

REPORT ON THE PRESENT HUNGARY

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Hungary was the crown above the Balkan States before the War. Its population amounted to more than 18 millions of inhabitants; its area extended to 109,216 square miles. The Hungarians were the leading people among those southern from them. They had a large literature in Hungarian language, cultivated arts and sciences on a high degree.

Hungary was independent *by law*; it had its own Parliament, Government and apostolic King. But as the Hungarian King was also the Emperor of Austria and the Hapsburgs were Austrian Princes, the kings hardly knew Hungarian, our country was practically only a part of a big unit since centuries.

Such was the situation when the Great War broke out. It was decided in Vienna but the Hungarians had to suffer the greatest sacrifices. By the Peace Treaty of Trianon only 35,179 square miles with 8,141,465 inhabitants remained to Hungary that lost 68 per cent of its territory and 55 per cent of its population. All the surrounding countries participated in the detached territories of our unfortunate country: Austria, Czechoslovakia, Roumania and Jugo-Slavia. The first two stand on a high level of culture, it is true; but that of the latter ones are inferior to that of Hungary. The ceded territory contained the greatest part of the Hungarian forests, very rich mines and vast fertile areas. And above all, more than 3 millions Magyar people, partly in compact masses, were subjugated by the neighboring nations. The reduced part is not capable to live an autocrat life; and what's worse, new tariff walls rose on the old place in every direction.

An analysis of the population of the present Hungary shows the following figures: 80 per cent of the inhabitants speak Hungarian; 63 per cent are Roman Catholics; 28 per cent Protestants and 6 per cent Jews; 56 per cent live on agriculture, 1.5 per cent on mining, 19 per cent on industry and 10 per cent on commerce.

In the second part of 1926, the taxes assessed on the Hungarian people amounted to 62 million dollars, viz. 8 dollars per capita. As to the distribution of the taxes, due information is given by this statement: tax on annual value of land 11 per cent, house duty 6 per cent,

income and property taxes 22 per cent, turnover tax 21 per cent, custom duty and excises 29 per cent, inhabited house duty 11 per cent of the whole receipt. It is to be seen that the rating system is almost exclusively based on labor and on products of labor: 89 per cent of the whole revenue are composed—properly speaking—of excises.

More than 10 per cent of the inhabitants of this small kingdom, 928,996 men live in *Budapest*, the capital. Its social importance is therefore decisive and it is but elucidative as to the life of the whole nation, to look a little more attentively upon the economic condition of this city.

Let us quote that 44 per cent of the city population, exactly 405,578 inhabitants live in lodgings consisting of one or no room at all, 25 per cent, i.e. 236,179 men have lodgings of two rooms at most, thus 69 per cent of the population of this wonderful town on both sides of the Danube, reside in unsuitable shelters. Out of 20,020 buildings, 10,367 that is to say 52 per cent have only ground floor and a small minority, altogether 1367 houses have 4 or 5 stories, equal to 7 per cent. In one word: 7 per cent of the real estates in the capital are well used against 93 per cent which are more or less, underused.

By the system of tax on yield of land, in the inner part of the left bank 88 per cent of the land values are of underused area bearing 57 per cent of local rates, and only 12 per cent of the land values are well used, having 43 per cent of local rates to bear. Taking into consideration the whole left bank we find that 14 per cent of the land values are vacant areas and, having no revenue, exempt from taxation. It is easily intelligible why more than 40 per cent of the buildings in the inner part dispose of ground floors only.

The *Order of Land Value Taxation* for local purposes, since January 1, 1919 in force, seemed to put an end to these conditions. According to the dispositions of this Order $\frac{1}{2}$ per cent of the capital value of land, whether used or unused, apart from improvements, will be paid, reducing at the same time the receipt of excises. Finally we have still to remark that the succeeding of revolution and counter revolution brought about such a strange situation that although this law be in power still, the tax itself will not be levied.