiring the Magyar tongue. In the school year 1875—1876, there were only 125 State elementary schools, whereas in 1905—1906, as we have seen, this number had already risen to 2046. During the same period, the number of teachers in State elementary schools rose from 237 to 5291. During the past quarter of a century (from 1880—1881 to 1905—1906), the number of pupils attending State elementary schools (including those obliged to attend continuation schools) rose from 25,157 to 362,077 : while the cost of maintenance rose from 737,000 to 11,350,000 crowns (nearly £ 500,000).

Yet the sacrifices made by the State in the interests of elementary education are not confined to the provision and maintenance of State schools. It gives considerable material support to non-state schools too. The item included in the State Budget for 1908 with the object of making up the deficiencies in the salaries of the teachers of non-State schools amounts to no less than 8,120,000 crowns, a sum that will be increased next year to 10 million crowns, and will be gradually augmented during the succeeding years too.

In connection with the great majority of public elementary schools, general or agricultural continuation schools (courses) have been organised; the number of the former, in 1905—1906, was 11,652, of the latter, 2142. Besides these, there were 169 separately organised continuation schools at work. The agricultural continuation schools constitute a valuable part of Hungarian popular education, offering as they do an opportunity for the acquirement of the elements of agricultural knowledge and preparing the young generation as they do to take their places in practical life.

The pupils' unions and libraries serve to keep up and further develop the knowledge acquired in the elementary schools. These latter are quite new institutions which can however point to having achieved great success. In 1906 there were 572 pupils' unions, and 2110 pupils' libraries.

Besides the public elementary schools, other institutions engaged in the education of the people at large are *the higher elementary and the city schools*. The small number of higher elementary schools possess no importance at all; but a more significant part is played by the city schools. In the school-year 1905—1906, there were 382 city schools in existence, 131 for boys, and 251 for girls. This great difference may be observed, though in a far smaller measure, in the number of pupils. Of 61,529 pupils 25,450 were boys, and 36,079 were girls. Distributed according to their character, 139 were State, 108 denominational, 87 parish, and 48 proprietary and private schools. The aggregate cost of maintenance of the city schools was 8,200,000 crowns, of which sum 3,090,000 crowns were supplied by the State.

The important work of the *training of teachers* is also undertaken by the State in conjunction with the religious denominations. Of 49 male teachers' training colleges, 19 (*i. e.* 38·8%) are in the hands of the State, and 30 are maintained by religious denominations. The part played by the various confessions is a still more important one in the case of training colleges for female teachers. Of 40 institutes of this character, only 8 (20%), are maintained by the State, while 31 are denominational, and one proprietary. But the State institutes are much better attended than those belong-

ing to the denominations : consequently the State has a greater share in the training of teachers than the ratio of colleges would lead one to suppose. Of the 5742 students of the male teachers' training colleges, 2540 (44.2%) are attending State institutes : of those of the female teachers' training colleges (5408), 1649 (30.49%) are being trained in State institutes. The large number of students attending the women's training colleges is most remarkable. This over-production is undoubtedly an unhealthy symptom, and is the result of a still undeveloped social upheaval.

The task of *secondary* schools in Hungary too is to offer a general education and to prepare the pupils for work in the universities and colleges of university status. There are two kinds of secondary schools, the classical schools (Gymnasias) which attach most importance to the humanities, to classical languages, history and literature, and the modern schools (Realschools), which by putting modern languages, mathematics and natural science in the foreground, prepare their pupils for the higher grades of technical science. There are many more classical schools in the country, which are also far better attended than the modern schools, partly because the educated middle classes still show a great preference for the humanities, and partly because the classical schools qualify for every kind of higher institute.

In 1905—1906, in the mother country (Hungary proper), there were 170 classical, and 32 modern schools, *i. e.* 202 secondary schools in all. Not even in the field of secondary education does the State exercise a monopoly. There are secondary schools under the management of the State, others under the supervision of the State ; while others again are quite autonomous. To the first group belong, besides the State classical and modern schools, the so-called Roman Catholic classical schools of a distinctly Catholic character, maintained out of the Educational Endowment Fund : under the supervision of the State are the parish (municipal), proprietary and private secondary schools, as well as the classical schools maintained by the Roman and Greek Catholic Churches, and the only Jewish modern school ; while the autonomous secondary schools are those belonging to the Protestants, the Greek Oriental Church, and the Unitarians. In the first group there were 52 classical, and 25 modern schools ; in the second group 62 and 4 ; and in the third group, 56 and 3 respectively.

Of the 202 secondary schools, in 185 Magyar was the language of instruction ; while in 17 (14 classical and 3 modern schools) the language of instruction was some other, German, Roumanian, Servian or Italian. There was an aggregate of 4051 teachers (masters), of whom 3341 were working in classical, and 710 in

modern schools. At the close of the school-year 1905—1906, the number of pupils attending the classical schools was 54,199, that of those attending the modern schools, 9540, so that the total aggregate of pupils attending secondary schools was close on 64,000.

These pupils were distributed, according to their mother tongue, as follows :

Magyar	78·89%
German	9·81%
Slovak	2·84%
Roumanian	6·13%
Ruthenian	0·14%
Croatian and Servian	1·75%
Others	0·44%

As in the educated classes in general, in the secondary schools too, those whose mother tongue is Magyar are in a huge majority : next to them come those whose native tongue is German.

In 1906, 4383 pupils matriculated at the classical and modern schools : whereas in 1891, only 2097 did so. Consequently, during a period of fifteen years, the number of matriculates has more than doubled. Though, from the point of view of the spread of general culture, this is a welcome sign, it has its disadvantages : for there is already an overflow in all professions entered by the educated classes. In the secondary schools we may include the higher grade commercial schools too, the number of matriculates at which increased during the same period of 15 years from 726 to 1674. These figures are not included in the above aggregate, as the commercial schools, together with the other technical schools, will be treated of in the respective special chapters.

We may now proceed to deal with *higher education*, which in Hungary has a splendid history. As long ago as the days of the Árpád kings, there was a flourishing university college at Veszprém : while in 1367 a genuine university was founded at Pécs. During the reign of Matthias, under the influence of the Italian Renaissance, several Hungarian colleges assumed the character of a university : and some of them were rendered complete by the teaching of medical science. Besides that, Hungarian young men thirsting for learning visited Italian, French, and later on, German universities.

Even to-day many Hungarian students enter foreign universities, the beneficial effect of which course is evident, seeing that it maintains a cultural connexion with the West. During the winter term (semester) of the academic year 1905—1906, 965 Hungarian students visited foreign universities, and 452 foreign technical colleges.

There are 59 institutes of university status in Hungary proper ; 2 universities of sciences, 1 university of technical sciences, 10 academies of law, and 46 theological colleges. The small number of universities is an evil that has long been recognised, the remedying of which the Ministry of Public Instruction is seriously contemplating. The University of Sciences of Budapest is so abnormally large, that in the academic year 1905—1906, no less than 6731 students were enrolled on its registers. The number of students enrolled in the University of Kolozsvár during the same year was 2386 : while the Budapest University of Technical Sciences contained 1304. Among the students enrolled in the two Universities of Hungary, the overwhelming majority are law students, the number of whom amounted to 5582 : of students of philosophy (including those of the faculties of mathematics and natural science) there were 1873 : while the number of medical students amounted to 1288.

Scarcely more than a decade has elapsed since *women* too were allowed to enter the universities of Hungary as ordinary students. During this short period, their number has increased enormously. In the academic year 1905—1906, 225 women students were enrolled, (180 as ordinary, and 45 as extraordinary students) ; of the ordinary women students, 44 were enrolled in the faculty of medicine, 136 in that of arts (philosophy). Consequently, the majority of them were bent upon entering the teaching profession.

Almost one half of the students of the University of Technical Sciences are enrolled in the mechanical engineering section ; one third in the engineering section. The number of students enrolled in the *chemistry and general section* is much smaller : while the students attending the lectures of the architecture section constitute only 6—7% of the whole number.

Besides the two universities of sciences of the mother country, there is a university at Zágráb for the use of the annexed countries (Croatia and Slavonia) : but it does not possess a medical faculty. The number of students attending this university during the academic year 1905—1906 was 1195, of whom 746 (*i. e.* 62·4%) were law students. The official language of this university is not Magyar, but Croatian : consequently it is in the service not of Magyar but of Croatian culture.

That mighty means for the spread of culture among the people which started on its triumphant path from Great Britain, *viz* : *university extension*, has not yet become general in Hungary : but it can already boast of remarkable results. At present there are 5 institutes working to this end, all created and maintained by higher social factors : the »Urania« theatre, the »Urania« Hungarian

Scientific Society, the Elizabeth Popular Academy, the Popular University College, and the Free Lyceum. These all attract audiences drawn not merely from the middle classes, but also from the lower strata of society. In 1906, the aggregate number of students was 337,417 : while the pamphlets and other publications issued by the various institutes attained an aggregate circulation of over 400,000.

Though in reality special schools, the *schools of art*, as serving the interests of general culture, deserve to be mentioned here : of them it will suffice to refer to those of a higher grade, — the schools for master painters, the academy of theatrical art, and the national academy of music.

Important factors in the cause of public education are the *museums and libraries*. At the head of these stands the Hungarian National Museum, which was founded by the generosity of enthusiastic patriots in 1802. To-day its collections of antiquities, its natural history and ethnographical collections are extremely rich : while its library is the wealthiest in Hungary. The last-named valuable collection includes 1,420,000 volumes, pamphlets and MSS. Here are preserved the oldest monuments of the Hungarian language, as well as a whole host of manuscripts invaluable from the point of view of Hungarian literature and history. Besides the National Museum, there are several large museums in the Capital itself, of which the most valuable is the Museum of Fine Arts. This collection is not only rich in works of modern artists : it contains, besides, numerous examples (some of them first-rate ones) of older Italian and Flemish art. In the more important provincial centres, too, there are precious museums, which, particularly of late, have been thoroughly well cared for. The number of libraries also is continually on the increase : and even in olden times there was no lack of them. There are libraries on Hungary which have been in existence since the XV and XVI century : and, side by side with the public libraries, the passion for collecting books has produced many a valuable private library.

The *circulation of newspapers* is also a mark of public education. We have only data referring to journals sent by post ; and we know nothing about those sold locally or delivered at houses by hand. In 1906, the Hungarian Post office delivered 152,580,000 newspapers all over Hungary : of these 67·78% were Magyar, 19·45% German, 3·69% Croatian, 3·09% Slovak, 2·49% Roumanian, 1·57% Servian, while those printed in other languages did not constitute quite 1% of the whole. The large proportion of newspapers printed in German is due to the influx of Austrian and other foreign journals : for of those printed in Hungary, only 12·61% are German, while the number of those printed in Magyar represents 74·35%

of the whole. The proportion of papers printed in Hungarian (Magyar) is a still more favourable one in the case of journals not sent by post. but, as already stated, we have no statistical data on this point.

In a small and short sketch of this kind, we cannot even attempt to treat, even cursorily, of *Hungarian literature*, which displays the part played by the Hungarian nation in the intellectual work of mankind. Yet it is just in point of its literature that the Magyar nation stands so high, a literature which unfortunately is least of all known to educated foreigners. The Magyar tongue is not a world-language; there is nothing to incite foreigners to learn it; and its construction and system, so different to that of any Western European language, makes it peculiarly difficult to learn. The little of Hungarian literature that has been translated into other languages is only a faint copy and fails to give even the slightest idea of the beauty of the original. — On the other hand, Hungarian literature is particularly rich in renderings of the masterpieces of the great literatures of the world. Its power, music, and elasticity renders the Magyar tongue peculiarly adapted to the reproduction of either classical or Western metres. A small paper, published on the occasion of the present exhibition in London, contains a full bibliography of the Hungarian Shakespeare-literature. If one single foreign writer (even though he be the greatest, as in this case) has been able to inspire a literature of those dimensions in any language, it may be imagined that the whole literature composed in that tongue is no mean or backward one.

Hungary is not destitute of philanthropic institutions either: State and society are working side by side in this field. Particular provision is made for the protection of children deserted by their parents. In 1906, there were 30 children's asylums and houses of charity, in which 30,128 children (16,408 boys and 13,720 girls) received instruction and were tended. In the service of philanthropy, the State itself leads the way, having instituted a permanent system of *child protection*. Children deserted by the parents, or whose parents are unable or unfit to keep them, are cared for by the State until they are seven years of age: even after that period they are under the care of the State and parish (municipal) authorities, until they attain the age of 15. In various parts of the country, there are 17 large children's asylums, fitted with all the requirements of modern hygiene, where the infants entrusted to the care of the State are gathered together: from there they are sent to the colonies which are under the permanent supervision of medical men, in order that they may receive a thorough domestic training. These asylums avoid as far as possible all bureaucratic

formalities and their doors are never closed before really deserving cases. To save children who are threatened by moral ruin there are 5 reformatories, with 782 inmates. There are 106 orphanages, with 4649 inmates. There are 15 institutes for the deaf and dumb attended by 931 pupils (besides these one used in common with the blind, with 55 pupils), and 4 institutes for imbeciles, with 246 inmates. There are also 4 colleges for the blind (v. supra), with 223 pupils, a number that is by no means sufficient to cope with the needs of the country in this respect.

At this point we have merely mentioned those philanthropic institutes which bear the character of educational institutions: there are besides numerous charity organisations which, supported by the noble generosity of society at large, are also working in the service of humanity.

6. Agriculture.

In 1900, of those inhabitants of the Hungarian Kingdom engaged in bread-winning, 4,234,051 men, and 1,821,339 women, *i. e.* altogether 6,055,390 souls or 68·6% of this whole group of the population, were employed in the *cultivation of the soil*: and, as forestry, fishing, apiculture etc. accounted for scarcely 50,000 of this number, more than 6,000,000 persons were employed in the various branches of agriculture proper. Those supported by these six millions of breadwinners amounted to more than 7,000,000, 68·3% of the total; so that 13,000,000 souls, *i. e.* 68·4% of the whole population were living by agriculture.

These figures in themselves are sufficient to prove the importance of agricultural work for Hungary: though there can be no doubt that as soon as the economic conditions of the country begin to be divested of their onesidedness, the relative importance of agriculture proper will begin to decline. During a single decade a perceptible change has occurred, for while in 1890, 72·5% of the whole population were engaged in the cultivation of the soil, in 1900 the proportion, as already stated, was only 68·4%.

According to the returns of the census of 1900, the aggregate number of landowners and tenants, together with those members of their families who assisted in the work, amounted to four millions in round numbers, and that of the farmstewards, bailiffs etc. to 10,000; while that of the agricultural labourers, together with the farm servants, was 2 millions in round figures, *i. e.* 33·2% of the aggregate number of people living by farming. This disproportionately large number cannot by any means be called a welcome sign: through from a social standpoint it is to a certain extent

reassuring that more than one third of the farm labourers possess some real estate. 454,000 have house property, and 222,000 possess small holdings.

The State is doing all in its power to secure the progress of agriculture, the most important national occupation, by a diffusion of the necessary special knowledge. The organisation of *agricultural continuation schools* as a complement of the elementary schools is an important step in this direction. To secure the success of these schools, not only are the students of the training colleges given instruction in the subjects required, but even teachers already employed in other schools are offered an opportunity of acquiring agricultural knowledge at special courses. *Agricultural itinerant teachers* make circuits of the country to give advice and instruction to small landowners, and to spread the necessary practical knowledge in all the various branches of agriculture. There are numerous *schools for agricultural labourers*, where the sons of small landowners (peasant proprietors) and farm bailiffs receive training: and there are, besides, special schools for dairy, horticultural, viticultural and forestry labourers. The cause of *higher economic education* is served by five Academies (Colleges) of Agriculture, one Veterinary College, and one College of Forestry. In the academical year 1905—1906, there were 1307 students attending the Academies of Agriculture. Considering the great preponderance of agriculture as a branch of occupation, this number is decidedly small. Hungarian society is not yet conscious of the fact that a successful carrying on of farming demands a special professional training: hence the overwhelming majority of the owners of intermediate and large landed properties (v. infra) do not attend agricultural colleges, but for the most part are content to obtain the legal qualifications offered by the universities and colleges of law.

The statistics prepared in 1895 with regard to the agriculture of Hungary speak of the existence of 2,795,885 landed properties (farms), distributed, according to the various categories, as follows:

Category	Aggregate N ^o of farms	% of whole	Aggregate area of farms (in hectares) ¹⁾	% of whole
>Dwarf< farms (0—5 acres) ²⁾	1,459,893	52·23	1,467,533	6·15
Small Holdings (5—100 acres)	1,311,218	46·89	11,574,860	48·44
>Intermediate< farms (100—1000 acres)	20,797	0·74	3,399,401	14·22
>Large< farms (Latifun- dia over 1000 acres) ...	3,977	0·14	7,451,640	31·19

Note: ¹⁾ 1 Hectare = 2·471 acres.

²⁾ i. e. Hungarian Acre (Yoke) = 1·422 British acres.

The conditions of property in Hungary are characterised by enormous extremes. The »dwarf« and »large« farms occupy a far larger area than is desirable from the point of view of a proper division of land. Particularly small is the number of »intermediate« farms, and the area covered by the same: yet in the past it was the class of nobles possessing »intermediate« properties who were the main support and champions of the Hungarian national interests. The fact that the large proportion of »dwarf« farms does not by any means imply an excessive splitting up of the landed properties must, however, to some extent counterbalance the evil latent in these extremes. Many of them are in reality vineyards which must be judged in an entirely different way to agricultural properties in the strict sense of the word. And in the case of the »large« farms, special attention is due to the fact that of their aggregate area, 42·34% is forest land, 13·07% pasture land, 0·52% cane brakes, 4·56% non-productive: so that 60% of the area is land in the case of which the character of »latifundia« is not at all a disadvantage. On the other hand, of the area of these »latifundia«, only 32·07% is ploughed land, 6·91% meadows, 0·36% gardens, and 0·17% vineyards.

In 1906, the whole territory of the Hungarian Kingdom was distributed as follows, by branches of cultivation:

Description of land	Area (in hectares)	% of whole area
Ploughed land	13,581,028	41·63
Gardens	421,705	1·30
Meadows	3,849,806	10·31
Vineyards	234,182	0·72
Pastures	4,092,882	12·59
Forest-land	9,060,888	27·88
Cane-brakes	75,042	0·23
Non-productive territory	1,734,261	5·34
Total	32,499,794	100·00

As far as the two main divisions of the above, ploughed land and forest land, are concerned, there is a great difference between the mother country (Hungary proper) and the annexed countries (Croatia and Slavonia). In Hungary proper, of the whole territory 3·08% is ploughed land, and 26·69% is forest land: whereas in Croatia and Slavonia, only 32·09% is ploughed land, and 35·76% forest land. In certain counties of Hungary the predominance of ploughed land is so great that it exceeds 70 or even 80% of the whole area.

Thirty or forty years ago, the ploughed land was for the most part farmed by the triple system, which consisted of the sowing

of one third with autumn crops (cereals), one third with spring vegetables, while one third was left as black fallow. In 1872, of the area of Hungary proper, 23·85% was still fallow, whereas in 1906 the proportion had sunk to 9·6% : indeed, there are counties in Hungary where black fallow may be called a thing of the past, its place being taken by green crops.

The chief product of Hungarian soil is *wheat*, that special Hungarian wheat the grain of which is smaller than the species produced in Western Europe, but is hardier, contains a larger proportion of gluten, and produces the finest flour in the world. Wheat is cultivated on 30—31% of the ploughed land : while rye, the second most important ingredient of bread, occupies only 10% of the same. Even maize covers a larger area than rye, and is cultivated to so large an extent in the southern and eastern counties of the country, that on the average, it occupies no less than 21% of the whole area subjected to the plough. The area covered by barley and oats represents 9·9%, that where potatoes are grown 5%, that where beetroot, carrots and turnips are produced 2·5%, and that where clover, lucern, and vetch etc. are grown, 8·2% of the whole : not to mention the more or less important products that are confined to smaller areas.

In 1906, the aggregate and average production of the more important agricultural products was as follows :

	Amount produced Aggregate in metercentners ¹⁾	Average to every hectare
Wheat	56,548.062	14·67
Rye and Mangcorn	15,087.113	12·11
Barley	15,786.070	14·09
Oats	13,538.589	11·89
Rape	211.748	8·61
Maize	46,584.504	17·13
Clover-seed	93.890	1·70
Lucern-seed	41.963	2·84
Pease, beans, lentils	420.764	9·02
Linseed	70.143	3·62
Hempseed	239.504	3·64
Harl	157.952	8·14
Hemp	672.875	10·27
Potatoes	52,236.829	82·04
Tobacco	728.543	15·31
Beetroot	26,695.589	238·27
Carrots, Turnips	54,285.562	287·65
Mixed provender	27,757.401	312·24
Lucern, clover	23,110.852	40·37
Mixed vetch, millet grass, etc.	17,550.176	33·97

Note : ¹⁾ Metercentner = 100 kilograms = 220 $\frac{1}{2}$ lbs. av.

The crop of 1906 was a particularly rich one: consequently the above absolute and average productions, in the case of most of the products, must be taken as practically the maximum. But even these comparatively high averages of production prove that the agriculture of Hungary has by no means attained the high degree of development reached by that of Great Britain and other Occidental countries. Naturally there are great divergencies between different parts of the country: e. g. in Croatia and Slavonia, even during this exceptionally productive year, only 9.46 meter-centners of wheat were produced by every hectare, whereas in the mother country the average was 15.11 metercentners; in fact there were counties in which the average crop of wheat exceeded 20 metercentners per hectare.

Of the last 5 years, 1904, when there was an exceptional drought, produced the scantiest harvest. During that year, to mention only the most important products, the average per hectare was, in the case of wheat 10.82, in that of rye 10.40, in that of barley 10.43, in that of oats 8.98, and in that of maize only 7.62 metercentners.

Side by side with agriculture proper, Hungary possesses a flourishing *viticulture*. In the middle of the eighties of last century, the enormous spread of the phylloxera seemed likely to completely destroy this important branch of cultivation: but the united efforts of the Government and the owners of vineyards succeeded in overcoming the evil. To-day the great majority of the vineyards thus ruined have been reconstructed: indeed a large portion of the sandy districts that were previously lying idle have been planted with vines. The proper choice of species and a rational system of cultivation has resulted in the production of excellent dessert grapes and a very good quality of ordinary table wine. The mountains of the famous old vine-districts are again productive, and offer a wine which for quality can vie with the most celebrated wines in the world. The special excellence of Hungarian wine is that it does not need to be artificially spiritualised to render it strong and generous. The hot Hungarian summer and the warm autumn make the grapes honey-sweet: and the soil (much of the area covered by vines is of volcanic origin) gives them aroma and hardiness.

There are many eminent vine-districts in Hungary, some of which produce excellent wines, quite peerless in their kind. Such is, for instance, the Tokay vine-district, both the sweet dessert wines (of the first press) and the still wines of which are fit for the tables of princes. The good name of the Tokay wine has been very much damaged by the numerous imitations made of raisins, which speculators have attempted to market under the name of Tokaya. But the latest treaty regulating the mutual commercial

and trade relations of Hungary and Austria contains severe measures for the prevention of this abuse. Both the home and foreign public may be sure of getting Tokay and other Hungarian wines in unadulterated quality: the excellence of the latter is furthered by the fact that the Hungarian Ministry of Agriculture has spared no efforts to make rational treatment of wine in cellars general throughout the country.

During recent years the annual production of wine in the Hungarian Kingdom has varied, according to official statistics, between 3.5 and 4.3 million hectolitres (1 hectolitre = 22.0097 Imperial gallons). It is probable, however, that these figures come short of the real state of affairs: and the real output is almost certainly 5,000,000 hectolitres, if not more.

The agricultural statistics of 1895 contained an exact and detailed compilation relating to the *live stock* of the Hungarian Kingdom. Every spring a list of live stock is prepared by the veterinary surgeons on the occasion of the annual examination of animals made by them: but this covers the mother country only, and cannot be so accurate as the special compilation (such as that of 1895) carried out with all the necessary apparatus. Consequently we here present the figures of the latter, which were as follows:

Horses.....	2,282.028
Mules and asses	25.763
Horned cattle	6,738.257
Sheep	8,122.681
Pigs	7,330.091
Goats	308.810

In Hungary a great preference is shown for *horse-breeding*: we may say that this is atavism pure and simple. Not only do the aristocracy and rich landed proprietors pay great attention to the breeding of thoroughbreds: even the breeding engaged in by the lower classes stands on a high level. To-day the breeds of horses in Hungary have been greatly improved by the admixture of English and Arab blood. The breeding of heavy shire horses has hitherto been rather neglected, because Hungarian agriculture possesses its own peerless yoke-animals in the strong, quick and hardy Hungarian oxen: but ever since the breeding of the Hungarian species of horned cattle began to decline, greater attention has begun to be paid to the rearing of cold-blooded horses. Horse-breeding is particularly fostered by the State. There are four large State studs, with an aggregate of 4200 horses: while for the purposes of public breeding, there are 1018 State stallion farms, with 3282 stallions.

The Hungarians (Magyars) brought their own special breed of *horned cattle* from Asia. It is a long-horned, white or ash-coloured animal, akin to the Podolian breed of Russia. The Hungarian horned cattle are splendid yoke-animals: while their milk is far richer in fat than that of any Western breed. But as they give less milk and do not develop as quickly as the Western breeds, the breeding of the latter is becoming every day more popular. Of recent years the transformation may be said to have been rapid: the Hungarian cattle are rapidly disappearing, to give place to the Western breeds, particularly to the red-speckled ones. In the autumn of 1895, in Hungary proper, the Hungarian breed represented 56.5% of the whole stock of horned cattle: whereas according to the compilation made in the spring of 1907, the proportion had sunk to 35.4%. During the same period, the proportion of red-speckled cattle rose from 23.1 to 49.8%. But the breeding of horned cattle in Hungary has passed through a great transformation in other respects too. A more plentiful supply of fodder, better care and a rational selection of sires has had an extraordinary effect in raising the quality of the horned cattle of the country. Nor must we omit to mention the fact that very valuable local breeds have been produced in various districts by crossing with imported Western breeds.

The *breeding of sheep* in Hungary has been steadily declining since the seventies of last century. The competition of oversea countries and the consequent fall in the price of wool has deprived the breeding of sheep of its former profitability. The huge flocks of sheep with their fine wool are disappearing one after another from the trans-Danubian downs and the plains of the Lowlands. In 1869 there were still 15,080,000 sheep in the Hungarian Kingdom: and this number, as we have seen, had by 1895 been reduced to 8,120,000. Experts have recently declared that the breeding of fine-wooled sheep should give way to that of sheep adapted for food and milking (the latter the rough-haired breeds). There seems a special opening for this in the mountain districts: for on the plains and downs the parcelling out of the pasture lands offers little hope of the breeding of sheep being taken up again with any success, in fact in those districts the place of sheep has already been taken by horned cattle.

According to the data of the compilations made in spring, the further decline of sheep-breeding had ceased: for in 1907 the number of sheep was no smaller than in 1895. On the other hand, these statistics have proved a decrease of 1,600,000 in the number of *swine* (pigs). Formerly the breeding of pigs was a very flourishing trade in Hungary: but the outbreak of hog cholera in 1895, a

disease which has not yet been entirely suppressed, dealt it a terrible blow. Yet pigs play a very important part in Hungary as an article of food for the people: and they were one of the most important articles of export. In Hungary there is an excellent breed of fat swine (called »mangalicza«): and of late experiments have been made in the import of swine for food from England (Berkshires) with a view to establishing the breed in this country.

The organisation of the sanitary arrangements for animals in Hungary is unexceptionable: besides hog cholera and red-murrain there are practically no contagious diseases among the animals of that country. The Oriental disease of Rinderpest was successfully suppressed all over Hungary some decades ago; while broncho-pneumonia has been finally ousted and the foot- and mouth-disease (which, though not dangerous, owing to its contagious nature, is extremely disagreeable) has become confined to a very small area.

Of the more insignificant branches of breeding, that of *poultry* is the most important. The Hungarian soil is very well adapted thereto: and in particular the homestead system of farming in vogue in the Lowlands (Alföld) is as it were predestined for this purpose. Though it has not yet reached the height of prosperity desirable, of the importance of this branch of breeding (not to mention the consumption at home) the following data offer sufficient proof. In 1906 live and dead poultry of the value of 31,790,000 crowns (£ 1,320,500), eggs of the value of 31,010,000 crowns, and feathers of the value of 8,960,000 crowns, were exported from Hungary: so that the whole export in this branch including the less important products of fowls (goose fat, goose liver etc.) represented a total sum of 73,340,000 crowns (£ 3,055,833 16 s. 8 d.). A part of the dead poultry and the eggs is sent to the English markets. Hungarian turkeys are in particular request there.

Apiculture cannot boast of great economic importance, though a rational system, including the use of revolving hives, is becoming every day more general. A more encouraging progress is displayed by *sericulture*. In 1906, 103,350 families were engaged in sericulture, — naturally only as an extra occupation: and a sum of 4,730,000 crowns was the aggregate of their earnings.

As Hungary has scarcely any sea-board at all, *sea-fishing* plays a very subordinate part: on the other hand, the abundance of rivers and lakes makes *inland fishing* (in inland waters), which was one of the original occupations of the Hungarian people, of extreme importance. In the interests of the artificial breeding of fish, the Ministry of Agriculture is displaying a lively activity, a course rendered necessary by the fact that as a result of the regulation

of the Hungarian rivers, there are no longer those inundations which offered the best opportunities for natural breeding and nests for the fry. We have no statistical data concerning the quantity of fish caught: but we have the *statistics of sportsmen*, relating to *shooting*, which, though naturally very deficient, give us some idea of the extent to which this manly sport, that even from the point of view of national economy cannot be despised, is practised to-day. Even according to these deficient statistics, in one year in Hungary no less than 4,500,000 head of game were killed. The large majority of these are hares and partridges: though the forests of Hungary are rich in big game too. Deer, fallow deer, and wild boars are shot in great numbers: in the Carpathians huntsmen can find chamois and mouflons; and in the forests even bears are to be met with not infrequently. In a word, enthusiastic sportsmen can find all they desire in Hungary. While still Prince of Wales, His Majesty King Edward often took part in the shooting parties arranged by the Hungarian aristocrats: and the German Emperor still delights in the rich preserves of Hungary, which he often visits as the guest of an eminent member of the ruling Dynasty.

The area covered by the *forests* of the Hungarian Kingdom exceeds nine million hectares (v. supra). The greater part of this area, 4,700,000 hectares, is covered by beeches and broad-leaved trees, in which, however, we do not include the valuable oak forests, which themselves cover an area of 2,400,000 hectares. Hungary is poorest in pine forests, which cover altogether no more than 1,900,000 hectares, scarcely more than one fifth of the whole forest area. Of the districts of Hungary, the great Hungarian Lowlands (Alföld) are poorest in forests. There are even counties, in which the forest land does not represent 1% of the whole area. The trans-Danubian downs are also not particularly rich in forests: on the other hand, the mountainous districts are so wealthy in the same that in several counties forests cover 40 or even 50% of the whole area.

The greater part (6,800,000 hectares) of the forests of the country are situated on wood-ground properly so called, which is quite unfit for cultivation of any other kind. The area covered by forests situated on soil that is not absolutely wood-ground amounts to 1,700,000 hectares: and the majority of the forests of this description stretch along the right bank of the Danube or in the district between the Drave and the Save. The area covered by the protective forests, the cutting down of which is prohibited by law as it would enable the waters rushing down from the hills to wash away the soil or to cover the fertile soil with boulders, amounts to 387,000 hectares: while 119,000 hectares of quick-sands have been fixed by afforest-

ation. The acacia is a splendid tree for sandy districts and is a blessing to the Lowlands as a whole: it grows very quickly, and produces a very hard wood, particularly well adapted for the making of tools. In the Lowlands it is used, not only for afforestation, but for skirting the sides of roads and as hedges to separate plots of ground: homesteads, too, are often surrounded by small acacia groves, which give a poetical variety to the drear monotony of the plains. But the finest tree in Hungary is the oak, which supplies the world-famed staves (for making casks etc.) exported in large numbers abroad, particularly to the wine-growing districts of France.

Of the whole forest land of Hungary 1,500,000 hectares are the property of the Treasury. But it is not only on this territory that rational forestry is in vogue. There is a special Act providing for the protection of forests, to prevent any foolish destruction of the same. Besides, the State maintains 146 nurseries for planting barren districts with trees and for other purposes of the kind: these nurseries produced, in 1906, more than 67,000,000 young trees suitable for planting.

7. Mining, Smelting, and Industry.

The *mining* of Hungary has a great past. Not to mention the fact that the digging and smelting of ores took its origin in the bronze age, and that later on the Romans too engaged in mining on the present territory of Hungary, mining has played the part of an important branch of production in the economic life of Hungary ever since the days of the first Kings of Árpád's line. The mining of precious metals was the most important. As the greater part of the income of the Treasury was due to the mines, the Kings of Hungary endeavoured to promote mining as an occupation by the granting of privileges and by opportune measures carried out with a view to regulating its practice. In point of scientific equipment the Hungarian mines occupied a prominent position: in fact, in part they acted as pioneers in that branch of industry.

Ever since the production of precious metals in Europe was surpassed by the fabulous wealth of the New World, the mining of the same in Hungary has lost much of its former importance: and the exploitation of iron and coal, two of the most significant mining products of the great industrial states, owing to the backward state of Hungarian industry, has been unable to assume the proportions attained in countries whose industry is better developed.

In 1906, besides the colliers, there were 74,625 workmen employed in the mines of Hungary. The greatness of the develop-

ment in this branch is proved by the fact that two decades before the number of workmen was only 46.134 : consequently the increase hereby entailed was one of 61.7%

Of the whole number of workmen, 13.271 (17.8%) were engaged in mines and smelting works belonging to the Hungarian Treasury. The production of salt (almost exclusively rock salt, in fabulously rich mines) is a monopoly of the State ; in the production of silver too, State mines are in the majority, whereas in the other branches of mining and smelting, including that of gold, private undertakings predominate.

The advance of private enterprise has given a mighty impulse to the *production of gold*. Between 1868 and 1876, the average annual production of gold was only 1534 kilograms, whereas in 1906 it had risen to 3738 kilograms and represented a value of 12,300.000 crowns (£ 513.000). On the other hand, the *production of silver* has been continually on the decrease : for whereas between 1868 and 1876, the average annual output was still 21.787 kilograms, in 1906 it was only 13.642.

Still greater was the decline in the *output of copper*, which, like that of silver, has dwindled into insignificance owing to the competition created by the over-production of North America. The mining and smelting industry of Hungary does indeed still produce lead, antimony, zinc etc. : but the output is in all cases an insignificant one. Of much more importance is the *production of iron*. Hungary is extremely rich in iron ore : there are very extensive iron mines of excellent quality, chiefly in the East and North. The output of ore is advancing rapidly : whereas in 1887 only 5,660.000 metercentners (v. supra) were produced, by 1906 the output had risen to 16,980.000 metercentners. Consequently, in twenty years the production was almost trebled. Unfortunately the production of raw iron has not kept pace with this advance : every year more and more iron ore is exported to Silesian furnaces to be refined. The export of iron ore from Hungary in 1887 amounted to only 2,550.000 metercentners ; in 1906 it had risen to 6,750.000 metercentners. Notwithstanding, the *production of iron* (metal) too has advanced, during the same period of 20 years, from 1,930.000 to 4,200.000 metercentners : i. e. it has more than doubled. But the advance has not been a continuous one. The production of raw iron in Hungary reached its maximum in 1899, when it amounted to 4,710.000 metercentners : and since then it has been rather on the decline.

Much more permanent and vigorous is the advance of the *production of coal*. Nature has provided Hungary with enormous quantities of coal in numerous fields to be found all over the country.

The only unfortunate point is that Hungary is comparatively poor in the more valuable black (mineral) coal with its large proportion of calorific: there is a great predominance of brown coal of later formation, which represents indeed more than 80% of the whole annual output. It is true that among the brown coal mines of Hungary there are some which supply valuable coal with a large proportion of calorific. The output of coal in Hungary is advancing with giant strides: whereas in 1887 it was only 25,100,000 metercentners (about 2,510,000 tons), in 1906 it had already risen to 76,030,000 metercentners. During the same period, the export of coal from Hungary also made a great advance: for, whereas in 1887 it was only 843,000, in 1906 it had risen to 3,720,000 metercentners. Yet the import of coal has made a still greater advance, from 4,660,000 to 18,470,000 metercentners. Consequently the consumption of coal last year in Hungary exceeded 90,000,000 metercentners. These figures show that the rapidly advancing output is unable to meet the demand: for the consumption has advanced still more rapidly, a welcome sign of the development of Hungarian industry.

A consciousness of the importance of *industry* had taken a fair hold of public opinion as early as the first half of last century: while, after the Compromise of 1867, it became the general conviction of everybody that no country engaged exclusively and one-sidedly in agriculture could bear the burdens that fall upon a modern state. Consequently endeavours to develop industry began to assert themselves with continually increasing force.

We cannot assert that Hungary had no industry at all. Domestic industry and handicrafts were in vogue all over the country. We see noticeable beginnings of manufacturing industry too: indeed, one or two branches of industry directly connected with agriculture, such as milling and distilling, attained a high degree of development and were not only able to meet the demands of home consumption but, in the second half of the century, took rank as important factors in the markets of the world. The industrial backwardness of Hungary did not actually begin to make itself felt until the manufacturing industry of foreign countries had made an advance hitherto unexpected, and the perfection of the means of communication rendered it possible for the products of foreign factories to inundate the country. The feeble and in many respects primitive industry of Hungary was unable to compete with that of Austria, which had enjoyed the support of protective duties for centuries and had been strengthened by the assistance of the State: and home industry was every year less able to cope with the constantly increasing demands of home consumption.

Yet even in this grave position, Hungarian industry did not decay: in fact, after gradually overcoming the troubles incident on the transition, it began vigorously to develop. This fact is proved, not only by the increased consumption of coal referred to above, but by the advance in the number of *persons employed in industry*. In 1869, the number of such persons was only 646,964, *i. e.* only 9·4% of the aggregate number of bread-winners: in 1880 it had advanced to 788,970 (11%); in 1890, to 898,918 (11·8%); and in 1900, to 1,127,130 (12·8%). During a period of 31 years, therefore the number of persons employed in industry increased 74·2%: whereas during the same period, the whole population of the country only increased 24·0%. The increase was one, the proportions of which were continually greater. From 1869 to 1880 (11 years) it was only 22%: whereas from 1890 to 1900 (10 years) it was 39%. And the efficacious plan of campaign undertaken by the State for the development of industry did not really begin until 1900.

This action (for the support of home industry) was at first conducted on very modest lines, being confined for the most part to a certain material support of domestic industry (later on of handicrafts): between 1868 and 1880 inclusive, *i. e.* during 13 years the aggregate sum devoted to this purpose was only 416,420 crowns. The real action on the part of the State for the protection of home industry was initiated on the basis of Act XLIV of 1881, which guaranteed exemption from taxes and dues as well as cheap industrial salt to all factories equipped with all the latest improvements of technical art, engaged in the manufacture of articles not produced in Hungary up to that date or specified in the Act. Act XIII of 1890 extended the favours to a still wider area, and increased the same, declaring that the transport by the State railways and all railways enjoying a guarantee of interest by the State of all materials, machines, and parts of machinery required for the building and equipment of such factories should be carried out at a rate merely covering the working expenses. Further it guaranteed such factories the right, within certain defined limits, of expropriation. Act XLIX of 1898 still further extended the sphere of privileges to cover a still greater number of industrial enterprises. It was determined that the State should have the right to grant such favours to co-operations consisting of handicraftsmen or farmers, which were engaged in the production of the industrial articles enumerated in the Act; to all enterprises based on the regular employment of a larger number of persons engaged in domestic industry; and finally to shipyards, docks etc.

For the *development of home industry*, Act III of 1907 is at present in force. This Act is destined to open a new era for Hungarian industry. It does not enumerate specifically those branches of industry which may be granted State favours, but enables the Government to offer concessions and State aid in accordance with real industrial needs and after taking into consideration all the circumstances of each particular case. As a check on this discretionary power, provision is made that the Minister of Commerce shall deliver a report every year to Parliament of the concessions and favours granted. While granting exemption from taxes, the Act furthers the building of workmen's dwellings, and declares besides that the municipal and parish authorities may encourage the building and extension of factories and industrial establishments falling within the provisions of the Act, as well as of workmen's dwellings, by the grant of money and other support. The Act goes further still. It authorises the Minister of Commerce to give a grant (either a lump sum once for all, or a certain annual allowance for a period of years) out of the money appropriated for the development of home industry, to certain enterprises, if he considers the creation, extension, or maintenance of any particular industrial enterprise, as a means of increasing or guaranteeing the production of home industry, to be desirable from the point of view of national economy. Finally, the Act provides for public contracts too. It guarantees that the State, municipal and parish authorities, the institutes maintained or subventioned by the same, and all enterprises engaged in the service of public traffic, shall have their industrial requisites supplied and their works carried out, by home industry. The sum spent annually on such requisites and works may be roughly estimated at 200,000.000 crowns (£ 8,333.333).

These concessions and favours are sure to create a spirit of enterprise in Hungary, and to serve as an incentive to foreign firms to settle in the country. It is desirable that British capital and British technical skill should take part in this work.

The results hitherto attained in this field are by no means despicable. Between 1881 and the close of 1906, *i. e.* during the period in which the first three Acts were in force, 838 new factories were established, and 43 already existing factories were extended to include a fresh branch of industry. Besides these, 408 older factories enjoyed concessions: so that the aggregate number of factories benefiting by the Act was 1289. It is true that of the said factories 572, *i. e.* 44%, were agricultural spirit distilleries. At first the latter were too much in the preponderance: but of the factories established under the auspices of Act XLIX of 1889, only 15% were agricultural spirit distilleries; and every year we find an

increase in the number of manufacturing enterprises serving to satisfy the genuine industrial needs of the country. Between 1881 and the close of 1906, 91 factories engaged in iron and metal industry were granted State favours; while of the others enjoying similar concessions, 89 were machine factories, 102 were engaged in the production of earthenware, pottery and glassware, 35 in wood and bone industry, 5 in leather industry, 144 in weaving and spinning, 10 in clothing industry, 32 in paper industry, 69 in the production of articles of food and drink (not including the distilleries), 133 in chemical industry, 2 in reproduction. Of all the branches of industry, those of weaving and spinning are the most conspicuous: it is the products of these industries which Hungary is obliged to import in the largest quantities.

The support of industrial enterprises by *money grants* was very moderate, particularly at first. During the quarter of a century that has passed since the action was initiated for the furtherance of home industry, the State has appropriated altogether some 26,330,000 crowns for the purpose of encouraging industry strictly taken: of this sum, 20,690,000 crowns (78%) was given during the last seven years. From 1881 to 1890, only 126,000 crowns was expended yearly on the average. Between 1891 and 1899, the annual average was 487,000; and between 1900 and 1906 the average was 3,000,000 crowns. In fact in the last year (1906) of that period, more than 7,000,000 crowns were devoted to the purpose.

Although the chief stress is laid on manufacturing industry, without the strengthening of which the home consumption cannot be secured for home producers, in its endeavours to encourage industry, the State has not forgotten small trade. It too has had its share of direct support. Between 1900 and the close of 1907, the State expended about 5,000,000 crowns on the equipment of the workshops of small industrials (particularly by the supply of suitable machinery and tools), on the support of co-operations of small tradesman, and on the training of master workmen, journeymen, and apprentices (by the granting of scholarships). Above all, however, the State is endeavouring to secure the firmest possible foundation for home industry by the systematising of trade and technical education.

The lowest grade of this education is the *instruction of apprentices* regulated by Act XVII of 1884. Industrial apprentices are, without exception, obliged to attend school: and every parish which contains at least 50 apprentices engaged by contract, must establish an independent apprentice school. There are two kinds of apprentice schools, — general and special. The latter are only to be found in the Capital and the larger provincial towns. At the close of

the school year 1905—1906, there were 460 apprentice schools (of course not including those for commercial apprentices) with 66,030 pupils.

Exclusively practical training is given in the *schools for craftsmen*, established with the object of encouraging the special domestic industries peculiar to certain districts. At present there are 6 schools of this kind in the Hungarian Kingdom, with 168 pupils, for training in basket-weaving, toy-making, and lace-making.

The objects of the *special industrial schools* are more general. By imparting practical and theoretical training they endeavour to educate industrial journeymen suitable for the development of handicrafts, who shall be able to act with efficiency in smaller establishments as foremen or overseers. There are 22 schools of this kind, with 1177 pupils.

At the head of the institutes engaged in trade industrial education in Hungary stand the *higher industrial schools* (there are 4 such, with 710 pupils), the object of which is to train not merely foremen and overseers, but thoroughly qualified master workmen too and persons suitable for the management of smaller industrial establishments and factories. For the various branches of decorative art, the Budapest School of Decorative Arts trains thoroughly qualified workmen: in 1906 this school had 156 pupils. We have already spoken of the University of Technical Sciences, which offers an opportunity for the acquirement of the highest degree of industrial and technical knowledge and special qualifications.

There are, besides, *industrial schools for women*, for a systematic practical training in needlework. In 1906, 1624 pupils were qualified in 14 schools for women. Finally, besides the independent institutes for industrial education, there are industrial courses held in connexion with the industrial and higher industrial schools, for the further education of grown-up industrials.

Mighty factors in the furtherance of small trade are the *technological museums*, partly by their permanent collective exhibitions, partly by keeping the public in touch with the latest innovations in the field of technical science. To the sphere of these museums belongs the supplying of the small trade with adequate machinery: and they often offer valuable guidance to even the most important enterprises by making public the most perfect methods of manufacture.

The organisation and maintenance of the large majority of the industrial schools and institutes is provided for by the State: but several of the larger towns as well as the parties interested, also take their share in the work. In this field work worthy of notice is being done by the Chambers of Commerce and Industry,

which are the organs of the industrial and commercial groups and have the character of authorities.

The *social-political measures* deserve particular attention even from the point of industry, — though certain branches of production possess a general importance extending far beyond its sphere of action. The first important step in this field in Hungary was the passing of Act XIV of 1891 dealing with the assistance to be given to industrial employes and factory hands in case of sickness. By the provisions of this Act, all industrial employes were obliged to become members of a Sick Fund, being guaranteed free medical attendance and medicine and pecuniary assistance in case of sickness, a confinement allowance in case of confinement (women), while their families were to receive funeral expenses in case of their death. The employer was to pay one third, and the employed two thirds of the premiums. In contrast to the above, great progress is shown by Act XIX of 1907 dealing with the *insuring of industrial and commercial employes against sickness and accidents*. This Act not only extended the sphere of insurance, but provided for the subsistence of workmen in case of incapability to earn their living owing to accidents, as well as in case of sickness. The greater part of the obligations (premiums etc.) connected with the insurance are laid upon the employers: the insured may bear not more than half the expenses of insurance against sickness, whereas the premiums of insurance against accidents are to be borne entirely by the employers. On the other hand, the employed are represented in the managing bodies of the sick funds by the same number of delegates as the employers: and finally, the object of the new Act being the concentration of forces, it decreed the establishment of a central fund for the whole country, the local representatives of which are the several district and factory funds.

In 1906 (when the older Act was still in force) there were 440 *sick funds*. Their aggregate capital amounted to 14,120,000 crowns: while their aggregate income was 14,940,000 crowns. Of the aggregate outlay of 14,430,000 crowns, 11,410,000 were devoted to the assistance of workmen, 1,890,000 crowns were expenses of management, and 1,130,000 crowns were spent for other purposes. At the close of 1906, the aggregate membership numbered 780,217, whereas in 1895 it had been only 569,475, — *i. e.* in ten years an increase of 37%.

These figures bear witness to the splendid development of Hungarian industry, which is still better displayed by the increase in the number of *steam boilers* in Hungary proper. Between 1889 and 1906, this number rose from 13,824 to 30,311: of these only 32·8%, however, were devoted to industrial purposes, while 61·7% were in the service

of agriculture, and 5.5% were used for other purposes. Consequently there was a great preponderance of locomobiles (68.0%); while the proportion of stationary steam engines was only 32.0%. Undoubtedly the proportion would be very different, were we to take as basis, not the number of boilers, but the horse power represented by the same: however, we have no data on this point. There can be no doubt that the horse power represented by the industrial machinery is far greater than that of machines used for agricultural purposes: the horse power of steam machinery used in steam mills alone amounted to 103,950. During a decade and a half (1890—1906), the number of steam boilers used for industrial purposes rose 88%, — from 5304 to 9963.

According to the Census of 1900, there were 1,127,130 industrials earning their living in Hungary: of these, 1,077,226 were engaged in industry proper, 43,081 in domestic and popular industry, and 6823 in travelling industry. In industry proper, the number of independent industrials (master workmen) amounted to 381,664, that of assistants to 695,562. The number of independent industrials was far exceeded by that of industrial enterprises, for the owners of many of the latter were either «fictitious persons» or not industrials at all. The *industrial enterprises* were distributed as follows, according to their size:

	N° of enterprises	% of whole
a) without assistants	301.025	64.2
b) with 1 >	88.001	18.7
c) with 2 >	38.598	8.2
d) > 3—5 >	30.016	6.4
e) > 6—10 >	7.025	1.5
f) > 11—20 >	2.633	0.5
g) with more than 20 assistants (workmen)	2.261	0.5
	469.559	100.00

The huge preponderance of enterprises working without assistants or with only one assistant, is by no means a welcome sign, proving as it does the undeveloped and unorganised state of Hungarian industry: on the other hand, the fact that nearly 40% of the aggregate number of assistants are engaged in enterprises employing more than 20 hands, shows that the large industrial enterprises of Hungary are really big concerns. Although the economic and industrial depression of 1900 made the industrial enterprises reduce the number of employes in that year to a minimum, there were iron foundries, machine and waggon factories employing more than 2000 hands: in fact, there was one iron and steel foundry, the number of hands working in which amounted to 4447.

The employés working in industrial concerns were distributed as follows among the *chief groups of industry* :

1. Iron and metal workers	128.219
2. Machine factories, manufacture of vehicles and other means of communication, electrical industry, etc.	72.415
3. Earthenware, pottery, glass and stone industries	44.886
4. Wood and bone industries	95.824
5. Leather, brush and feather industries	16.595
6. Weaving and spinning	34.156
7. Clothing industry	281.320
8. Paper industry	7.727
9. Manufacture of articles of food and drink	143.736
10. Chemical industry	14.491
11. Building trade	125.070
12. Reproductive industry and decorative arts	17.059
13. Hotels and restaurants	95.332
14. Other industries	396

The industry employing the greatest number of hands is the clothing industry : next follows the manufacture of articles of food and drink ; but both the building trade and the iron and metal industries employ a large number of workers.

We have no exhaustive data giving a complete perspective of the present state of Hungarian industry : and we can only offer a few details as a complement of the above statistics. In 1906, 438 home limited companies were at work with 640, and 19 foreign companies, with 53 industrial establishments. The paid-up capital of the former amounted to 509,000.000 crowns, while the aggregate capital shown in the balance-sheet reached a sum of 1.345,000.000 crowns : the net profits of the same amounted to 56,170.000 crowns (11.03% of the paid-up capital), though 89 limited companies ended their business year with a deficit.

In 1898 an elaborate collection of statistical data relating to the output of the manufacturing industry was made. But these are now out of date, and at the same time are concerned with those few branches of industry only, data referring to the output of which are collected from year to year. Such is the *beer industry*. In 1906 there were 90 breweries, which produced 1,690.000 hecto-

litres (v. supra) of beer. In Hungary the consumption of this beverage is not very general: consequently the output of the same cannot assume larger proportions, though we are obliged to import to satisfy the demands of home consumption; while the great part of the excellent Hungarian barley (for making beer) is exported to Austria and Germany (part of it goes to Great Britain and Holland too).

There were 67.076 *spirit distilleries* at work. Besides industrial and agricultural distilleries, there are numerous smaller stills used for the distillation of fruit spirits, rape wine and settlings. In 1906 the pure spirit produced amount to 1,039.000 metercentners.

Just as the distillation of spirits, the *production of sugar* is also of great importance from the point of view of agriculture. There are few sugar factories in Hungary, but they are all very large. In 1906, in 21 sugar factories, 15.215 hands were employed; and 424 steam machines of 19.321 horse power were working. From 21,640.000 metercentners of beetroot, these factories produced 3,180.000 metercentners of sugar.

The *mill industry* has attained a high level of development: not only is it able to satisfy the demands of home consumption, but it exports an ever increasing quantity of flour. In 1906, the mills of Budapest alone ground 8,370.000 metercentners of corn: while the flour export of Hungary amounted to 7,820.000 metercentners, representing a value of 183,550.000 crowns. The great majority of this export has to be marketed in the neighbouring country of Austria, owing to the heavy competition in the Western flour-consuming countries: but the peerless excellence of Hungarian flour has enabled Hungarian exporters to market 294.000 metercentners in Great Britain too, though the Hungarian mills are obliged to enter the lists against the mighty American mill industry, which is able to produce cheaply and against those of France and Germany, which enjoy concessions respecting the duty on flour.

8. Traffic (Railway and steamboat-services etc.).

There are countries where Nature herself offers the cheapest channels of communication, — the sea and navigable waters. Hungary can scarcely be included among these fortunate countries. The sea (and that not a large world-sea, but a small bay and a channel of the Adriatic closed in by island-groups) only fringes 150 kilometres altogether of the frontier of Hungary: and the value of this seaboard is greatly depreciated by the fact that it is separated from

the heart of the country by the watershed of a high mountain range, over which no waterway leads ; and transport by rail is very difficult and expensive.

But there are navigable rivers in Hungary. The largest river in Europe, the Danube, crosses right through Hungary in a slanting direction, covering a distance of 1000 kilometres. Only the Danube flows into the Black Sea, the most secluded sea in Europe, taking with it the other navigable rivers of Hungary too. Towards the West, the Danube does indeed open the way to Austria and the German Empire : but the direction of the stream is not favourable to Hungary. For while the industrial products of Western countries which, while not being bulky, represent a large value, are brought down stream to Hungary, quickly and at a lesser cost, the bulky raw products of Hungary are obliged to fight their way with difficulty against the current. Even from the point of view of inland traffic, the direction taken by Hungarian rivers cannot be pronounced a favourable one. The Danube coming from the West and the Tisza from the East, both turn southward, and for a long time flow parallel, to meet down in the South. There is indeed a canal connecting these two rivers, but that too is situated very far south, so that the goods coming down the Tisza have to go a long way round to reach the Danube. Recently preparations have been made for the building of a second Danube-Tisza Canal, which would be destined to counterbalance the untoward and unfortunate state of things created by the direction taken by the two rivers. It is also planned to build a canal to connect the Drave and the Save, that the products of the Hungarian Lowlands may be able to go most of the way to the sea-coast by water.

To turn to a description of the other means of communication: The length of the *network of highroads* in Hungary amounted in 1906 to 92.317 kilometres, not including parish field-ways and public paths for the use of the inhabitants of certain villages and roads leading to railway stations, the length of which alone exceeded 72.000 kilometres. Taking the highroads proper, for every 100 square kilometres, there were 28.7 kilometres of public roads, and for every 10.000 inhabitants, 45.6 kilometres. We cannot call this a small proportion : though the state of the public roads leaves much to be desired. In the great Hungarian Lowlands, there is an absolute lack of stone material, a fact that makes the building and up-keep of public roads very difficult and expensive. Consequently a considerable part of the public roads of Hungary are still unmade, and in autumn and winter the mud makes them practically unpassable. The 9815 kilometres of State roads are completely macadamised. Of the 37.266 kilometres of municipal roads, only 29.410

are built with stone material : while of the 45.235 kilometres of parish roads, only 18.024 are made of road metal. There is therefore enough to be done : though recently much is actually being done, to improve the public highways of Hungary.

The up-keep of the public highways in a considerable part of the country is extremely cost owing to the lack of stone material (road metal) just mentioned. The surveying and up-keep of the State roads alone cost 7,470.000 crowns in 1906. For the making of new State roads, no less than 16 million crowns has been appropriated during the last 5 years, an average of more than 3 millions per annum. In 1906, the up-keep of municipal roads cost more than 20,000.000 crowns.

The number of *town tramlines* engaged in the service of public traffic (mainly passenger traffic) in the towns, was 27 in 1906, with an aggregate length of lines of 284 kilometres, 1146 passenger and 107 goods cars. The cars performed 8,000.000 journeys, and carried 115,000.000 passengers and 648.000 tons of goods. The invested capital of these tramlines, at the close of the said year, was 110,000.000 crowns : their receipts amounted to 20,000.000 and their expenditure to 12,000.000 crowns. The profit of the companies exceeded 8,000.000 crowns. About 80% of the whole traffic fell to the Capital city, Budapest alone.

At the close of 1906, the *network of railways* in the Hungarian Kingdom comprised 18.676 kilometres of lines, 5.8 kilometres to every 100 square kilometres of territory, and 91.7 kilometres to every 100.000 inhabitants. In proportion to the population, Hungary is well enough off for railways : but the proportion to the area of the country is less favourable.

The first railway was built in 1846 : but the events of 1848—1849 soon put an end to the development thus begun, which the absolute regime did not favour at all. Consequently by the close of 1866, there were only 2160 kilometres of railway lines in the Hungarian Kingdom, a number that was more than trebled within the next decade. For a long time the system of private railway companies prevailed. In 1867 and the following years only feeble attempts were made towards nationalisation. But owing partly to the enormous burden that fell on the State through the guarantee of interest (dividends), partly as a means of reforming the backward economic conditions of the country, the creation of a uniform railway system appeared necessary : and both the Government and the public were convinced that the railways must be nationalised. New lines were built under State management, and the older private lines began to be bought by the Treasury. The system of nationalisation has made such progress that in 1906, of the whole

network of railways in the Kingdom, 7772 kilometres belonged to the State, 7760 kilometres were private (mostly local) railways under the management of the State, and only 3152 were the property of and managed by, private companies.

As early as 1848, Count Stephen Széchenyi, one of the greatest Statesmen Hungary has ever had, when, as Minister of Public Traffic, he worked out a scheme for the network of railways in Hungary, marked out Budapest as the central point of that network, on which the lines should converge as the veins do on the heart. Even since the Compromise of 1867, the Hungarian Government have shown indomitable perseverance in their endeavours to realise this plan, the only sound one from the point of view of railway policy; and to-day lines run in all directions from Budapest, not only connecting the various parts of Hungary with the Capital, but serving as important channels of international traffic. Of these connections, most (18) are with Austria, which touches Hungary on the West and forms a half circle round that country. There are 5 railway connections with Roumania, one with Servia, and 2 with Bosnia: and there is besides, a most important line leading to Fiume and the Hungarian sea-board.

3,632,000,000 crowns have been invested in the railways of the Hungarian Kingdom. The average per kilometre is 195,318 crowns. But there is a great difference between the trunk and local lines. The former cost 294,518, the latter only 88,418 crowns a kilometre. Of the capital invested, 563,000,000 crowns was spent in rolling stock. In the aggregate (*i. e.* all railways combined) there were 3178 locomotives, 2348 tenders, 6722 passenger carriages (cars) and 76,098 goods trucks and luggage vans (the number of the latter was 1977), finally 274 mail-vans. There is a nearly equal number of covered and open trucks; of the former there were 37,620, with an aggregate tonnage of 430,000 tons, of the latter, 36,502, with an aggregate tonnage of 445,000 tons.

In 1906, the Hungarian railways carried 96 million passengers: and the number of kilometers traversed by passenger trains amounted to 3,356,000,000. The average distance travelled by each passenger was 35 kilometres: but the average for first-class passengers was 90, while that of third-class passengers was only 29.

A few decades ago, the passenger traffic of the Hungarian railways was very poor: but the zone tariff introduced by Gabriel Baross, Minister of Commerce in 1889, gave it a great impulse. In 1887 the aggregate number of passengers carried by Hungarian railways was only 13,450,000: so that during the 20 years that have passed since that date, this number has increased by 615%, whereas the length of the railways has advanced only 84% during

the same period. An increase of these dimensions is almost unparalleled.

In 1906, the amount of goods forwarded by rail was 56,000,000 tons, representing an aggregate of 6,426,000,000 tonkilometres. Every ton of this amount traversed on an average a distance of 115 kilometres. So the goods traversed, on the average, three times the distance traversed by the passengers.

During the same year, the business receipts of the railways amounted to 363,000,000 crowns, 96,000,000 from passenger and 254,000,000 from goods traffic, and 13,000,000 from other sources. The business expenses were 200,000,000 crowns in round figures, *i. e.* 55·12% of the whole receipts. Consequently the aggregate surplus of the railways amounted to 163,000,000 crowns, of which sum 116,000,000 crowns fell to the State Railways.

The railways employ 102,731 persons, including 49,220 workmen. The aggregate salaries and pay of the staff and employés of the railways amounted to 123,000,000 crowns.

The *inland navigation* of Hungary, in comparison to the railway traffic, pays a very subordinate part, though the length of the waterways is considerable enough. The aggregate length of the waters navigable by steamer is 3095 kilometres: while row-boats and rafts can navigate over an aggregate of water some 5000 kilometres long. With the exception of 350 kilometres of canals and 121 kilometres of lakes, the other waterways are natural rivers. Partly for protection against the current, partly to get rid of obstacles to navigation, much expensive regulation work has had to be carried out in the natural waterways of Hungary. During 35 years, the State has spent 236,450,000 crowns on the regulation of rivers, of which sum 114,570,000 crowns fell to the Danube, 73,720,000 to the Tisza, 18,000,000 to the two Körös, and 8,990,000 to the Drave. A mighty feat of engineering was the opening of a safe waterway in the Lower Danube through the rocky shallows of the so-called Iron Gates: and the same may be said of the contracting and deepening of the wide and shallow upper reaches of that river. An expensive and technically difficult task was the regulation of the Danube at and near Budapest, the object of which successfully accomplished work was to protect the Capital against the dangers incurred by floods. The regulation of the Tisza was mainly confined to the shortening of its course by cuttings (it is a river which owing to its extremely slight fall in level follows a remarkably winding course), and the quickening of its current.

The passenger traffic of the waterways of Hungary (apart from mere ferry service) is very slight. In 1906, only 1,950,000 passengers were carried by steamers: and the average distance

traversed by these passengers (38 kilometres) was scarcely longer than that of the railway passengers. Much more important is the goods traffic carried on by steamers, although this too is dwarfed by that of the railways. In 1906, on Hungarian waters, steamers carried 4,280,000 tons of goods: but while the goods carried by rail only traversed an average of 115 kilometres, the average of those carried by water was 326 kilometres per ton.

There are indeed several ports on the Hungarian *sea-board*, but the only one of any importance is Fiume. Recognising the significance of a suitable sea port from the point of view of participation in the commerce of the world, the Hungarian Government, immediately after the Compromise of 1867, determined to make Fiume the great emporium of Hungarian commerce, built the railway line connecting that port with the heart of the country, an extremely expensive undertaking with its long tunnels across the bleak Carst district, and furnished the harbour itself with moles and warehouses. Between 1871 and 1906 the Hungarian State invested 46,000,000 crowns in the port of Fiume.

Owing however to the strongly continental character of Hungary and the difficulties attending transport by rail over this line with its steep gradients, Fiume has not as yet developed into a port-town of the size and importance which the dimensions of the foreign commerce of Hungary would seem to require. In 1906, the number of ships arriving and leaving the port was 25,279: their tonnage 4,770,000 tons. Of the latter, only 3·45% fell to sailing vessels, while 96·55% was that of steamships. In this trade, the largest number of ships (with the largest aggregate tonnage) were flying the Hungarian flag: next in order came those sailing under Austrian colours. British ships too play an important part in the shipping trade of the port of Fiume. Of the tonnage of steamers engaged in trade with distant ports, 23·4% fell to British vessels. There are besides a large number of Italian boats (mainly sailing boats) engaged in trade with Fiume. Of German vessels there are fewer: while the number of Greek, French, Turkish, Spanish, Danish boats etc. is quite insignificant.

The value of the goods imported into Fiume by ship in 1906 was 121,130,000, that of the exports 179,840,000 crowns: consequently the whole marine trade of the port represented a value of 300,970,000 crowns. Great Britain and her colonies (in particular British India) take an important share both of the imports and exports of Fiume. In the value of imports, the first place is taken by British (East) India with 29,670,000 crowns; next come Austria, with 19,250,000, the United States of North America, with 18,170,000, Italy, with 11,090,000, and Great Britain, with 9,950,000 crowns.

The most important countries figuring in the list of exports from Fiume are represented by the following values : Austria, 29,410.000 ; Italy, 21,560.000 ; Great Britain, 21,190.000 ; British India 19,270.000 ; France, 15,260.000 ; and the Argentine Republic, 12,450.000 crowns.

These data, however, do not belong to the sphere of traffic, but to that of commerce. To return to the former, we must deal very briefly with the postal and telegraphic service, and the telephone.

In Hungary, as it well known everywhere, the *postal service* is on a very high level of development, and can challenge comparison with that of any other country. During the last four decades, it has shown a remarkable development in point both of intensiveness and of extent. In 1868, the number of post offices was only 1312 : by 1906, it had risen to 5469. At the same dates, the number of postal services were 1231 and 12.715 ; the length of the postal lines 32.565 and 98.204 kilometres ; the distance traversed by the postal services 17,160.000 and 78,480.000 kilometres respectively. The number of letters etc. forwarded by letter post has risen from 37,800.000 to 683,280.000 ; of articles sent by parcel post from 5,380.000 to 26,660.000, their aggregate weight from 5,320.000 to 108,670.000 kilograms, and their aggregate value from 1.902,000.000 to 6.129,000.000 crowns. Besides, the value of postal orders paid out and that of money collected by reimbursements (a system unknown in the British postal system, for the facilitation of orders by post) amounted to 1.180,000.000 crowns in 1906 : and in the same year the amount of liabilities collected through the post was 31,000.000 crowns.

In Hungary the postal and telegraph services are united : consequently no separate statements can be issued referring to the staff and the financial results. In 1906, the staff employed, including auxiliaries (of whom there were 3000, in round figures), numbered 25.955 : of these 7658 were women. During the same year, the receipts of these two services amounted to 65,820.000 and their expenditure to 50,170.000 crowns. Consequently the expenditure absorbed 76.22% of the receipts : and a net profit of 15,610.000 crowns was obtained, notwithstanding the extremely low rates of postage both for letter and parcel post.

The length of the lines included in the *network of telegraphs* amounted to 24.330, the length of the wires to 130.958 kilometres. The aggregate number of telegrams dealt with was 18,930.000 : of which 6,250.000 were inland, 3,210.000 foreign telegrams, and 9,470.000 were telegrams dealt with in transit. Whereas 77% of the articles forwarded by letter post were for inland service, only 33% of the telegrams were inland ones.

The most modern means of intellectual intercourse, viz.: the *telephone*, is making rapid strides. In 1906, there were 1186 telephone call offices at the disposal of the public, with 34,675 subscribers: the length of the lines was 22,103, that of the wires, 213,559 kilometres.

9. Commerce and Credit.

The greatness of the commerce of a country depends upon a favourable situation on the sea or a high degree of industrial development. As, in the case of Hungary, both factors are absent, the commerce of that country has been unable to rise to the level attained by that of more fortunate countries. Yet the progress in this field too is remarkably gratifying, a fact that is proved by the great advance in the number of persons engaged in commerce. In 1869, only 105,027 persons were employed in the service of commerce and credit: by 1900, that number had risen to 225,838, i. e. an increase of 114·4% in three decades. Still greater was the increase in the number of persons engaged in the service of public traffic, which, during the same period, rose from 28,555 to 136,871, i. e. no less than 379·0%, well over 100% a decade. This enormous increase of persons engaged in the service of public traffic points to a gigantic advance in traffic, a fact which is an infallible proof of the increased briskness of trade.

Of the 225,838 persons engaged in the service of commerce and credit, 169,313 were employed in commerce proper, 15,431 were market-women and others engaged in market trade, 17,415 were hawkers, 9426 agents, brokers etc.; while 14,250 were employed in credit and insurance business. Of those belonging to the sphere of trade and credit, 107,811 were independent merchants and tradesmen, 27,274 were clerks, and 90,853 were in other subordinate positions.

Both the State, the parish (municipal) authorities and society endeavour to offer means and opportunities for young people desirous of entering commercial careers to receive a proper *business training*. There are numerous commercial schools in Hungary: yet we cannot say that the attendance at the same is by any means satisfactory. In 1906, for instance, the Royal Hungarian Naval Academy at Fiume was attended by only 43 pupils. The High Schools (Colleges of University status) of Commerce, which include the Oriental Academy of Commerce at Budapest, and the Commercial Academies of Budapest and Kolozsvár, are also poorly attended. Their teaching staff included 60 professors: but the number of students was only 202. More gratifying was the attendance at the

higher-grade commercial schools ; 37 such institutes, with aggregate staffs of 448 teachers, were attended altogether by 5969 pupils. There were also 21 commercial courses for women, with an attendance of 1141 pupils.

The Chambers of Commerce and Industry are associations for the promotion and furtherance of the commercial and industrial interests of the country. There are other, private associations, without the character of official authorities, engaged in the same work. An important part is played further in the commercial life of Hungary by the Budapest Corn and Stock Exchange, of which there are 1500 ordinary members. The quantity of corn sold for the account at the Budapest Corn Exchange in 1906 amounted to 61,000,000 metercentners (v. supra).

There are no statistical data dealing with the inland trade of Hungary, except with reference to cattle markets, which, however large the business done there, form but an insignificant fragment of the inland trade of the country. Consequently in this short sketch, we shall confine ourselves to a brief statement of the foreign trade of Hungary.

Hungary is surrounded by one customs frontier in common with Austria and Bosnia-Herzegovina. Until the close of 1907, on the basis of a customs alliance renewed on each occasion for periods of ten years between Austria and Hungary, the territory encircled by the common customs frontier was regarded at the same time as a uniform and common customs territory : but the treaty concluded between the two States in the autumn of 1907 for the regulation of the trade and traffic of the two countries recognised the legal status of the separate customs territories ; though, on the basis of the said treaty and for the period during which the same shall be in force, a uniform, common customs frontier shall be regarded as surrounding the territories of the two States, and a guarantee was given that there should be no duties exacted on goods passing between the two countries.

Besides the statistics dealing with the foreign trade of the territories surrounded by a common customs frontier, during the last quarter of a century separate data have been collected with regard to the trade in goods of Hungary alone.

In 1906, the value of the *foreign trade* of the Hungarian Kingdom, apart from precious metals and coin, exceeded 3,000,000,000 crowns (£ 125,000,000), and showed an increase of 73·0% during 25 years. The imports rose from 875,100,000 to 1,555,600,000 ; the exports from 892,900,000 to 1,508,800,000 crowns. Consequently the increase of imports (77·7%) was considerably greater than that of exports (69·0%). Of the 25 years, in 14 the exports

exceeded the imports : and in the balance of trade of the said 25 years, the exports show a surplus of 288,000,000 crowns. In 1906, the quantity of imports, apart from articles detailed by number (live stock, machines, clocks, watches, umbrellas etc.), amounted to 50,760,000 metercentners : that of exports to 67,590,000 metercentners.

In accordance with the geographical situation of the country, the great majority of the foreign trade of the country is carried on through the medium of the railways, which are responsible for the transport of 76·0% of the aggregate quantity of goods (by weight) ; while 11·6% of the same is transported by inland navigation, and 10·2% by sea. The postal service carried 0·2%, and 2% was transported on the highways connecting Hungary with Servia and Roumania. Taking the value of the goods as the basis for calculation, these proportions become somewhat modified, the most essential of which modifications is that the proportion borne by the postal service is a much larger one, viz : 7·2%.

In the foreign trade of Hungary, the most important part is played by Austria, which, during the past 5 years, has been responsible for 73·95—76·90% of the imports, and 69·70—72·22% of the exports. This result is due to the combination of many factors, *e. g.* the immediate vicinity of the two States, the free trade in force between the two countries, the uniformity of the currency, and the preponderance of industry in Austria and of agriculture in Hungary, etc. The most important factors in the foreign trade of Hungary are the following countries, whose share in the imports and exports are detailed in the following statement :

	Value of			Percentage of		
	imports	exports	aggregate trade	im-ports	ex-ports	aggreg-ate trade
	in thousands of crowns					
1. Austria	1,195.140	1,072.912	2,268.052	76·83	71·11	74·01
2. Germany	108.799	146.210	255.009	6·99	9·69	8·32
3. Great Britain	27.854	34.674	62.528	1·79	2·30	2·04
4. Bosnia	26.252	34.874	61.126	1·60	2·31	2·00
5. British India ...	33.727	18.239	51.966	2·17	1·21	1·70
6. Italy	17.061	33.982	51.043	1·09	2·26	1·67
7. Roumania	15,682	30.136	45.818	1·01	2·00	1·49
8. France	16.495	27.669	44.164	1·06	1·81	1·44
9. United States of North America	27.408	6.520	33.928	1·76	0·43	1·11
10. Servia	23.193	8.119	31.312	1·49	0·54	1·02
11. Russia	6.937	15.979	22.916	0·45	1·06	0·75
12. Switzerland ...	6.874	11.731	18.605	0·44	0·78	0·61

The fact that Germany occupies the second place in the list is similarly due to its proximity to Hungary. But the third place is taken by Great Britain, and the fifth by British (East) India. Full details of the trade of Hungary with Great Britain and her colonies will be found in the following statement :

	Imports in 1906, in crowns	Exports
1. Great Britain - - - - -	27,854.346	34,674.004
2. British Possessions in the Mediterranean - - - - -	50.382	1,401.033
3. British Possessions in Arabia	10.450	287.148
4. British India - - - - -	33,726.665	18,239.180
5. British Possessions in Africa	176.198	183.530
6. British North America - - -	81.770	27.010
7. British West Indies - - - -	202.966	1.600
8. Australia - - - - -	90.783	242.200
Total - - -	62,193.560	55,055.705

We may here include Egypt too, which is under British Protectorate, the value of the imports from which was 2,962.339, and of the exports to that country 3,522.086 crowns. If we include these sums, the aggregate trade of Hungary with Great Britain and British Possessions represented a value of 123,730.000 crowns (somewhat more than £ 5,100.000). In reality the value was greater still, as many British goods come to Hungary through Austrian mediums : and part of the Hungarian exports to Great Britain become absorbed in the trade with other countries. It is desirable that this trade, which has hitherto been fairly considerable, should in the future increase, to the advantage both of Great Britain and Hungary.

The agricultural character of Hungary is thrown into considerable relief by her foreign trade. While raw materials constituted only 20·1% of the imports, they formed 52·9% of the aggregate value of the exports : on the other hand manufactured articles represented 66·5% of the imports, and only 34·8% of the exports. The difference is a much smaller one in the case of half-manufactured articles, which constituted 13·5% of the imports, and 12·3% of the exports. The goods were distributed as follows according to the objects for which they were employed and the various branches of economy respectively :

	Imports		Exports	
	in thousands of crowns	% of whole	in thousands of crowns	% of whole
1. Articles of food and drink ...	188.844	12·11	671.142	44·48
2. Live stock	21.287	1·37	226.105	14·99
3. Auxiliary articles for agricul- ture and industry	70.829	4·52	107.127	7·10
4. Industry:				
a) Raw materials	115.968	7·47	111.980	7·41
b) Half-manufactured articles	208.809	13·41	176.607	11·72
c) Manufactured articles	950.885	61·12	215.852	14·30
Total industry	1,275.657	82·00	504.489	33·43
Aggregate (all branches) ...	1,555.617	100·00	1,508.818	100·00

These data still better illustrate the character of the trade of Hungary in goods. The important industry of the country engaged in export consists for the most part of the manufacture of articles of food and drink (flour, sugar, spirits etc.). Other manufactured articles exported constitute only 14·30% of the value of the whole exports: whereas as we have just seen, nearly 35% of the exports of Hungary consist of industrial products.

We have no space to enumerate the several articles in detail, but as a general characteristic we must throw into prominence those articles which have a decisive influence on the formation of Hungarian foreign trade. The *imports* of the country, as the following statistics show, owe their significance to the large import of products of textile industry:

	Half-manufac- tured articles	Ready artic- les (manufac- tures)	Total
	i n c r o w n s		
1. Cotton industry	25,257.000	229,016.000	254,273.000
2. Flax, hemp, and jute industries	4,634.000	34,729.000	39,363.000
3. Wool industry	8,632.000	130,979.000	134,611.000
4. Silk industry	630.000	44,471.000	45,101.000
Total	34,153.000	439,195.000	473,348.000

The products of textile industry alone constituted 30·4% of the whole imports of the country. Among the former, those of cotton industry are particularly prominent. The value of the ready-made articles of dress imported in 1906 amounted to 93,560.000, that of the leather goods to 88,900.000, that of iron and ironmongery to 86,710.000, and that of the machinery and electrotechnical goods to 72,170.000 crowns.

Among the *exports* of Hungary flour, corn, animals and animal products play the chief part. In 1906, 27,860.000 metercentners of corn and flour were exported, representing a value of 499,900.000

crowns : of this amount more than 200,000.000 crowns fell to the products of the mill industry. In the same year, the export of live stock from Hungary amounted to 248,350.000, and that of raw animal products to 101,020.000 crowns ; that of wood and coal represented a value of 89,250.000, that of beverages 45,060.000, that of fruit and plants 40,120.000, that of sugar, 35,330.000, that of fatty substances (lard etc.), 31,970.000, and that of food stuffs, 30,020.000 crowns.

A great proportion of the articles of export enumerated are either raw products or the products of branches of industry closely allied to agriculture. There is however a considerable export trade from Hungary in the products of other branches of industry ; *e. g.* leather and leather goods were exported to the value of 32,720.000, iron and ironware to the value of 37,020.000, machinery, electro-technical articles and vehicles (waggon, cars) to the value of 40,260.000, textile wares to the value of 61,430.000, and explosives to the value of 22,630.000 crowns, etc. etc.

Closely connected with commerce is the *monetary system* and the *system of credit*. As for the former, it will suffice to remark that in Hungary, as in Austria, the crown unit based on a gold standard is in force. This crown unit stands in value between the franc and the mark and the shilling. One kilogram of mint gold (0.9 parts pure gold, 0.1 part copper) is equivalent to 2952, and one kilogram of pure gold to 3280 crowns. (1 kilogram = 2.205 lb. avoirdupois : 1 crown = 10 d.)

Hungary was late in breaking loose from *natural* economy : the trifling claims for credit were satisfied by private individuals, chapters, charity foundations, and masters in chancery (orphans' funds). The first savings bank was founded in 1840, the first bank in 1842 : but there is no branch of economic life in Hungary which can point to so high a degree of development as the *credit institutes*, of which a thick network already covers the country. At the close of 1906, in the Hungarian Kingdom, there were 569 banks and land mortgage institutes, 891 savings banks and 3353 people's banks (credit co-operations). The latter are particularly rapidly increasing : their number has advanced 189.5% during the last ten years. There is besides a State savings bank, the collecting organs of which are 4399 post offices : and if we add that the banks, savings banks, and people's bank also engage in this branch (deposit of savings, with savings bank books), we may say that the organisation collecting the capital saved in the country is an ideal one.

Hungary has no separate national bank (bank of issue) : the work of regulating credit done by banks of issue is performed by the common Austro-Hungarian Bank. This institute has been

active in its dualistic form for thirty years. Its coined money has a uniform standard ; and the uniform management of the Bank is guaranteed for Hungary by the Governing Council and the Governor in Chief : but for Hungary there is a special head institute at Budapest, with a separate managing body, just as there is at Vienna, for Austria. Besides the two head institutes, the Bank has 78 branch institutes and 172 branch establishments : of which number 33 branch institutes and 96 branch establishments are situated in Hungary.

The paid up capital of the credit institutes (banks), not including the Austro-Hungarian Bank and the Post Office Savings Bank, was 894,950.000 crowns according to the balance sheets drawn up on Dec. 31. 1906 ; their reserve capital amount to 432,340.000 crowns ; so that their aggregate capital was 1,327,290.000 crowns. The greater part of the outside capital held by them was in savings deposits. On the same date, the amount represented by the latter was 2,681,030.000 crowns ; while that of deposits on current and cheque accounts was 434,710.000. The value of debentures in circulation was 1,578,620.000, that of municipal (parish) bonds 795,240.000, that of advances and loans 344,570.000 crowns. Besides these sums, the liabilities of the banks included 604,070.000 crowns due to creditors, various liabilities 371,820.000 crowns ; and the profits amounted to 125,550.000 crowns. The aggregate liabilities of the banks amounted to 8,262,890.000 crowns, a sum including and representing the extent of their own capital and of outside capital managed by them.

The *savings deposits* amounting to 2,681,030.000 crowns were entered in 1,564,249 savings books (pass books), so that the average deposited on every book was 1715 crowns. This average is a larger one than that found in the much wealthier Western countries, a fact that proves that the savings banks are had recourse to not only by the tiny capitals of small people but by larger capitals that find no other field for outlay. In fact, the savings banks of Hungary may be regarded rather as deposit banks.

As far as the active branches of business are concerned, the first place is taken by *loans on letters of hypothecation*, which amounted to no less than 2,557,770.000 crowns. The other items in the assets of the balance sheets for 1906 were as follows : bills discounted, 1,827,720.000 ; municipal (parish) loans, 776,650.000 ; credit on accounts current, 630,480.000 ; stocks and shares, 612,620.000 ; debtors, 398,890.000 ; loans and bonds, 359,490.000 ; various claims, 345,550.000 ; loans on stocks and shares, 193,130.000 ; shares of funds and foundations, 173,920.000 ; inventory and real estate, 160,610.000 ; capital deposited with other banks, 130,610.000 ; ready money, 95,450.000 crowns.

If we compare the amount of the loans on letters of hypothecation with the value of the *debentures* in circulation, we see that the former exceeds the latter by 979,150,000 crowns, *i. e.* nearly one thousand million crowns. And as the soundest form of loan on letter of hypothecation is an annuity loan on debentures, it is clear that there is still much to be done in this field. It is to be desired that the great majority of ready money loans taken for the most part from savings deposits, should be converted into loans on letters of hypothecation, while new loans should be given in the form of debentures.

In this respect there is a great opening for business connections between Great Britain and Hungary, which would be to the advantage of both countries. The excessively low rate of interest in vogue in Great Britain is already sensibly felt by those who live on the interest of their capital: and investment in foreign countries is extremely risky, as capital in search of large profits often falls a victim to the swindling promoters of exotic enterprises. But the debentures of the big Hungarian banks, which yield a good return (generally 4%), in consequence of the measures taken by the excessively severe laws which protect the interests of creditors in the most perfect manner, offer an unconditional security almost without parallel among the stocks and shares in other parts of the world. British capitalists would therefore be acting in their own interests if they were to direct all possible attention to Hungarian debentures. But for Hungary too it would be an advantage: for she would become the debtor of a country with which she has never been and never could be in conflict, either politically or economically.

In the above figures we have not included the data referring to either the Post Office Savings Bank or the Austro-Hungarian Bank. The *Royal Hungarian Post Office Savings Bank*, which was founded in 1886, has functions of two kinds. In the first place, it offers an opportunity of investment to the smallest capitals saved, thus saving them from being wasted away; in the second, it carries out a significant part of the cheque and clearing business of the country. At the close of 1906, the deposits amounted to 78,640,000 crowns, of which sum we may truly say that it was collected by fillérs (the Hungarian farthing = $\frac{1}{10}$ d). The cheque business transacted by this Bank during 1906 was one of 5,337,000,000 crowns; the clearing business one of 1,947,000,000 crowns.

Of the *Austro-Hungarian Bank*, which, as its name shows, not only serves the system of credit of Hungary, but is the bank of issue of the Austro-Hungarian Monarchy, we can only treat here in so far as we can point out the share of Hungary in the working

of the same. It is well known that this great institute, which has at its disposal enormous capital, is one of the best managed banks of issue and is ready to pay in specie at any moment. The coin and bullion held by this Bank on Dec. 31, 1906, represented a value of 1.454,000.000 crowns: the average amount of coin and bullion held throughout the year was 1.471,000.000, and the average amount of notes in circulation 1.756,000.000 crowns. During 1906, the Bank discounted bills, warrants and stocks to the value of 4.753,000.000 crowns: while at the close of the year the portfolio showed a sum of 771,000.000 crowns, of which sum 459,000.000 crowns fell to Hungary, and 312,000.000 to Austria. Much larger is the share of Austria in the loans on mortgages: the value of such loans at the close of the year was 99,000.000 crowns, of which sum 27,000.000 fell to Hungarian, and 72,000.000 crowns to Austrian banks. We must make special mention of the clearing business of the Bank. In this branch, in 1906, the receipts (naturally the expenditure represented practically the same sum) amounted to 28.119,000.000 crowns, of which 10.834,000.000 fell to Hungarian and 17.285,000.000 to Austrian banking institutes. The outstanding sums in this department, not including the remittances from place to place by post still due, amounted to 158,000.000 crowns. Of this sum 60,000.000 crowns fell to Hungarian banking institutes. Without taking into consideration the less important bank bills, we must mention in addition the loans given on letters of hypothecation, which however constitute a special branch of business quite separate from the issue department. At the close of 1906, the loans granted by the Bank on letters of hypothecation represented a value of 300,000.000 crowns, of which sum 240,000.000 crowns fell to Hungary. On the same date there were debentures in circulation issued on the loans granted on letters of hypothecation representing a face value of 294,000.000 crowns. The net profit of the Bank (including the balance from the previous year) amounted to 21,000.000 crowns, exactly 10% interest on the paid-up capital (210,000.000 crowns).

While the system of investing their savings in savings bank has completely caught the fancy of the people of Hungary, provision for the future in the form of *life insurance* is able to make only much slower progress. Looking at the insurance in case of death or for endowment, we find that, at the close of 1906, the number of insured was 401.472, while the value of the sums insured amounted to 1.269,000.000 crowns. The insurances paid during that year amounted to 26,960.000 crowns. Endowments were insured in the case of 1318 persons only, the sum involved being scarcely more than one million crowns. Against accidents, 35.518

persons were insured individually, the sums insured being, in case of death 423,000.000, and in case of permanent disability, 593,000.000 crowns. During 1906, the insurance companies paid out 604.000 crowns on this head. 293.373 persons were insured corporatively against accidents: the sum insured was 355,900.000, and the payments made amounted to 588.000 crowns. Naturally the insurance of industrial employés against sickness and accident, of which we have already spoken, does not belong to this chapter.

Insurance against elementary damage has also not been able to meet with general favour: though fire insurance is progressing favourably enough. In 1906, buildings and real estate of the value of 10.109,000.000 crowns were insured: premiums of the value of 34,740.000 were paid, and the companies refunded damage to the amount of 19,120.000 crowns. Much less popular than fire insurance is insurance against damage by hail. During 1906, the property insured was altogether of the value of 296,350.000 crowns: the premiums amounted to 7,110.000, and the sums paid for damage to 4,850.000 crowns.

10. Military organisation and State finance.

The granting of recruits and the voting of taxes are among the most cardinal constitutional rights of the Hungarian nation. Recruits cannot be enlisted nor taxes collected except on the basis of the Army Act and Budget, which must be voted every year by Parliament.

Ever since 1868, the principle of *compulsory military service* has been in force. The obligation to serve begins with the twenty-first and ends with the completion of the forty-second year of age: actual service as an active soldier lasts however only 3 years (in the «National Defence» — Honvéd — Army of Hungary 2 years, in the case of supernumerary recruits 8 weeks). Men enlisted in the common army, as well as the supernumerary recruits, are, after the lapse of 10 years, transferred to the «National Defence» Army, in the ranks of which they remain 2 years; while between the ages of 32 and 42 they are kept on the rolls as members of the «posse comitatus». Those enlisted direct in the «National Defence» Army are transferred to the «posse comitatus» on the completion of their 32nd year. Obligation of service in the «posse comitatus» begins with the 19th year, and extends to those too who are not indeed fitted for ordinary military service, but may be used for garrison work, nursing etc. On the other hand, in time of peace the members of the «posse comitatus» are not bound to do any actual service.

The Army is a common one with Austria, and is under uniform control. But there are special Hungarian regiments; and Hungarian subjects cannot be enlisted in Austrian regiments. The Hungarian »National Defence« Army is an independent Hungarian national institution, and is in no connection with the common Army or with the Austrian »Landwehr«.

The *contingent of recruits* is settled every ten years, in proportion to the population as determined by the census. At present the aggregate contingent of recruits for the army and navy amounts to 103,100, to which number the Hungarian Kingdom contributes 44,076, and Austria 59,024. Besides this, the annual supply of recruits to the Hungarian »National Defence« Army consists of 12,500, that of recruits to the Austrian »Landwehr« of 14,500 men.

The training of the rank and file is carried out in the barracks and parade grounds: the officers are trained in special *military schools*. In 1906, the number of military academies and cadet schools in Hungary was 8, that of those in Austria 15: the number of pupils in the former was 1221, in the latter 3004. Besides, there were 2 military modern schools (Realschule) in the Hungarian Kingdom with 411 pupils: and 4 in Austria, with 878 pupils. The Royal Hungarian »National Defence« Army has special training colleges of its own, — the Ludovica Academy, with 300 pupils, one modern school, with 131, and two cadet schools, with 696 pupils.

The *common army*, in time of peace, consists of 318,000 officers and men: and there are 61,000 Treasury horses at its disposal. The *Hungarian »National Defence Army«*, in time of peace, comprises about 35,000; and the Austrian »Landwehr« about 40,000 officers and men. Besides these, *the navy* includes more than 12,000 effective officers and seamen. The aggregate strength of the military and naval forces of the Monarchy may be computed at about 2,330,000 in time of war: of this number 900,000 fall to the common army, 330,000 to the Hungarian National Defence Army and the Austrian »Landwehr«, 500,000 to the »*posse comitatus*«; and 600,000 are supernumerary recruits. The number of horses amounts to 300,000, that of guns to 1912.

As a conclusion to our brief sketch, we must cast a cursory glance at the *State finance* of Hungary, the independent development of which dates in reality from the restitution of constitutionalism in 1867. During the forty years that have passed since then, the finances of Hungary have made enormous progress. Whereas in 1868, the ordinary expenditure amounted to only 295,080,000 crowns, by 1906 it had risen to 1,112,200,000 crowns. This tremendous increase strikes us as almost unnatural, but it has its natural explanation. Modern Hungary, having regained its inde-

pendence of action, had in the course of a few short decades to make up for the shortcomings of centuries : but this was a task beyond the powers of society and private enterprise ; consequently it was left to the State to display a redoubled activity in the field of economics, in addition to its other functions. As a natural result, there are items of expenditure in the Budget which are not properly State expenses at all, but have the character of working expenses ; and there are naturally receipts on the other side of the balance sheet too which bear the character of business receipts.

After 1867, the expenses connected with an up-to-date equipment, and the economic problems set before it, laid on the State burdens which it was unable to meet out of its own resources. In order to make the necessary investments, it was obliged to have recourse to its credit. Indeed, even in the ordinary course of things, the State had continually to cope with a deficit ; and it was only after great efforts that, in 1889, the financial balance of the State was restored. The great and sound development of the economic life of Hungary is proved by the fact that the needs of the State, which are so enormously on the increase, can be met without any breakdown of the ability of the country to bear financial burdens and without the financial balance of the State being upset.

As we have already stated, the aggregate ordinary *expenditure* amounted in 1906 to 1.112,200.000 crowns. During the same year transitional expenditure amounted to 32,500.000, investments to 60,500.000, extraordinary contributions to common exchequer 40,300.000 crowns, so that the aggregate expenditure amounted to 1.245,500.000 crowns. Of this sum the largest item consists of expenses of a business character ; if to the expenditure of the State railways, factories, estates etc. we add those of the salt and tobacco régime and of the postal and telegraph service, which are also of a business character, the aggregate expenditure under this head alone amounts to 421,900.000 crowns. In the second place stands the sum paid for interest on and reduction of the national debt (290,400.000 crowns) ; in the third place the sum appropriated for common expenses (army, foreign office, common ministry of finance : this sum was 101,700.000 crowns). The other items of expenditure were as follows : home office, 67,600.000 ; finance ministry 67,300.000 ; public education, 54,300.000 ; ministry of justice, 41,700.000 ; department of commerce, 39,600.000 ; ministry of national defence, 38,400.000 ; ministry of agriculture, 29,800.000 ; pensions, 26,100.000 ; internal administration of Croatia and Slavonia, 22,300.000 ; civil list, 11,500.000 ; miscellaneous expenses, 32,900.000 crowns. Naturally enough, these figures do not show the actual distribution of the expenditure among the several departments :

for the department of commerce alone expends 273,800,000 crowns, as all the business expenses belong to its sphere of control.

The aggregate *receipts* of the State in 1906 amounted to 1,357,200,000 crowns. If we collect the items of contribution to the revenue into main groups, here too the business receipts of the State take the first place, amounting as they did to 641,100,000 crowns, including the takings of the salt and tobacco régies and of the postal and telegraph services. The revenues of the régies can however with less justice be regarded as business receipts: for they partake of the nature of excise duties to the extent by which they exceed the sum spent on the said régies. In 1906, these revenues amounted to 171,900,000 crowns: and as the sum expended on them amounted to 65,600,000 crowns, the sum of about 105,000,000 crowns may be taken as excise duties paid by the public on the articles produced by these régies.

In 1906, direct taxes produced 311,100,000, excise duties 205,600,000, legal charges and dues 83,500,000, stamp duties 39,100,000; and miscellaneous receipts 76,700,000 crowns. Interest on advances etc. produced only 14,000 crowns. Of the direct taxes the largest sum is contributed by the land taxes (83,100,000 crowns): of the excise duties, by the duty on spirits (81,900,000 crowns).

We have made no mention of the *customs duties*. These are common receipts: and, after the deduction of the working expenses of the customs houses, are devoted to the common exchequer of Hungary and Austria. In 1906, a sum of 154,620,000 crowns was devoted to the common exchequer out of the receipts of the customs. The contributions of Hungary and Austria to the surplus required are paid in the proportions fixed every ten years. Till the close of 1907, the contribution of Hungary was 34·4%; from the opening of this year it has been 36·4% of the whole.

At the close of 1906, the *national debt* of the Hungarian Kingdom amounted to 4,753,400,000 crowns, of which sum 3,485,800,000 crowns were funded debt, 1,267,600,000 crowns unfunded debt. The latter decreases from year to year. We have not however included in these figures that part of the debt incurred by the old absolute Austrian government, towards the reduction of which Hungary pays 2,300,000 crowns annually, and in interest on the same 58,300,000 crowns. The capital sum represented by this debt amounts to 1,349,000,000 crowns. Of the Hungarian national debt, approximately 39·55% is placed at home: of the 60·45% held by foreign countries, 30·46% falls to Germany, 20·86% to Austria, 7·38% to France, 1·48% to Great Britain, and 0·27% to Holland. As these figures show, Great Britain has invested but a small sum in Hungarian State bonds; though it would be an

advantage, both economically and politically, if the surplus British capital were to be invested in these bonds, which yield a good interest. The majority of the same pay 4% : but these are some which pay 4½, and others which pay 3½ and 3%, though the latter are not very numerous.

The balance sheet for 1906 shows the *wealth of the State* to be 7,360,900,000 crowns, of which sum 4,121,900,000 crowns represent real estate. More than half of the latter consists of the property of the State railways. If we take not only the above-stated national debt, but the total sum represented by the whole debt owing by the nation, we find that the aggregate liabilities of the State amount to 5,554,700,000 crowns : so that the net wealth of the State is 1,953,800,000 crowns. In 1868, the aggregate active wealth of the State was calculated at only 495,000,000 crowns : so that, despite the fact that, owing to the great financial depression of the seventies and eighties of last century, very many State landed estates had to be sold, the increase in the active wealth of the State during four decades may be put at about 1,500,000,000 crowns ; although we cannot take an inventorial estimate of State wealth as absolutely accurate, the former result proves better than anything else the sound basis on which the finances of the Hungarian State are built.
