Hungary – the unfortunate World Recorder of Inflations

Scope

The XX. In the 19th century, three Hungarian money were destroyed. The introduction of the first gold-covered **Korona** at the beginning of the century was immediately preceded by a financial crisis. The reason was the devaluation of the previous silver-based currency caused by the rise of silver mines in Alaska, which caused severe economic difficulties for the country.

Unfortunately, the gold cover did not provide the previous stability either. In World War I, our country not only lost 2/3 of its territory and population, but because of this, its economy also shrunk, while the victors also obliged it to pay huge reparations. The repeated economic crisis took place between 1924-26 and it destroyed the national currency as well as in the other losing countries too. The short stability of the **Pengő**, which was introduced instead, was also ended by the soon following world war. As a sad world record, two occupations (German, Russian) looting and plundering of our country almost complete – led to extremely high hyperinflation, where prices doubled daily in July 1946!

Finally, the return of the stolen gold reserves of the national bank made possible the introduction of a stable monetary system, the **Forint/fillér**. However, its slow devaluation started almost immediately, accelerated from 1968 and happens continuously until today. It can be seen that the initial minimum of 20 fillér for postal mail is now more than a thousand times that!

Target

The exhibitor's goal is to present on postal items the regrettable financial instability that has repeatedly destroyed Hungarian families and is unsustainable for our future, and to document the facts authentically, which is also useful for study by historians.

In this, it is appropriate to focus on the most significant Hyperinflation, the magnitude of which can really be felt in a brief comparison with the others. The philatelic value of rarest pieces in Hyperinflation is only comparable to the initial period of our philately. Despite its relatively modern nature – mainly thanks to the persistent study of Robert B. Morgan – this theme can now be considered to be of **similar importance** to the period of early Hungarian classic stamp issues.

Contents

I. **Prologue:** the crash of Korona (1924/26)
II. **Hyperinflation of Pengő** (1945/46)
   1. Local Forerunners and Provisionals
   2. Inland rates of Hyperinflation
   3. Foreign rates of Hyperinflation
   4. Airmail service of Inflation
III. **Epilogue:** a long inflation of Forint until today

Gems:

- 1945/46 Postmaster provisional solutions
- 1946. Air Mail collection of restarting the service
- 1951 „Pair of lilac blocks” on FDC into USA



1924 1926



1945 1946



1962 1990 2004 2024

Used Literature:

Varjasi Béla & **Pákozdi László** *several writings in Magyar Bélyegek Monográfiája IV-V.*, 1967-71. Budapest

Robert B. Morgan: *The Hungarian Hyperinflation of 1945 -1946 The Postage Rates and Postal History of History Impressive Inflation. 2003 Chicago. Translated by the exhibitor to Hungarian in 2024.* ***See here:***

Bernáth Gábor, Lippai Pál *writings about local editions of 1945/46 in Filatéliai Szemle, MABÉOSZ Budapest*

Dán János & **dr. Nagy Ferenc** *writings about the beginning of the postal service in 1945 Philatelica 2016-24 Mafitt Budapest*.

The rarity is indicated by the color red, based generally on the findings of the above book by Robert B. Morgan.

Synopsis

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Treatment

The chosen topic is the appearance of Hungarian inflations in the postal rates. The focus of the discussion is on the most significant "Hyperinflation" of the currency “Pengő”, which is based on Robert B. Morgan's manual on this subject, which was translated into Hungarian by the exhibitor the last year. This is roughly "framed" by the brief presentation of the previous inflation of currency “Korona” and the subsequent slow, but by now very significant devaluation of the currency “Forint/filler”.

The comparison highlights the significance of the world-record high inflation of Pengő, as well as the sacrificial attitude of the Hungarian ***postal employees***, who solved an almost impossible crisis situation. It was the basic interest and condition of existence for the communication that was fundamentally necessary for the reconstruction of our country, which was mostly destroyed in the wars, and for the ***reunification of families*** torn apart by the world war II.

The structure of exhibit:

fr.1	Introduction & perlude of (korona money 1900-1926) Local rates of pengo in the WorldWar II Postmaster's local provisionals 1945/46
fr.2	Inland mail rates by the 27 perionds of Hyperinflation 1945/46
fr.3	
fr.4	Foreign mails by periods 1945/46
fr.5	Airmail by periods in May to July 1946 Epilogue: transition to forint money & the 'sneaky' inflation (1946- until now)

Importance

The theme is prominent because the fierceness of the Pengő-inflation – sad for us, of course – WAS VERY HIGHEST IN THE WORLD. See a link here: en.wikipedia.org/wiki/Hyperinflation The second place on the imaginary "podium" is occupied by Zimbabwe's modern-day inflation in November 2008, which, however, only approached it, but ultimately did not reach it the maximum, when ***prices doubled every 15 hours*** in the last month of the Pengő-inflation.

The importance of this from the point of view for the world philately is indicated by the fact that it is exhibiting not only by Hungarian philatelists- That can be regularly encountered at international exhibitions too. Despite the modern nature of the subject, often with high results, closing with the Large Gold medal of Morgan-collection in London 2022.

Knowledge and Research

The collection lights three inflationary periods in Hungary focusing onto the largest one, which are discussed in the philatelic literature and presents the progress of tariff increases.

A recent research result not mentioned in the literature is the airmail correspondence introduced at the beginning of the forint/filler era. It has a continuation of handling and fee calculation under inflation for a short time (a few weeks) after the introduction of the new Forint/filler currency.

Rarity

In addition to the key pieces of the collection mentioned on the introductory page, most pages of the Hyperinflation section contain descriptions of unique/few known special features marked with red frames.

Display

Framing, typographic highlights and the use of colours are deliberately minimized, which makes it easier to direct the viewer's attention to the important parts of this relatively complicated topic.

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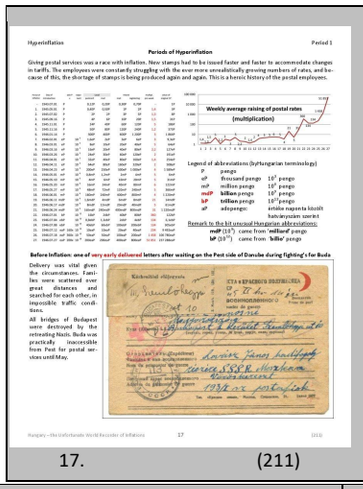
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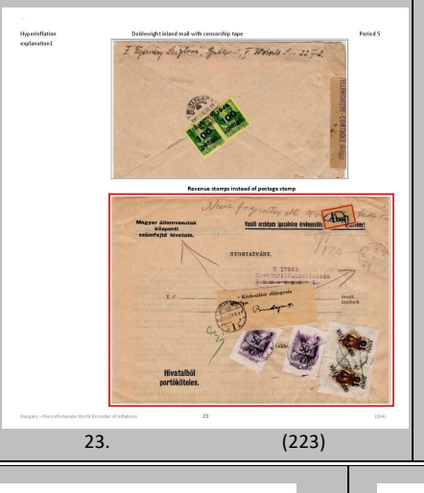
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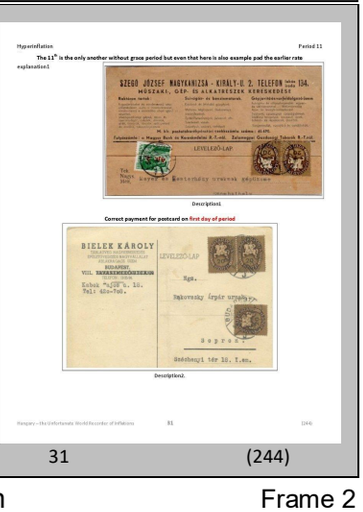
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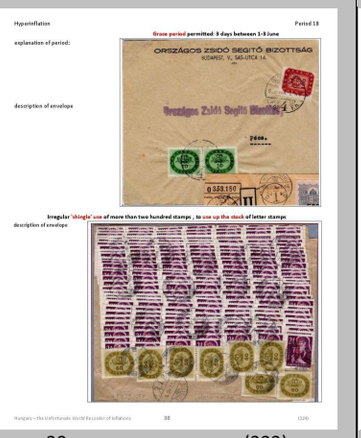
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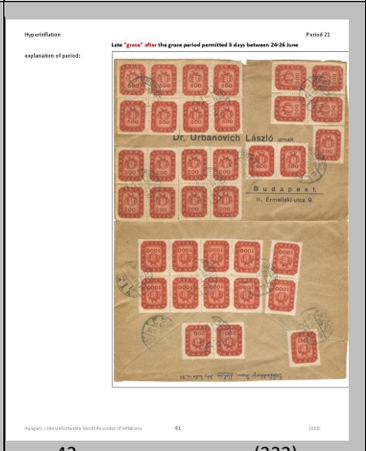
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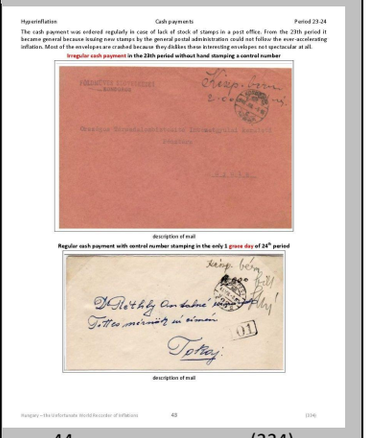
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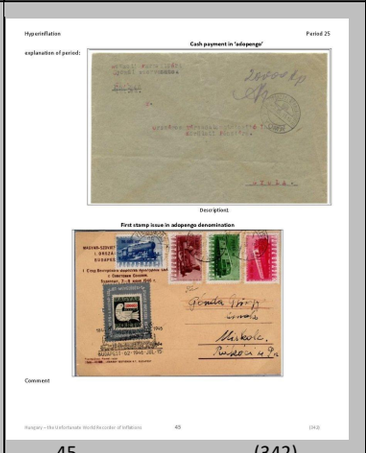
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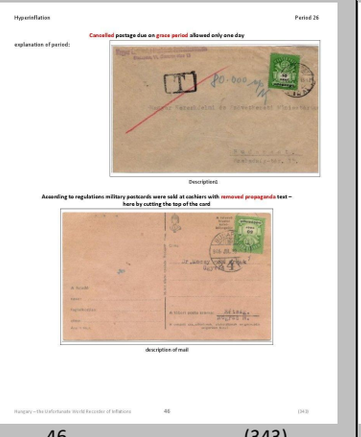
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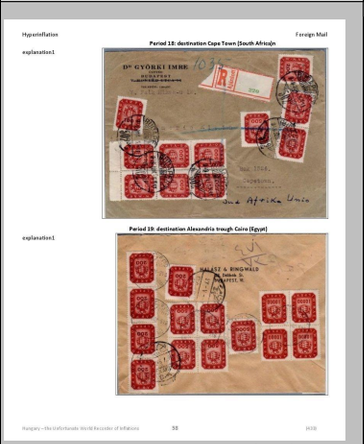
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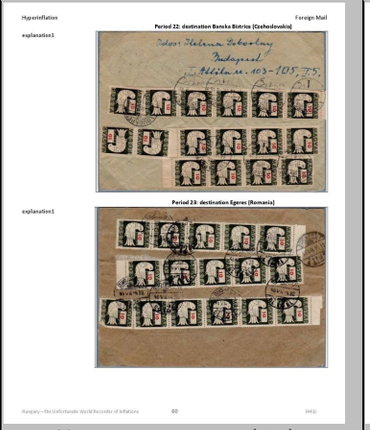
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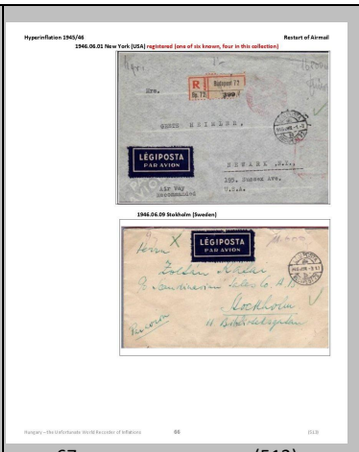
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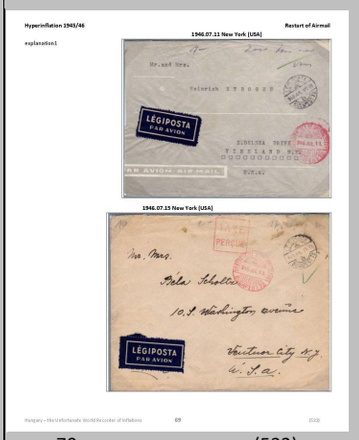
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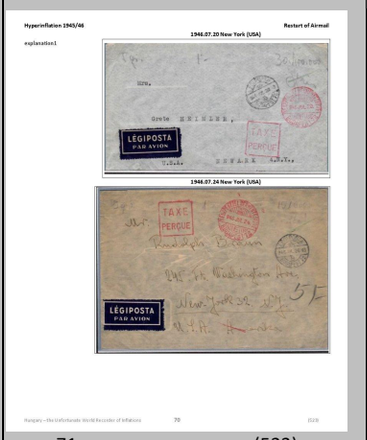
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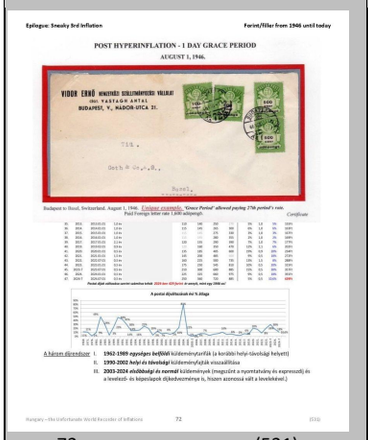
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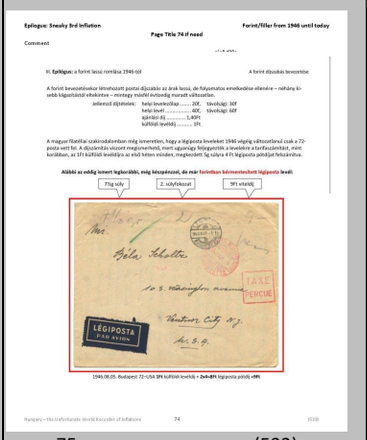
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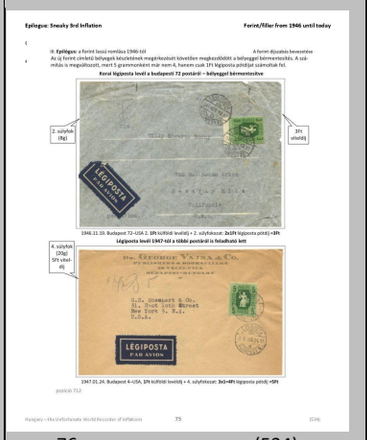
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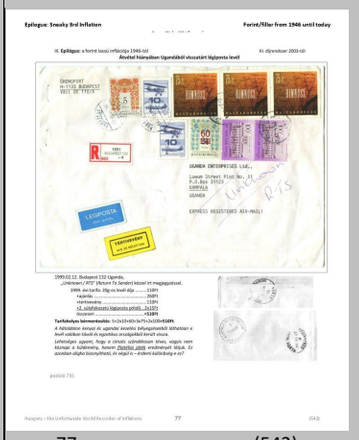
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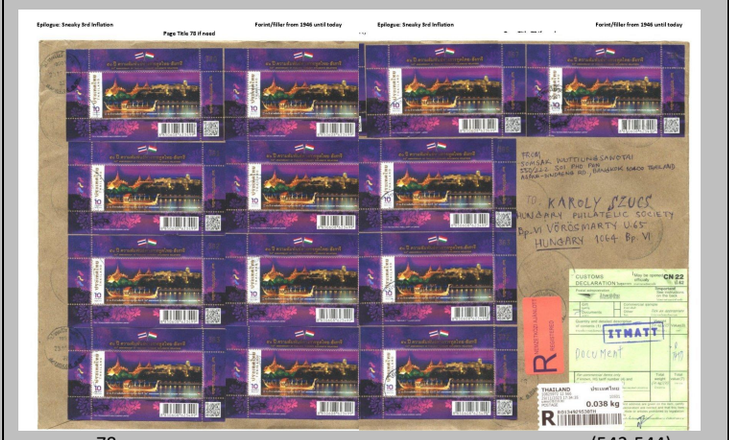
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