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CHAPTER V.

THE ANNALS OF AUSTRIA.

Prior to 1918, the Empire of Austria-Hungary occupied a large part of central Europe. Austria and Hungary maintained much of their individuality, acting in concert on matters of foreign affairs, finance and defense, and being ruled by one monarch. Bosnia and Herzegovina were annexed in 1908. Austria proper, about which the pre-war annals are chiefly written, included 44 per cent of the area and 55 per cent of the population of the Empire.

On November 12, 1918, the Republic of Austria was proclaimed. The boundaries of the new republic were fixed by the Treaty of St. Germain, and the new Austria represents 28 per cent of the area of pre-war Austria-Hungary and includes 23 per cent of the pre-war population. Austria was never a geographical unit. The area now remaining is chiefly part of the Alps and Danube valley. In addition pre-war Austria included Galicia, part of the Russian plain, Bohemia, extending into Germany, and Dalmatia, belonging geographically with the Balkan peninsula. Pre-war Austria had very little coast, post-war Austria has none. There are several large rivers, most important of which is the Danube.

The area of pre-war Austria, not including Hungary, was 115,832 square miles.¹ This area was reduced by post-war treaties to 32,368 square miles,² the present area of Austria. The population records, giving the total for the post-war as well as the pre-war area for 1910, are shown in the following page.

In 1880, 70 per cent of the population were rural, i.e., lived in places with less than 2,000 inhabitants. By 1910, the rural population was reduced to 39.8 per cent. In 1920, 51 per cent of the population of the Austrian Republic was rural. Emigration became an im-

¹ Computed by multiplying by 0.003861, data in hectares given in Austria Statistische Zentralkommission, *Österreichisches statistisches Handbuch, 1916-17*. Vienna, 1918.

² Computed by multiplying by 0.3861, data in square kilometers given in Austria Bundesamt für Statistik, *Statistisches Jahrbuch für die Republic Österreich*. Vienna, 1924.

December 31,—	Population ^a	Persons per Square Mile ^b
1850	17,534,950	150
1869	20,217,531	174
1880	21,981,821	189
1890	23,707,906	205
1900	25,921,671	223
1910 pre-war	28,324,940	243
post-war	6,646,537	205
1921 ^c	6,426,294	199
1923 ^d	6,535,759	202

^a Pre-war data, *Handbuch* above; post-war data, *Jahrbuch* above.

^b Computed by multiplying by 2.59, data given originally in persons per square kilometer.

^c Census of January 31, 1920.

^d Census of March 7, 1923.

portant factor in Austrian population records at the beginning of the twentieth century, when large numbers departed for America. This movement was checked by the war and subsequent restriction by the United States Government.

Although data for the occupational distribution of the population of the Austrian Republic are not available, the records of pre-war Austria show definitely the trends in economic activity.

Industry	Per Cent of Total Gainfully Employed ^a			
	1867	1890	1900	1910
Agriculture	64	62	58	53
Manufacturing, Mining and Construction	20	20	21	23
Trade and Transportation	4	8	9	10
Other ^b	12	10	12	14
Total	100	100	100	100

^a Data for 1867 based on Austria Statistischen Central-Commission, *Statistisches Handbüchlein*, 1871. Vienna, 1873. Other data from *Handbuch*, see above.

^b Includes persons engaged in military and public service, professions, persons with independent incomes, and others.

The dominating importance of agriculture is made evident by the above data for occupations. Although the Austrian Empire included much excellent farm land, it never became self-supporting. In general, Hungary was agricultural and Austria industrial in interest. The most important crops are rye, oats, wheat, and barley. Rye and wheat have gradually declined in acreage, and barley and oats have advanced. The harvests come in the autumn.

The mineral resources of the Austrian Empire were rich and

varied. Coal was the chief product, but many other minerals were produced in considerable amounts. The reconstruction of central Europe took from Austria much of this as yet little-developed wealth. Less than one per cent of her former coal resources remain, and many other former products lie wholly outside the new boundaries.

Manufacturing industry in Austria developed slowly. According to Drage, until 1850, it was stifled by the guild system and an antiquated industrial code. The industrial expansion was just getting under way when the crash of 1873 brought this development to a complete halt. Even by 1910, manufacturing employed less than one-half as many workers as agriculture. Development has been most notable in the textile, metallurgical, glass, and wood-products industries. About Vienna, the production of art products and luxuries has been highly developed. The establishment of new boundaries has occasioned a reorganization of industrial activity.

Prior to 1860, imports customarily exceeded exports, but since that time, the balance has been generally favorable. Chief imports at present are coal, cotton goods, and grain; exports are iron and steel, cotton goods, and non-ferrous metals.

The development of railroads was slow to begin, but progressed rapidly thereafter.

Year	Railway Mileage ^a
1850	843
1860	1,819
1870	3,798
1880	7,102
1890	9,490
1900	11,948
1910	15,299
1920 ^b	3,939

^a Austria Statistischen Zentralkommission, *Österreichisches Statistisches Handbuch*, 1911. Vienna, 1912, p. 212. Data in kilometers converted to miles by multiplying by 0.62137. Data for 1920 from *Jahrbuch*, see above.

^b New boundaries.

Over two-thirds of the railways are government owned. There is also some development of canals, and inland waterways.

The Austro-Hungarian Bank has had exclusive right to issue bank-notes. It was liquidated in 1923, the National Bank of Austria, a private institution, replacing it. Specie payments were suspended in 1848, and it was not until 1892 that an attempt was seriously made to reestablish the currency on a sound basis.

The history of Austria has been dominated by political and racial antagonisms. In 1848, the French Revolution upset the equilibrium, and the revolution in Austria caused the abdication of the Emperor and the granting of a constitution by his nephew, Francis Joseph. In 1855, in a war against Italy supported by France, the Austrians were severely defeated. A further short period of peace, which included much political disagreement and, in 1862, a severe flood of the Danube, was broken in 1864 by a war with Prussia against Denmark. In 1866, Prussia overwhelmed Austria in a brief campaign, and the annals begin with Austria slowly recovering from the confusion which immediately followed the war.

1867 Revival.

Recovery after stagnation resulting from defeat by Prussia in previous year; commodity prices very high; rapid improvement in foreign trade.

Money eases.

Excellent crops.

Dual monarchy established, December.

1868 Moderate prosperity.

Further improvement in industry and trade; railroad and joint stock company promotion; commodity prices decline; large increase in foreign trade.

Money easy; rising stock prices; speculation excesses in Budapest.

Poor crops.

1869 Prosperity; panic; recession.

Continued activity slackens late in year; promotion active; failures in autumn; foreign trade restricted.

Money tightens and security prices boom to panic, September; banking failures.

Very poor crops.

1870 Slow recession.

Industrial activity gradually reduced; small rise in commodity prices; exports decline and imports increase, causing unfavorable balance.

Money tight; some revival of stock speculation, autumn.

Fair crops.

Foreign difficulties and political unrest.

- 1871 Mild depression.
Further slackening of industry to dullness, except railroad construction; commodity prices rise; foreign trade booms, increased unfavorable balance.
Money tight; speculation active.
Fair crops.
- 1872 Revival; prosperity.
Rapid improvement in industry; enormous stock flotations; rapid extension of railroads; commodity prices high; exports decline and imports increase.
Money eases, autumn, and bourse booms; slight bourse panic, December, and money tightens severely.
Average crops.
- 1873 Prosperity; panic; recession.
Continued activity slackens, summer; commodity price decline sets in; many failures; smaller imports and larger exports.
Money very tight; bourse panic, suspension of Bank Act, and moratorium, May; continued distress to financial panic, October; collapse in security prices.
Poor wheat and large rye crop.
Epidemic of cholera in Hungary; National Representative Assembly replaces Reichsrath, March.
- 1874 Deep depression.
Industrial stagnation; widespread unemployment, railroad construction halted; rapid fall of commodity prices; imports decline and exports increase slightly.
Money eases.
Excellent wheat and rye crops, poor oats.
Distress and famine.
- 1875 Depression.
Continued inactivity; signs of improvement noted in several industries; further marked fall in commodity prices; increased exports and smaller imports create favorable balance of trade.
Money eases gradually.
Very small crops, especially wheat and oats.
- 1876 Depression.
Increased stagnation; some recovery of commodity prices, especially foodstuffs; expansion of exports with decreasing imports.
Money easy.
Poor wheat and rye, good oats crop.

- 1877 Depression.
 Depth of depression; production at minimum; further increase in foreign trade.
 Money easy.
 Good crops, especially rye.
 Russian-Turkish War results in giving Austria mandate over certain Balkan states; higher tariff.
- 1878 Depression.
 Some increase in volume of production but marked decline in commodity prices; reduction in foreign trade.
 Money easy.
 Excellent crops.
 Occupation of Bosnia, July; storming of Sarajevo, August; amnesty, November.
- 1879 Depression.
 Continued dullness; fall in commodity prices halted; slight recovery in foreign trade.
 Money very easy; resumption of activity in security markets with rising prices, especially of bonds; free coinage of silver suspended, and paper standard adopted.
 Very small crops, especially rye.
 Alliance with Germany formed.
- 1880 Revival.
 Distinct improvement in industry; commodity prices reach low point and then rise; marked increase in imports, smaller exports.
 Money very easy; security prices rise.
 Fair wheat and oats, poor rye crops.
- 1881 Mild prosperity.
 Increasing activity in industry; commodity prices rise; marked improvement in foreign trade.
 Money very easy.
 Fair wheat, good rye and oats crops.
 Disturbances in Herzegovina require military force to restore order.
- 1882 Moderate prosperity; bourse panic.
 General activity in industry; revival of railroad construction; rise in commodity prices ceases; big increase in exports.
 Money tightens; bourse panic, January; further tightening of money market, autumn.
 Excellent wheat, good rye and oats crops.
 Insurrection finally quelled, October.

- 1883 Prosperity.
Continued activity and quiet expansion of industry; foreign trade declines.
Money eases somewhat late in year.
Poor wheat and rye, good oats crops.
Legislation establishing factory inspection introduces period of rapid increase of industrial regulation.
- 1884 Recession.
Gradual slackening of industrial activity; further decline of commodity prices sets in; marked reduction in foreign trade.
Money easy; large agricultural bank in Bohemia fails.
Good wheat and rye, record oats crops.
- 1885 Mild depression.
Continued slackening of activity to dullness; commodity prices decline rapidly; further reduction in foreign trade.
Money very easy.
Excellent wheat, good rye, and fair oats crops.
Political apprehension, after intervention in Bulgarian-Servian War.
- 1886 Depression; revival.
Dullness gives way to revival, summer; commodity price decline checked; decline of imports continues but exports recover.
Money easy.
Fair wheat, poor rye, and record oats crops.
War with Russia threatened.
- 1887 Revival.
Irregular improvement; railroad construction more active; increased imports and smaller exports.
Money tightens gradually.
Record wheat and rye crops, fair oats yield.
- 1888 Prosperity.
Rapidly increasing activity in industry; speculation appears; reduced imports but greatly increased exports.
Money tightens, stringency late in year.
Excellent wheat and rye, fair oats yield.
- 1889 Prosperity.
Industry active; foreign trade booms.
Money eases; increased activity on bourse late in year.
Crops very small, especially wheat and oats.

- 1890 Uneven prosperity.
Some lines of industry very prosperous, others inactive; severe strikes in textile and metal industries; increase in foreign trade.
Money tightens late in year.
Good rye and wheat, fair oats crops.
- 1891 Prosperity.
Increased activity and profits; slight rise in commodity prices; exports expand more rapidly than imports.
Money tight, but easing.
Very poor rye and wheat crops, good oats; prices very high.
- 1892 Recession.
Industry and trade slackening; profits less; marked decline in commodity prices; sharp restriction of exports.
Money easy; scheme for establishing gold standard adopted, August; stock market boom, summer.
Fair rye, good oats and wheat crops; prices lower.
Serious internal political crisis; cholera.
- 1893 Revival.
Marked improvement in industrial activity; slight rise in commodity prices; foreign trade booms.
Money gradually tightens; increasing premium for gold; bourse revives, March.
Excellent rye, very poor oats, fair wheat crops; prices fall due to extensive American sales.
- 1894 Recession; mild depression.
Inactivity and dullness appear; further decline in commodity prices; imports increase but exports decline.
Money eases; active speculation with rapidly rising stock prices.
Very good crops, record wheat yield; low prices.
- 1895 Mild depression.
Industrial and commercial conditions improve slowly; higher food, lower industrial commodity prices; many failures; slight increase in imports, sharp decline in exports.
Easy money tightens late in year; wild speculation in gold mining shares begins, February; bourse panics, November and December.
Poor rye, record oats, and fair wheat crops; prices very low.
Civil unrest.

- 1896 Mild depression.
Some improvement in industrial activity; commodity prices reach bottom; foreign trade sluggish, imports declining and exports increasing.
Money eases; bourse depressed.
Severe agricultural depression with low prices; good wheat and rye, poor oats yields.
Disorder among agricultural classes.
- 1897 Mild depression.
Dullness and inactivity; commodity prices very low; increase in imports, smaller exports.
Money easy.
Severe distress with crop failures.
Nationalist difficulties between Czech and German groups result from Badeni Language Ordinances.
- 1898 Mild depression; revival.
Continued dullness yields to revival, last half-year; commodity prices rise; foreign trade booms, unfavorable balance.
Money fairly tight.
Good crops.
Empress assassinated, September.
- 1899 Mild prosperity.
Good progress in trade and industry, especially first half-year; improvement marked in mining and metal industries; commodity price rise continues; enormous increase in exports returns foreign trade to favorable balance.
Money tight late in year; bourse active.
Good rye, record oats and wheat crops.
- 1900 Recession; depression.
Decline to depression, especially iron and textile industries; severe coal strike sends price of coal very high, February; commodity prices reach peak; further expansion of both imports and exports.
Money easy somewhat; bourse becomes dull; Austro-Hungarian Bank begins gold redemption.
Poor crops.
Continued political difficulties between nationalities.

1901 Depression.

Further decline of industry, particularly mining and construction; unemployment; commodity prices decline; restriction in foreign trade.

Money very easy; bourse dead, with declining prices.

Poor oats, fair wheat and rye crops.

Continued dissension; elaborate public works program adopted, June.

1902 Depression.

Increased dullness and inactivity; few failures; further decline in commodity prices; some revival in foreign trade.

Money very easy; bourse inactive.

Good crops, especially wheat.

1903 Depression; revival.

Inactivity and widespread unemployment early in year; improvement begins, last quarter; depression most severe in iron and machine industries; commodity prices rise slightly; foreign trade booms.

Money easy; dull stock market revives, last quarter.

Fair crops, good oats.

Protective tariff raises rates; period of political unrest begins; record emigration; political crisis between Austrians and Hungarians threatens dual system.

1904 Revival.

Continued improvement; textile industries hampered by important failures; further rise in commodity prices; imports increase but exports decline.

Easy money grows firmer; bourse more active.

Large rye and wheat, very poor oats yields.

Reduction in emigration; political unrest.

1905 Mild prosperity.

Continued improvement and expansion hampered by railway dispute in which workers use passive resistance; further rise in commodity prices; expansion in foreign trade.

Money rates gradually tighten; some slackening on bourse.

Large rye and wheat, poor oats yields.

Revival of emigration; political deadlock between Austria and Hungary.

1906 Prosperity.

Great activity; prosperity particularly in mining and transportation; building trades strike, Vienna; more rapid advance of commodity prices; foreign trade very active.

Money tight; bourse sluggish.

Excellent crops.

Political difficulties finally adjusted, April; universal suffrage established; new tariff with very high rates.

1907 Prosperity.

Continued activity; expansion somewhat hindered by state of money market; labor shortage; plants at capacity; commodity prices reach peak; increased imports and decline in exports create unfavorable balance of trade.

Money very tight; strong decline in stock prices late in year.

Poor rye and wheat, excellent oats crops.

Socialists win election, May; very large emigration.

1908 Recession; depression.

Dullness spreads through industry and commerce; commodity prices decline; some restriction of foreign trade.

Tight money eases slowly; bourse quiet.

Record rye and wheat crops, very poor oats yield.

Bosnia and Herzegovina annexed, October; marked reduction of emigration.

1909 Depression.

Little activity, basic industries most depressed; some increase in commodity prices; foreign trade revives.

Money easier; fiscal difficulties; some improvement in stock market late in year.

Excellent rye and oats, good wheat crops.

Acute diplomatic crisis with Servia, February; big increase in emigration.

1910 Depression.

Continued dullness in industrial activity; revival in construction; marked increase in foreign trade.

Easy money tightens, November; speculative boom with rising prices of industrial stocks.

Fair rye and wheat, very poor oats yields.

- 1911 Revival.
Uneven improvement, marked in construction, iron and steel, and textile industries; slight decline in exports, imports increase rapidly. Money eases, and then becomes very tight; active bourse speculation.
Poor rye, fair oats and wheat crops; food prices very high.
Reduction in emigration; riots and martial law, September.
- 1912 Prosperity; recession; depression.
Increasing activity and progress; Balkan War, autumn, plunges industry into deep depression; numerous failures; foreign trade very active.
Severe monetary strain; active speculation, especially first half-year; bourse severely depressed, last quarter; Balkan moratoria cause difficulties.
Excellent crops.
Revival of emigration; uncertainty due to Balkan War, October.
- 1913 Depression; panic.
Widespread inactivity; much unemployment; foreign trade declines sharply.
Money tight; financial panic necessitates moratorium; bourse dull.
Fair rye and wheat, excellent oats crops.
Internal and external political troubles; record emigration; army mobilized for several months fearing Russian aggression.
- 1914 Depression.
Dullness gives way to stagnation with war; widespread unemployment; foreign trade halted.
Money tight; bourse closed after panic, July; moratorium; foreign exchange declines severely, last quarter.
Very small crops.
War, July, with immediate mobilization.
- 1915 War activity.
Gradual reorganization of industry for war purposes; full employment; foreign trade completely restricted.
Money eases; currency expansion begins; foreign exchange declines, with temporary recovery in autumn.
Further decrease in crops.
After spring, campaign against Russians very successful; Italy declares war, May; Serbian campaign ends with complete victory, November.

- 1916 War activity.
Further extension of government control of industry; raw material scarcity; prices rise rapidly.
Money remains easy; reopened bourse shows moderate activity; wild fluctuations in exchange, with general tendency, after February, downward; bank control of foreign exchange, February, gives way to government control, December.
Smaller crops, except oats.
Further victories over Russians; victories in Italy, spring, and reverses, autumn; death of Emperor Franz Joseph, November, brings Charles I to throne.
- 1917 War activity.
Government dominates all industrial activity, regulating practically all industries; raw materials very scarce; prices rise rapidly.
Steady decline of foreign exchange; some recovery, December.
Further reduction in crops.
Distress; Russians driven back and Riga occupied, autumn; Italians severely defeated, October.
- 1918 War activity; chaos.
Continued domination of industry by government; raw material scarcity relieved somewhat by separate peace; after October, industry completely disorganized; prices rise rapidly.
Recovery of exchange to February, followed by sharp decline, which becomes severe late in year; government control more strict, June.
Slight improvement in rye and oats crops, poorer wheat.
Reduction of daily rations causes hunger riots, January; separate peace signed with Russia and Roumania; internal disintegration, autumn; Czech revolution, October; Emperor Charles forced to abdicate and Republic proclaimed, November; Armistice, November.
- 1919 Depression.
Industry paralyzed by political and economic separation of empire into separate states; coal shortage; raw material scarcity; unemployment reaches maximum, May; labor troubles; some improvement in production of industries for export, last half-year.
Rapid fall in exchange; stock exchange boom.
Crops smallest.
Demobilization; Relief Missions preserve Vienna from starvation, February; Treaty of St. Germain, September; continual internal difficulties; trade restrictions imposed by neighboring states.

1920 Slow revival.

Improvement in manufacturing, especially industries producing for export; unemployment diminishes, except for temporary relapse in summer; coal shortage; commodity prices boom.

Money tight; increasing speculation in securities and foreign exchange; exchange falls to February, improves to August, and then falls again when restrictions are removed, October.

Small but larger crops, especially wheat and oats.

Intense feeling between new countries; universal works councils established; Unemployment Insurance Law passed, May.

1921 Revival.

Revival continued to December; full employment and industrial activity; great speculation; commodity prices soar late in year; exports boom, last half-year.

Continued currency depreciation; foreign exchange recovers from low point, January, but falls rapidly, summer to December; bourse very active.

Small crops; food shortage.

Gradual removal of price regulation; riots, December, Vienna; food subsidies abolished and purchase of foreign money forbidden, December.

1922 Uneven recession; depression.

Dullness, first quarter; feverish activity, with full employment and active foreign trade, summer; depression last four months with industry at a standstill; commodity prices rise rapidly, May to September; severe failures, end of year; foreign trade declines, last half-year.

Money very tight; exchange decline halted, February to May, and then resumed at rapid rate; continual currency inflation; exchange stabilized, September; bourse boom, August, and crisis, December.

Small but larger crops.

American Relief Administration active, spring; government closes foreign exchange market, July; League of Nations plan adopted, October.

1923 Depression.

Severe depression, first six months, lightening somewhat thereafter; unemployment, worst in March, diminishes slightly; manufacturing industries which depend on export trade severely depressed; commodity prices reach peak, May; many new issues of securities; active imports, large unfavorable balance.

Money very tight; National Bank of Austria opened, January; bourse boom and active speculation; American Loan floated, June, which strengthens government finance.

Larger crops, though still much below pre-war level.

1924 Depression; financial strain.

Some increase in production; slump in iron and steel industries; severe unemployment; many failures; commodity prices gradually rise; foreign trade increases.

Money extremely tight, especially autumn; stock exchange and franc speculation collapse, spring; many bank failures; bourse boom reaches peak, January, and prices fall precipitately to October; foreign exchange stable.

Larger crops of beets, potatoes, rye, and corn; smaller oats, barley, and wheat crops.

1925 Depression.

Slow increase in volume of production except iron and steel industries; severe unemployment, worst in spring; many failures; wholesale prices reach peak, January, and fall, declining most rapidly in third quarter; imports much smaller, larger exports greatly restricted, last quarter.

Stringent money eases slightly with foreign loans; bourse dull with declining prices; foreign exchange continues steady even after government support is removed, August.

Much larger harvests of rye, barley, wheat, and oats.

League of Nations relaxes financial supervision, end of year; tariff revisions remove many restrictions.