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POLITICAL, CULTURAL, AND ECONOMIC SITUATION OF SERBS IN HUNGARY

BY

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efore the Great War of 1914—1918 Serb propaganda not only worked in a disintegrating manner within the confines of the Austro-Hungarian Monarchy; it also deafened the whole world with loud complaints the burden of which was that Hungary was oppressing her nationalities. The Hungarians, on the one hand because they knew they were acting within their rights, and on the other daily events showed how unfounded such comvere, took no steps to refute those trumped-up accusations. The consequence was that certain circles in Western Europe which received their information about Central European affairs through anti-Hungarian channels, acquired a totally wrong impression of pre-War Hungary's nationality policy. It was chiefly owing to this false propaganda that an area of 20.551 square kilometres of Hungarian territory was adjudged to Serbia by the Peace Edict of Trianon.

In what follows we shall attempt to describe in an unprejudiced way what the political, cultural and economic situation of the Serbs in Hungary really was.

1. The political situation.

The bulk of the Serbs immigrated to Hungary at the end of the seventeenth century under the leadership of Patriarch Arzen Chernolyevitch III. The Serbs, who were treated as guests, in 1690 received from the Emperor-King Leopold I. a Royal Charter, which on 20th August 1691 was ratified by the Royal Hungarian Chancellery. This Charter endowed the Serbs with extensive religious and

political privileges; they were, for instance, exempted from paying taxes and tithes and from having to provide quarters for the army during military manoeuvres. Further civil rights were granted to the Serbs by Act XXVII passed by the Hungarian Parliament of 1790—1791, in terms of which they were recognized as full-fledged citizens with the right to acquire land and hold official positions. In a word, this Act of Parliament invested the Serbs with all the rights and privileges enjoyed by the Magyars, the staple element of the State. And Act XLIV of 1868 so generously acceded to the demands of Hungary's nationalities, the Serbs included, that it was unparallelled at the time in the legislation of the world.

That the Serbs were free and independent citizens of Hungary in every respect, and that they enjoyed full political rights, may be gathered from the work written by Ivan Skerlitz, the first and best known authority on the history of Serb literature. In his work entitled "A New History of Serb Literature" ("Istoria Nove Srpske Knizevnosti", Belgrade, 1911) Skerlitz, writing of the Serbs of Southern Hungary, says: - "The Serb craftsmen and merchants settled everywhere in the country, from Zimony, which was rich in silver, right up as far as Imperial Vienna. It was they who became the exponents, the spreaders of Serb culture and the pioneers of Serb national enlightenment. It was they who established the first Serb schools, who were the first to organize Serb education, who published Serb books and subscribed to Serb newspapers... The Serb inhabitants of the larger Hungarian towns were granted municipal autonomy with their own municipal corporations and courts of justice, and were free to live their own separate lives on a firm moral and national basis. Their development progressed rapidly, both from an economic and a cultural point of view. In every town with Serb inhabitants and every large Serb village they had their own schools. The "Ratio Educationis" issued by Maria Theresa in 1770 reorganized their schools too, raising their teachers to the rank of masters (magistri) and providing for their training".

Skerlitz thus frankly admits that the Serbs from the Balkans came into European surroundings in Hungary and

that they were given civil rights within the framework of the Hungarian Constitution; furthermore that they were granted Serb administrative autonomy with Serb aldermen, which made them free to live their own national life. That in spite of this great political liberty they came into conflict with the Magyars, was due to two reasons. The first was that the Habsburg dynasty played off the nationalities in Hungary, the Serbs included, against the Magyars; the other, that when Serbia was liberated from the Turkish yoke and regained her independence, Belgrade obtained leadership, that is to say, took over the direction of Serb policy from the Serbs of Hungary, and in order to realize Pan-Serb ambitions sent hundreds of agents to Hungary with instructions to sow the seeds of dissension among the Serbs in this country.

2. Southern Hungary the Cradle of Serb Culture.

Even Serb historians admit that the cradle of Serb culture was rocked in Southern Hungary, and it is no exaggeration to say that the Serbs owe all their culture to Hungary. The magnitude of the cultural mission performed by Hungary in this respect will not be appreciated unless we draw a comparison between the level of civilization that obtained in Serbia and the cultural development of the Serbs living in Hungary.

For five hundred years the Balkan Serbs who remained under Turkish rule had no schools at all to speak of. In that period of Turkish domination the Serbs of the Balkans were in a state of absolute illiteracy, so much so that in 1815 there were only three elementary schools in the whole of liberated Serbia, and even in those schools the language of instruction was Old Slav, not Serbian. As late as 1827 hundreds of villages had not one school among them. Besides the priests and kalugyers (monks) scarcely one person in a thousand could read; and it was rare to find even a priest or a kalugyer who was able to write. In 1831 there was one single secondary school in the whole of Serbia — in Belgrade — but it was only a four-class school.

It was not until after the middle of the nineteenth

century that Serb education began to make progress; and then it was the Serbs of Southern Hungary that led the movement. It was Dositej Obradovitch, who had been a kalugyer in Southern Hungary and was the first Serb Minister of Education, who undertook the organization of Serb education. All that he did in Serbia in the field of education was accomplished in the spirit of Maria Theresa's Ratio Educationis; and of the first 78 Serb teachers appointed by him 68 were Serbs of Southern Hungary who had studied pedagogy at the Serb teachers' training college in Hungary.

As we see, the Serbs of Serbia were on a very low level of culture until the middle of the nineteenth century; in educational matters the Serbs of Southern Hungary, on the other hand, thanks to the measures instituted by the Hungarian Government and with its support, had reached a European level. Without the Serbs of Hungary the education of the Serbs of Serbia would have been inconceivable. This is proved by the following facts:—

1. In the Royal Charters issued on 21st August 1690 and 20th Augiust 1691 Leopold I. Emperor of Austria and King of Hungary expressly granted to the Serbs who had settled in Southern Hungary liberty to practice their religion and the right to elect the head of their own Church, the Patriarch. Among his other rights the Patriarch was entitled to consecrate bishops, appoint parish priests, organize parishes and establish churches and monasteries. That he should have the wherewithal to live in a state befitting his position as head of the Church, the King later on made a donation of the 21.836 yokes of land belonging to the estate of Dalya to Arzen Chernolyevitch. Thus the Emperor-King Leopold I. not only permitted the development of Serb culture; he also provided the financial means required for that purpose. Full advantage was taken of this both by Arzen Chernolyevitch and by his successors. Among the Serb Patriarchs of the eighteenth century Paul Nenadovitch, who was the head of the Greek Oriental Church in Hungary from 1749 to 1768, was undoubtedly the most notable figure. The first Greek Oriental seminary for priests was established by him at Ujvidek. This institute was called the

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"College of Priests". At Karlóca he opened a secondary so-called "Latin" - school with a staff of Serb teachers. He naturally made provision also for the establishment of Serb elementary schools, At that time the Serb elementary schools were all denominational schools belonging to the Greek Oriental Church, and they were administered by that autonomous body. In type they were characteristically Greek Oriental denominational schools in which Serb religious books alone were used for reading. The only secular subject taught was arithmetic, and that was not taught in all of them. The teachers were not qualified men; the children were taught by the parish priest, the sexton or some tradesman or shopkeeper who by chance was able to read and write. The schools were maintained by the Serb parishes. In terms of the Royal Charter granted by Leopold ensuring the Serbs of Hungary autonomy in church matters they were entitled to maintain these independent denominational schools. The medium of instruction was the modern Serb language, but all the books were written in the Old Slav language of the Greek Oriental Church. For a considerable time these books were imported from Russia; they were therefore impregnated with the Russian spirit and spread Russian ideas. As elsewhere at that time, school attendance was not compulsory; nevertheless, by the middle of the eighteenth century the number of Serb schools in Southern Hungary was considerable.

Maria Theresa, Queen of Hungary, laid the foundations of modern Hungarian education, and at the same time reorganized the education of the Serbs in Hungary. As early as 1774 she issued a set of "instructions" in accordance with which the Greek Oriental Serb and Rumanian schools had to be reorganized. In these instructions it was laid down that a school must be established in every Serb village possessing a church and a manse. The secular authorities were enjoined to build new Serb denominational schools where there were none and rebuild properly those that had fallen into disrepair. The final law dealing with the reorganization of the Serb schools was promulgated in 1776. In spirit this law was in conformance with the principles contained in the "Ratio Educationis".

The Kingdom of Hungary, far from preventing the development of Serb culture, actually forced their own national schools upon the Serbs, even though a great number of them opposed that measure.

Further development was made possible by Act XXVII passed by the Hungarian Parliament of 1790—1791, in which the autonomy of the Serb Church was established and scats ensured the Bishops of the Greek Oriental Church in the Hungarian Upper House.

Act IX of 1868 re-affirmed the autonomy of the Greek Oriental Church in Hungary. In substance this autonomy meant that in religious matters the supreme authority was vested in an Assembly consisting of ecclesiastical and secular representatives elected by the Serb people themselves and meeting at Karloca. The Church was to be administered in conformance with the resolutions passed by that Assembly, subject to their approval by the King and the Prime Minister of Hungary. According to the Statute of Election approved by a Royal Decree issued on 26th May 1871, the Serb ecclesiastical Assembly was to consist of 50 secular and 25 ecclesiastical members. But the Bench of Bishops considered it an insult that the ecclesiastical members of the Assembly should also be elected by the secular elements. A Royal Decree issued on 12th July 1912 redressed that grievance. It did away with the organization of the dioceses established in 1871, and re-institued the relevant dispositions contained in the Law of 10th August 1868. This restored to the bishops and the Patriarch the possibility of exerting due influence on the constitution of the bodies and authorities acting in conjunction with them, so that the latter should indeed be the counsellors and supporters of the Bench of Bishops in its task of ecclesiastical administration.

The Assembly did not deal with political questions, but Serb public opinion was inclined to regard it as being of a national and political character, a sort of local Serb provincial Diet. It was the constant aim of the leaders of the Serb nationality parties to make the autonomy of the Greek Oriental Serb Church the bulwark of Serb nationality aspirations and political ambitions.

In terms of Act IX of 1868 Serb nationality education

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was administered by a supreme educational board consisting of the Patriarch, the chief rapporteur on educational matters. and six members elected by the Assembly.

Elementary schooling was made compulsory, and all parents of Pravoslav (Greek Oriental) faith and Serb nationality were required to send their children between the ages of 6 and 12 either to a Serb denominational or to a Serb municipal school. The certificates issued by the Serb elementary denominational schools, where education was free, had the same validity as those issued by the State schools. In the Serb denominational and municipal schools only teachers of Serb nationality and Greek Oriental faith who had obtained their diplomas in the Serb Pravoslav Teachers' Training College could be employed. The teachers were elected by the school boards. For the training of elementary school teachers the Serbs of Hungary had three colleges, one in Patrac, one in Zombor and one in Kiralyvaros. Only girls who had successfully passed their examinations at one of the Serb higher-grade schools in Pancsova, Ujvidek or Zombor were admitted to the department for female teachers. Besides these teachers' training colleges, the Serb nationality had two Greek Oriental secondary schools enjoying autonomous rights.

Thanks to the extensive educational autonomy enjoyed by the Serbs of Hungary, in Southern Hungary — the so-called Voivodina — alone they had, besides the schools mentioned above, 179 independent elementary schools (which if we reckon only four classes to each, meant 716 elementary classes) with 592 Serb teachers elected by themselves. Taking the whole of Hungary with the exception of Croatia-Slavonia, the Serbs, who numbered 461.516 souls, or 2.5% of the total population, had 58 municipal and 211 denominational — in all 269 — independent elementary schools with at least 1076 elementary classes.

The funds for the upkeep of these schools were provided partly by compulsory contributions from the members of the Serb Greek Oriental Church, which were collected like government taxes, partly by numerous foundations and endowments, as well as by the gigantic incomes accruing from Church property. The Serb Greek Oriental

Church was one of the richest Churches in Hungary. It owned 112.126 yokes of land, and the capital of the various foundations and endowments was reckoned to amount to 17.500.000 gold crowns. The possession of this great wealth, against which the Hungrian State never raised any objections, made the development of Serb culture possible.

In the foregoing we have merely briefly outlined the progress made by the Serbs of Hungary in church and educational matters.

But that Hungary was the cradle of Serb culture as a whole and that this culture reached a high level, has been eloquently expressed by Sanoye Stanoyevitch, an eminent Serb historian who was professor in the Belgrade University, in the following pithy sentences: "The Voivodina was the cradle of modern Serb enlightenment and culture. In the eighteenth century, while the Serbs of the areas under Turkish dominion had to fight hard for their very existence, with their rifles and knives always in their hands, the Serbs of the Voivodina, who had been set free from the yoke of the Turks, were in more favourable circumstances, and were able to develop their own economic and cultural life. Already then were established the first Serb elementary schools. the first Serb teachers' training college, theological college and the secondary school at Karloca. But long before this we find the first beginnings of Serb literature and science in the Voivodina. A the beginning of the eighteenth century George Brankovitch wrote a history of the Serb nation from the most ancient times up to his own day. Then in the course of the same century the production of Serb books in the Voivodina kept on increasing and extending to ever wider areas in the fields of literature and science. During that period Serb writers began to popularize literature and science in various sorts of almanachs, but it was Dositei Obranovitch (a son of the Voivodina) who revolutionized Serb national literature with his "Autobiography" and other works in which he demanded that literature and science should be made democratic. To further this end he chose the vernacular as the language of literature and science. Besides this, he was the first to justify Serb nationalism theoretically, and he was fortunate enough to

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live to see the birth of the new Serb State, of which he became the first Minister of Education. It was in the Voivodina that a small literary coterie gathered round Patriarch Stephen Stratimirovitch; from the Voivodina came the men who drew up the rules of Serb spelling and reformed the Serb language; and it was in the Voivodina that the collectors of Serb peasant art and the most eminent representative of modern Serb literature, Vuk Karadzhivitch, lived. Already in 1862 the Serbs of the Voivodina formed the first Serb literary society, the "Matica", which served as a model for similar societies bearing the same name that were created later by every Slav nation and tribe. By the beginning of he nineteenth century the Serbs of the Voivodina were publishing a political newspaper in Ujvidek, which town also saw the first Serb calendar and the beginnings of literature for children. The first Serb theatre was established in the Voivodina at the beginning of the nineteenth century. It was short-lived; but in 1863 a permanent Serb theatre was opened at Ujvidék. The Serbs of the Voivodina were the first to create a Serb reading circle and Serb choral societies, and it was also in the Voivodina that the first Serb bankinghouses were established. The first movements in Serb party politics known in the history of the Serb nation also took place among the Serbs of the Voivodina. It was in Nagybecskerek that the first Serb political party was formed; and it was there that the first Serb party programme was elaborated and accepted in 1869. There for the first time Serb science and literature began to be cultivated. The first reformer of the Serb language, George Danishitch, and the first scentific inquirer into the history of the Serb people, Hilarion Ruvaratz, were Serbs of the Voivodina. The first famous Serb writers of lyrics, Ivan Jovanovitch, and George Jakshitch, the first Serb dramatists, Ivan Popovitch and George Trifkovitch, and the first Serb writer of fiction, Bogoliub Atanackovitch, were also men of the Voivodina. Nay more, the first great Serb preachers, Nicaphore Gruyitch and Theophane Zhivkovitch, were born in that province. The cradle of Serb art was also rocked in the Voivodina. In the eighteenth century there lived here a famous Serb painter, Zacharias Ortelin, recognized today as the greatest of all Serb artists.

Two other Serb painters of renown, Paja Joanovitch and Uros Preditch, were Voivodinians. The best Serb actors and actresses were born in the Voivodina. It was the birth-place of Serb music (Cornelius Stankovitch); and the first Serb art exhibition was arranged in that Hungarian province."

With perfect candour Professor Stanoyevitch sums up the evidence of the higher level of culture obtaining among the Serbs of the Hungarian Voivodina in the following sentences.

"Thus it was in the Voivodina that the foundations of modern Serb culture, education and civilization were laid. It was there that the first Serb school and printing-press were established, that Serb science, literature and art in all their various branches first began to be cultivated. For a long time about the end of the nineteenth century Ujvidék was proudly called the "Serb Athens".

According to Professor Stanoyevitch, more notable by far than the cultural superiority of the Serbs of the Voivodina was their historical importance. He says: —

"But the greatest significance of the Voivodina in the history of the Serb nation lies in the fact that Serb nationalism, the Serb national idea, was born there. The Voivodina was typically representative of Serb nationalism... Serb nationalism came to life in the Voivodina, whence it spread to other areas inhabited by Serbs, permeating them... The reason why this was so was that in their new surroundings they (the Serbs of the Voivodina Ed.) were able to make progress in civilization and education ... It was among the Serbs of Hungary that Serb nationalism became what it was recognized to be by European public opinion in the nineteenth and twentieth centuries ... We may frankly say that nationalism and patriotism as they existed in the Voivodina stood high above all the rest of the territories inhabited by Serbs. For this reason nationalism and patriotism as they existed in the Voivodina came to be regarded as an example to be followed by the Serbs in other territories, as the prototypes of those virtues."

After these unbiassed and generous statements that go to the very root of the matter, it is perhaps superfluous to

stress the point that all this eloquently described Serb culture in Southern Hungary could never have developed to such an extent had not the Serbs who under the leadership of Patriarch Arzen Chernolyevitch III. fled to Hungary to escape the Turks and were hospitably received there, found themselves in an atmosphere that had been European for centuries, and had not the ancient soil of Hungary been a place where culture could take root, grow and flourish.

Professor Stanoyevitch was not the only person to state this truth. The question has been treated with similar enthusiasm by Ivan Skerlitz, professor of history, of whom mention has already been made. The following quotations from his works will serve to illustrate the point: — "The Serbs had also other schools in the eighteenth century. In 1726, thanks to the autonomy enjoyed by the Church, the first Latin Slovene school was opened in Karloca. In 1740 the "Duhovna Kollegia", a Serb seminary for priests, was established in Ujvidek. In 1781 a regular Greek Oriental theological college opened in Karloca. In 1812 the autonomous Serb Church established a seminary and a teachers' training college at Szentendre, in the vicinity of Buda, which in 1816 was transferred to Zombor, where it still exists."

The best means of propagating culture and also the most reliable criterion by which to judge the cultural work of a nation, are certainly its books. In this respect, too, we find particularly interesting and enlightening data in Professor Skerlitz's history of Serb literature.

"In 1771 the Illyr Kancellaria in Vienna permitted the Serbs to use von Kurzbach's printing-machine with Cyrillic letters. This printing-machine was bought by a Serb company in 1792 for 25 silver florins; in 1796, however, it became the property of the Hungarian University in Buda, from which date until 1830 almost every Serb book was printed by the Buda University Press. After 1830 we soon begin to find Serb printing-presses in Southern Hungary, one at Ujvidék in 1841, one at Szabadka in 1847, and others in that year at Ujvidék and Szeged."²

According to the figures given by Skerlitz the work done by Serb printing-presses in Hungary was as follows: During the whole of the eighteenth century all in all 220 Serb

books were published in the Austro-Hungarian Monarchy. From 1830 to 1850 — twenty years, — on the other hand, 1440 Serb books were published in Hungary. By 1881 there were no fewer than twelve bookshops dealing in Serb books. At that time there were already two very large Serb libraries in Hungary, one in Buda and one in Ujvidék. In 1826 the "Matica Srbska", a Serb literary and scientific society. was formed at Ujvidék. In 1833 the "Serb Literary Society" was created in Temesvar. The "Danica", the first literary magazine in the Serb language, appeared in Ujvidek. Serb theatrical performances were given in Karloca in 1736, in Versec in 1794, in Ujvidek from 1802 to 1811, in Pest in 1813, in Baja and Szeged in 1815 and in Temesvar in 1823. From 1838 on there was a permanent Serb theatrical company that gave performances in various towns of Southern Hungary where Serbs lived, but chiefly in Ujvidek and Pancsova.

In conclusion it should be mentioned that the centre of the cultural life of the Serbs in the eighteenth century was *Pécs*, from which town it was transferred to Buda and thence in the latter part of the nineteenth century to Ujvidék, the "Serb Athens". It was only at the beginning of the twentieth century that it wandered to Belgrade, Ujvidék then taking a second place, which it still retains.

Naturally it is absurd to speak of the cultural or political oppression of the Serbs in a region where the whole of Serb culture was born and flourished.

3. FAVOURABLE ECONOMIC SITUATION OF SERBS.

As regards their economic situation the Serbs of Hungary had no complaints — nor could they have had, for they were free to exploit their economic resources to the full. From the Balkans they brought with them an aptitude for commerce which here in their new home they were able to take every advantage of. Not only were they the most active and capable dealers in cattle; they were also the agents between Hungary and the Balkans, for most of them spoke all the Balkan languages, Greek, Bulgarian and even Turkish. In the South of Hungary they acquired possession of much land, buying the estates of Magyars who had died without

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heirs, and in this way the Serb agricultural classes, too, very soon found themselves in excellent economic circumstances.

The Serb merchants and craftsmen settled mostly in the towns, where they grew rich rapidly. It was from their ranks that the Serb middle-class arose in which Serb culture had its roots. Their wealth gave them opportunities of acquiring culture; their sons were educated in Vienna, Budapest and Berlin, and on their return became the leaders of the Serb national movement and propagators of Serb culture. The Serb merchants and craftsmen subscribed to Serb newspapers and became members of Serb literary societies, which they generously subsidized. When the land in the frontier marches was parcelled out, the Serbs received large tracts as communal estates, thanks to which theirs were the richest villages in Hungary.

According to the Hungarian statistics compiled in 1910, though amounting to no more than 2.% of the entire population of Hungary, they were in possession of 13.3% of the holdings not exceeding 5 yokes in extent, 15.7% of those over 5 but not exceeding 10, 16.3% of those over 10 but not exceeding 20, and 11.8% of those over 20 but not exceeding 30. The percentage was even higher in the case of estates from 50 to 100 yokes in extent and it reached 5.4% in that of estates of 100 to 1000 yokes.

On the other hand the Serbs in proportion to their numbers paid only from 3 to 5 per cent. of the taxes, while the Magyars who formed 54.5% of the entire population of the country and owned 59.9% of the land, paid 61.1% of the taxes on land.

That the Serbs of Hungary were wealthy and free to make the most of their economic advantages is proved by the fact that from decade to decade an ever-increasing number of Serb banking-houses were founded. The first two Serb banks were established between 1871 and 1890. In the decade 1891 to 1900 four others sprang up, eighteen more were founded between 1900 and 1910, and six in the next five years ending in 1915. By that year thirty Serb banks had been established with an aggregate capital of 8.557.000 gold crowns.

Even these meagre data taken at random from the statistics dealing with the economic life of the Serbs of Hungary, are sufficient proof that they were wealthy and prosperous and had no cause of complaint against the Magyars.

During the 200 years of their sojourn in Hungary the immigrant Serbs were treated as brethren by the Magyars, to whom they owe everything in the spheres of politics, culture and economy.

THE STORY OF THE BOLSHEVIK REVOLUTION IN HUNGARY

BY

JOHN KOVACH

In October, 1918, after Revolutionary Councils had been formed at Prague and Zagreb, a revolution broke out in Hungary too (October 29th.). Daring dreamers, trusting President Wilson's "Points", believed that an Entente-phile Government would create a good impression among the Entente Powers. And in all States which had been defeated in the War (in Hungary too, though that country was the last in order), shady elements by revolutionary methods seized the reins of power. In Hungary Count Michael Kārolyi established a revolutionary regime based on adherence to the Wilsonian ideas. This incapable regime, however, led to utter anarchy. And in the meantime Communists — prisoners of war who had returned from Russia — began to bid defiance to the Government.

Even despite the considerable — or even decisive power exercised by the Socialists, it was no use the Revolutionary Government fighting its life-and-death struggle against communistic agitation. On January 4th., 1919, the labourers took possession of the mines at Salgotarjan; while on February 4th, the Soldiers Council demanded the suppression by armed force of the counter-revolutionary movements: on February 12th. the free union of demobilised soldiers asked Government to urgently grant them 5400 crowns a head, while on February 20th. bands of communists attacked the editorial offices of the "Nepszava" (official organ of the Social Democratic Party) and provoked a bloody riot which claimed a few victims both among the police and among the Socialist workers. The following day the Government resorted to energetic measures against Bela Kun and his accomplices; but, in order to avoid being suspected of conservative leanings, it also laid its hands on

the so-called "counter-revolutionary" elements, some of the latter — a few leading adherents of the ancien régime — being interned. The measures put ino force against Béla Kun, however, alarmed the Government itself most of all. The Right wing of the Socialist Party was accused of stirring up an internecine feud and of Noskeism by the Extreme Radical Wing of the same Party - men who continually coquetted with the Communists and professed agreement in principle with the Independent Socialists of Germany. (It was Noske, German Socialist Minister, who overthrew the Spartacus movement in Berlin.) Early in March, as a result of the personal intervention of Michael Karolyi, the Communists who had been arrested were declared to be political prisoners and were allowed to agitate and incite to insurrection unhindered from their quarters in the concentration barracks, as also to keep permanently in touch with their followers. On March 14th., 1919, the majority of Members of the most powerful Trade Union, that of the Iron and Metal Workers, took sides with the Communists. And the official organ of the Social Democratic Party wrote that - unless the general elections fixed to be held early in April gave the Socialists a majority, the Party would refuse to respect the will of the people and was ready even by force to assert its principles. This open proclamation of terror was merely the logical consequence of the excesses committed by the Party either in an official way or in the form of irresponsible actions which refused to respect even the limitations postulated by the revolutionary comradeshipin-arms.

The bourgeois elements — those elements which were sober minded and national in feeling — were hustled in the direction of counter-revolution. The banner of revolution was deserted also by that part of the bourgeoisie which had at the outset followed that banner either in good faith or from fear. The Revolution lost even more ground when the proletariat massed in the Trade Unions and the poor agrarian elements turned their backs in daily increasing numbers upon the "Michaelmas Daisy" (the nickname of the Michael Károlyi Revolution) which had been trampled in the mire.

On March 18th., 1919, William Bohm, Minister for War,

- a men who had formerly been a typewriter agent -, submitted to a Cabinet Council a Bill dealing with the problem of socialisation. On March 19th. Lieut.—Colonel Vyx, head of the French Military Mission, handed the Government a Note in which by order of the Paris Supreme Council he fixed a new line of demarcation. This line thrust the Czech frontier forward as far as the mouth of the Ipoly, cutting off the whole area of Upper Hungary as far as Máramaros. while on the East that frontier ran from Vasarosnameny to the east of Debrecen as far as the Maros. On March 20th., under the effect produced by the Note, the Revolutionary Government decided to hand in its resignation and resolved to surrender its office to a purely Socialist Government. Kunfi and his followers having previously already agreed with the Communists on a common programme, in the afternoon of March 21st. the Soldiers' Council - and during the night of the same day the Workers' Council - decided to make Karolyi resign his office as President of the Republic and, uniting with the proletariat in order to ensure the order of production, to proclaim a Soviet Republic, which should endeavour to establish connections with the Russian Soviet to replace those with the Western democracies. The rumour was spread that the advance guards of the Russian Red Army had already reached the Carpathians; it was announced, further, that the Hungarian proletariat was to join hands with the Russian Army in opening a new war against capitalistic imperialism for the liberation of the workers of Hungary. The change of regime — like that of October 31st., 1918 - was on this occasion too effected in the form of a "bloodless revolution".

The Karolyi regime lost its political power — which for a few months was in its possession only nominally and on paper — to the accompaniment of almost the same phenomena as accompanied its assumption of office. And the chief hero of the Revolution — Karolyi, the "Hungarian Kerenski" — passed out of sight quietly, almost unobserved falling from the high position in which he had been placed by a disappointed and desperate society in a state of mind bordering upon irresponsibility. Ruins marked his coming and ruins were left in the path of his departure.

During the night of March 21st., 1919, the Communists liberated from the concentration barracks formed a Government of People's Commissaries with Alexander Garbai at its head, though in reality it was under the direction of Bela Kun, the People's Commissary for Foreign Affairs. On March 22nd. a telegram addressed to "every one" announced that Hungary had been converted into a Soviet Republic. The new dictators at once confiscated the liberty of the Press, dissolved the State police, had all shops closed, requisitioned all mansions, placed all savings deposits, safes and current accounts under an embargo, organised revolutionary tribunals, "socialized" factories, mining undertakings and latifundia, established a "Red Guard" and a Red Army and ordained universal labour conscription. There can be no doubt that the proclamation of a dictatorship of the proletariat in Hungary exercised a powerful effect upon the Entente Powers: for those Powers feared that the new Bolshevik centre might set on fire the whole area of Central Europe then in utter chaos, — that the Spartacus movement, which had not yet been suppressed, the Austrian Socialist Republic, a weak-kneed system, and the Munich Soviet, then a few days old, might unite their Red flames and cause a gigantic conflagration in which all the technical and spiritual culture created by the peoples of Central Europe would be reduced to ashes. The South African General Smuts arrived in Budapest on April 4th. as representative of the "Big Five" and presented to the revolutionary governing council a Note in which he fixed a new line of demarcation and offered to raise the blockade. Béla Kun refused the proposal; and Smuts left Hungary. Apart from the Socialist Government of the German-Austrian Republic not a single State acknowledged the Soviet of Hungary - not even as a de facto Government. In the meantime the Rumanians took advantage of the anarchy prevailing here and advanced as far as the river Tisza.

The inner incoherence of the new regime was shown by the mutiny of the first international regiment, which drove Joseph Pogany from office as People's Commissary for War and by the aid of a veritable military revolution removed the organiser of the Soldiers' Councils. The majority of the 31 People's Commissaries sitting on the re-constructed Governing Council were Jews; and the same formidable preponderance of that race was in evidence also in the town and county directories, in the production commissions and in other Soviet offices too. On April 24th. a revolutionary tribunal condemned to death Dezso Nikolenyi, an officer serving with the frontier police, and William Henczel, advocate, the charge against them being that they had stirred up a "counter-revolutionary movement". A beginning was made with the collection of hostages. The criminals were set free from the prisons and their places given to those eminent members of Hungarian public life. A certain "comrade" of the name of Surek moved that by way of intimidating the counter-revolutionaries the bourgeoisie should be massaered. The loss of ground suffered by the Red dictatorship was accompanied by an enhancement of the severity and the horror of the Terror, which was given a free hand, not only against the bourgeois and national elements of the Hungarian people, but also against those former Social Democrats who refused to submit to the new regime. The public worship and educational policy of the new regime (e. g. sexual enlightenment of children of ten), - the Bolshevik system of education based upon the learning by heart of the Marxian teachings poisoned the soul of the younger generation and shattered the tranquillity of family life.

The greatest danger the Soviet regime had to face was the sabotage and passive resistance of the countryside, the villages refusing to adopt the idea of the socialisation of landed property and to accept "white money" (forged notes), while they condemned the towns to a starvation blockade. Against this passive resistance force proved quite unavailing. On the contrary, — the dismembered country was aglow from the smouldering fires of isolated, unorganised, bitterly counter-revolutionary movements; and wherever these fires were trampled out or extinguished by the aid of horrible massacre, they burst into flame elsewhere more violently than before (in the region between the Danube and the Tisza at Szolnok. Kalocsa, Dunapataj, in Trans-Danubia at Köpháza, Csorna, Kapuvár, Devecser, etc.). Neither the Vienna Counter-

revolutionary Committee (formed on April 17th.) nor the Szeged Counter-Government formed on May 5th. at Arad under the presidency of Count Gyula Karolyi was able owing to a lack of arms, money and direct connections - to in any way influence these bloody and tragical movements. The Rumanians did not continue their military operations, coming to a standstill at Szolnok, on the banks of the Tisza, where they dug trenches. This lull was utilised by the Communistic organisation working with a zeal worthy of a better cause to put their disorderly troops into better shape and to restrict the jurisdiction of the "Convent Commissaries". As a consequence of the disappointment suffered the first organised counter-revolutionary action in the Capital of the country was launched sooner than had been expected. (On June 24th. there was a "putsch" on the river monitors, while the cadets of the Ludovika Military Academy seized the telephone exchange in Maria Tereziatér.) That the premature armed movement, which was the glory and the tragedy of Captain Eugene Lemberkovics, was not followed by so bloody a retaliation as had been threatened by the Reds, was due to that having been prevented by an ultimatum addressed to Bela Kun by the Italian Colonel Guido Romanelli, the officer in charge of the Italian Military Mission in Budapest.

On June 12th. — the first day of the party meeting of the Socialist-Communist Party - there was a heated discussion between the leaders of the older Trade Unions and the Communistic dictators respecting the methods to ensure the maintenance of the Soviet rule. Those who desired to continue to operate with the means of physical terror, referred to the encouragement given by Lenin, who in a message addressed to the Hungarian Soviet made it the elementary duty of the Soviet Government not to display any weakness or take half-measures in dealing with the bourgeoisie, which, though lying low, was in secret preparing to show its teeth. The considerations which prevailed upon the moderate elements to oppose these perverse and frantic plans, were not merely humanitarian; they were convinced that the rule of the proletariat, isolated as it was in Hungary, would never be able to get a firm footing in Central Europe. And they had long abandoned the idea that a world revoluion was likely to help the Soviet of Hungary to get out of the mess in which it found itself. Bela Kun for a time vacillated between the two extremes: for the Entente and the Hungarian counter-revolutionary committee were not prepared to allow him a loophole of escape unless he desisted from bloodshed. The repeated counter-revolutionary demonstrations, the railway strikes, the depression of the workers belonging to the Trade Unions, the fact that the Vienna Counter-revolutionary Committee succeeded in getting hold of the party funds hidden in the Hungarian House in that city (the 140 millions with which the Communists had intended to stagemanage a revolution in Vienna), the resistance and aversion of the countryside, - all these moments excited Kun's indignation and stirred him to fury; and at the meeting of the Central Executive Committee of the Councils held on June 25th. his vote turned the scale in favour of the proposal to assert with the utmost ruthlessness the dictatorship of the proletariat. The Revolutionary Governing Council was compelled to declare a state of siege in Budapest and environs. At the general assembly of Councils Alexander Garbai made a long speech in which he announced that the workers of Hungary were to receive a new Constitution from the proletariat which had awakened to a consciousness of itself and its power and that the old Constitution was to be relegated to the upper shelves.

When, in answer to Clémenceau's telegram, Béla Kun ordered the occupied regions of Upper Hungary to be evacuated, in his address to the general public he referred to the promise made by the French Premier and the Big Five which encouraged him to believe that the Rumanians by order of Clémenceau would surrender the Trans-Tisza region to the Hungarian Soviet. It was in vain that the People's Commissary for Foreign Affairs urged that the promise should be fulfilled. On July 21st. he sent a Note to Clémenceau in which he announced that he would resort to armed force and would by force compel the Rumanians to withdraw. The Red Army was again re-organised for the great offensive. General military conscription was introduced, the officers of the former Hungarian Army were compelled

to report for service; and the army was raised to a higher level, particularly in technical respects. The new Chief of Staff, Colonel Francis Julier — so it would appear — never for a single moment deluded himself into the hope that he could succeed in time in converting the rabble of which the Red Army consisted into a strong and disciplined national army. The fact can be established indisputably that Julier deliberately led the Red troops into the catastrophe that overtook them, in order to crumble to pieces the last pillar of support of the dictatorship of the proletariat. On July 20h. the Red Army crossed the Tisza at several points; but after some initial successes it was defeated all along the line. On July 25th, the process of general dissolution began; at its meeting held on July 31st. the Workers' and Soldiers' Council (a body consisting of 500 Members) resigned en bloc, following the lead given by Bela Kun, and transferred the executive power to a Government formed of Social-Democrat Trade Union leaders which, in order to facilitate the work of transfer and to prevent disorders and the shedding of blood, accepted the condition formulated by Bela Kun and his associates that it would ensure them the right of sanctuary within the territory of the Austrian Republic.

This general anarchy was utilised by the Rumanians to occupy a part of defenceless Hungary; but the work of national re-generation was begun by the Szeged Counter-revolutionary Government and its army under the command of Nicholas Horthy. The country was re-conquered, and the age of national renaissance began.

WHAT THE HUNGARIAN GOVERNMENT IS DOING IN THE REINCORPORATED DISTRICTS OF SOUTHERN HUNGARY

BY

GÉZA RUBLETZKY

Carcely had the re-incorporated districts of Southern Hungary returned to the mother country, — scarcely had the wounds healed which the senseless war of unorganised resistance had inflicted upon this ancient Hungarian territory -, when the Hungarian Government began the work of making the inhabitants of this region forget all the bad memories of twenty years of foreign occupation and of curing the wounds resulting from the few days' hostilities. For twenty years this land - perhaps the richest soil in Europe - was a neglected colony. For twenty years the Yugoslavs insisted upon regarding this land as nothing but a colony yielding grain which was to provide the aggrandised country with food; but they did not bother their heads very much about the life of the people living in this region - about its way of thinking, its development or its manner of worshipping its God. During the last twenty years the world has heard nothing but complaints from this rich region. The Magyar schools were closed, the Magyar priests degraded to the level of Balkanism. Strangers visiting the districts of Southern Hungary which had just been liberated, saw neglected towns and dirty streets and (only a short time has passed since the re-incorporation) may catch sight of the masses of unemployed whom even this wealthy land was unable to provide for owing to the bad organisation and the policy of oppression with the help of which the Serbians desired to keep in the position of subordinate colonists many hundreds of thousands inhabiting this region.

Hardly had the Hungarian National Defence soldiers crossed the old frontier - the bullets of the Tchetniks were still whistling above their heads -, when the work of organisation was begun for the purpose of raising the standard of life of the people of this region and of bringing back the wellbeing which had been the lot of the inhabitants for a thousand years. The first thing to be done was to organise public administration and the postal service and to restore the public order which had been subverted when the Serbian army was mobilised. The Government also adjusted the most important problem of economic life — the question of means of payment. In the weeks immediately following the re-incorporation the National Bank of Hungary paid out some 200,000,000 pengo in exchange for dinar notes which had become practically worthless. The banks of the southern districts were connected up with the economic life of the mother country; the bad or neglected roads were repaired, as were also the means of communication: for one of the most important factors of a country's prosperity - and this is particularly true of this expressly agrarian region is a healthy credit system and good roads. Now the building of roads and bridges is being effected at a very rapid rate; and there is every hope that in a very short time communications will rise to the level of the mother country.

For twenty years the re-incorporated districts of Southern Hungary were the granary of the unproductive parts of the Yugoslav Kingdom. Now, as a result of the war, this region has lost those markets, it having therefore become necessary to organize the marketing of its produce in the mother country. Today fruit and vegetables from the "Bacska" district may be seen in the markets of all towns in the mother country; and every day innumerable wagon-loads of agrarian produce leave the southern region to find purchasers in the re-discovered natural markets.

The spring of this year wrought great havoc everywhere in the valley of the Danube; and many thousand yokes of land were devastated by inundations and by subsoil water. In their anxiety to safeguard their territories in Old Serbia the Serbians failed to drain off the subsoil water dangerously making headway in the "Bácska" district. The Hungarian

Government made it its first business to cut a channel fifty kilometres long to carry away the subsoil water, the result being that several thousand yokes of land were saved from the devastation of the water. But, apart from draining off the subsoil water for the purpose of removing the obstacles in the way of production, the Government also - in order to ensure the work of cultivation - settled agricultural labourers to replace the dobrovolyatz inhabitants who had never taken root in this region and had fled. The definitive adjustment of the land question is now in progress. The small estates which for lack of the necessary capital are unable to carry on intensive agriculture are being provided with credit by the Government through the medium of the re-organised banks operating there. To the small peasants who were excluded from the benefits of the Yugoslav land reform the Government desires to allot 150,000 yokes. This distribution of land has already begun. In addition the persons repatriated from Old Serbia are to receive 53,000 yokes.

Notwithstanding its great richness the land of the "Bácska" is unable to provide for the surplus number of agrarian labourers, so that the superfluous hands can only earn a living in industrial establishments. The Serbians transferred the industrial establishments of Southern Hungary to Old Serbia, the object in view being to compel the inhabitants of the former region to emigrate and thereby hasten the serbisation of this ancient Hungarian territory, where the great majority of the inhabitants are still Magyars. The Hungarian Government is greatly concerned to re-create these industrial establishments, partly in order to give the superfluous hands a means of earning their living, partly to enable the region so rich in agrarian products to itself provide for the industrial manufacture of those products.

In the field of social and workers protection the workers insurance measures and the social insurance system neglected by the Serbians have been readjusted. Wages have been adjusted and prices fixed. The Government has endeavoured to create opportunities of labour, not only for the persons living there, but also for the some 500 Magyar families repatriated from Belgrade. This action for the placing of labour has been so successful that today it may be said that

there are no unemployed in the re-incorporated districts of Southern Hungary. In the field of social policy great importance attaches also to the measures taken by Government for the relief of the poor and disabled, as also to the numerous actions for providing summer holidays. Today there is hardly any poor child in Southern Hungary in need of such holidays who has not felt the blessings of this action.

The European war is causing serious difficulties in all countries alike in respect of the supply of raw materials. In Southern Hungary too as in the mother country, provision had to be made for the fair distribution of imported raw materials in order to prevent any one suffering from a shortage. The supply of fuel has been organised in a manner enabling every person and every undertaking in Southern Hungary to obtain the fuel required. The Government is providing also for the procural of the raw materials (blue vitriol, artificial fertilisers, etc.) indispensable to agrarian cultivation.

The Government has its work cut out to provide for the repair and improvement of the towns in Southern Hungary neglected during the days of Serbian rule. In the districts of Southern Hungary now re-incorporated no care was bestowed on any of the Magyar towns with the single exception of Ujvidék. The town of Szabadka, for instance, — a town with 100,000 inhabitants — was thrust so completely into the background during the days of Serbian occupation that it looks for all the world like a neglected village. The Hungarian Government has already begun the work of repair and improvement of the towns, not only at Szabadka, but also at Zenta and Zombor. The streets are being paved and the towns provided with drainage, actions being also organised for the building of modern houses.

In the economic field the Hungarian Government has begun the work of re-organising the life of Southern Hungary with such intensity — being supported in this work very effectively by the inhabitants themselves —, that the old wellbeing of the "Bacska" district so familiar to us from the happy days prior to the first Great War will very shortly return.

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In the field of cultural policy the social organisations re-opened their activity immediately after the reincorporation. The re-activation of the ex-servicemen's union and of the Baross Association are signs of the revival of the organisation of social life in the re-incorporated districts of Southern Hungary. Hungarian theatres are opening and very successfully spreading Magyar culture again. Theatrical companies from the mother country are touring the provinces, where the inhabitants welcome them with the most cordial affection. Writers, artists and musicians from the mother country are appearing before Southern Hungary audiences to show what the dismembered mother country has been able to create during the past twenty years.

School matters are also being adjusted, and from September on (the beginning of the new school-year) reorganised schools will welcome pupils in order to once more raise the culture of the re-incorporated districts of Southern Hungary to the level on which it stood prior to the days of Serbian occupation. The Hungarian Government is hastening with all the means at its disposal to the assistance of the re-incorporated districts of Southern Hungary, that life in that region may once more flourish and that region become the flower-garden, not of Hungary only, but of the whole Continent of Europe.

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THE HUNGARIAN NATIONAL DEFENCE ARMY PROTECTS
THE WEST

As already reported in our Review, the Soviet Union has provoked Hungary to war. The Hungarian National Defence Army, after having triumphantly repudiated the Russian provocation, is now advancing victoriously, having marched down the slopes of the Carpathians, in the Galician plain in which it has so often - as, for instance, during the first Great War - shed its heroic blood and won victories bringing blessings to all. The Hungarian National Defence Army has at all times performed a gigantic mission as the sentinel of the Carpathians. The Carpathian frontier has always been the most suitable point at which to make an inroad into Europe; for those who succeed in penetrating through its defences are able in a short time to reach the Alps and the Adriatic and, thereby cutting Europe in half and breaking through the heart of that Continent, are able with ease to make their way into its centre. That was why for centuries past every army desirous of forcing its way from the East to Western Europe has regarded this route an ideal one over which to sweep into Europe.

But only once in history has an Eastern people been able to penetrate through this gateway and gain a permanent foothold in the heart of Europe, — the Magyars when they entered through the Pass of Verecke in the days of Duke Arpád. Since then other peoples — Tartars and Russians — have only succeeded in making temporaty headway, not one of them having gained a lasting foothold there; neither of these peoples was able to seriously menace West European civilisation, for the Magyars have always defended this gateway of Europe with their blood, their dauntless courage and perseverance: and while performing this mission their ranks were often enormously thinned in the fire of their heroic struggle.

The military virtues of the Hungarian soldier have at all times been acknowledged even by his enemies; and prior to the Great War all unbiassed and cultured West European nations admitted also that he had been the first to take the field against bolshevism. By overthrowing the short-lived Hungarian Soviet Republic the Hungarians defeated the plan of Moscow to utilise Hungary as a channel through which to penetrate into the life of the peoples of Western Europe. The birth of the Hungarian

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National Army was also the fruit of the struggle against that plan. Today too, by his well-tried heroism, the Hungarian soldier is driving back farther and farher from the Hungarian frontier the danger threatening Europe, thereby again doing courageous and important work in defence of the whole Continent of Europe.

The foreign Press is writing with cordial appreciation of the victories won by the Hungarian Army; the "Popolo d'Italia", for instance, in its July 8th. issue established the fact that the Hungarian Army was proving worthy of its heroic past and was achieving important military successes with magnificent elan, strategic efficiency and magnanimous self-sacrifice.

WHAT LED UP TO THE HUNGARIAN-SOVIET WAR, AS SHOWN IN OFFICIAL REPORTS AND STATEMENTS

In one of our articles we have shown how the Soviet provoked Hungary to declare war. The events leading up to this historical issue are revealed in the official Hungarian report and statements.

On June 23rd., 1941, the Hungarian Telegraph Bureau announced that "the Royal Hungarian Government, in view of the state of war existing as between the German Empire and Soviet Russia, has decided to suspend the diplomatic relations so far existing between Hungary and the Soviet Union."

"The suspension of diplomatic relations between Hungary and the Soviet Union was a natural and inevitable consequence of the German declaration of war. A state of war having ensued between the Soviet and the Axis Powers as from June 22nd., the Hungarian Government has taken the natural and inevitable step of breaking off diplomatic relations with the Soviet Union".

On June 26th., 1941, the Hungarian Telegraph Bureau announced that "at 12 noon on June 26th. the fast train from Körösmező to Budapest was machine-gunned by Soviet planes between Tiszahorka and Rahő. The casualties resulting from the attack are 1 dead and 3 wounded. At 1 p. m. the Soviet Air Force raided Kassa. A few buildings were hit, the casualties being 5 dead and several wounded. At 5 30 p. m. Soviet flyers again raided Kassa, but were driven off by the anti-aircraft defences before they were able to drop any bombs. On June 26th., at 4 15 p. m., there was an air-raid alarm in Budapest. Two Soviet planes approached the Capital, but were forced by the anti-aircraft defences to turn back...

"Hungarian public opinion protested with indignant horror against these unwarranted attacks, which cost the blood and the lives of innocent persons. In her capacity as Signatory to the Three-Power Convention, Hungary naturally suspended diplomatic relations with Russia after the outbreak of the war between

Germany and the Soviet, though she did not thereby enter into a state of war with the Soviet Union. That makes all the more heinous the treacherous act of destruction which encroached upon Hungarian territory, did damage to Hungarian towns and shed the blood of Hungarian citizens. This act is typical of the methods employed by the Soviet Union. For quite recently the Soviet authorities vowed that they did not entertain any hostile feelings towards Hungary, having in proof thereof returned the flags taken from Hungary during the War of Independence.

"Hungarian public opinion protests with profound horror and indignation against all insidious attacks of this kind involving the loss of Hungarian lives and the destruction of Hungarian property. Until quite recently Hungary was an oasis of peace in Central Europe, the home of productive labour actuated by an honest, straighforward policy. She feels the utmost contempt and disgust for such methods, which have gone so far in their presumption as to make their appearance already this side of

the Carpathians too."

On June 27th. the Hungarian Telegraph Bureau reported that "as a consequence of the repeated attacks on Hungarian territory carried out by the Soviet Air Force in defiance of international law Hungary considers a state of war as having ensued between Hungary and the Soviet Union."

On the same day the Deputy Speaker, M. Eugene Szinyei-Merse, made the following announcement in the Chamber of

Deputies: -

"Throughout the whole country a great shock and profound indignation was caused by the attack carried out in defiance of international law by the Soviet Air Force against certain territories of Hungary. I feel sure I am expressing the feelings of every Member of the House when in my capacity as Deputy Speaker I brand the infamy of the attack and at the same time express our deep sympathy for the innocent victims and the members of their families."

The announcement was received with lively approval by the House.

In an atmosphere of extreme tension the Prime Minister, M. Ladislas de Bardossy, then rose and made the following statement: —

"I should like to make a brief announcement. The Deputy Speaker of the House has already fittingly branded the infamy of the attack carried out by the Soviet in defiance of international law. The Royal Hungarian Government establishes the fact that as a consequence of this attack a state of war has ensued between Hungary and the Soviet Union."

The whole House received this announcement with unanimous approval and loud applause. The Prime Minister

then continued as follows: -

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"Just one sentence more. The Hungarian Army will take the necessary steps."

Again loud cheers and applause greeted the words spoken

by the Premier.

On June 27th. the Hungarian Telegraph Bureau reported that a the Hungarian Air Force — by way of reprisal for the repeated attacks carried out yesterday by the Soviet against Hungarian territory — during the early hours of today carried out a very effective air raid against military objectives in Soviet Russian territory.

"Our planes returned after successfully accomplishing their

task".

On June 27th. the Chief of the Hungarian National Defence General Staff reported that "by way of reprisal for the Russian attacks made on June 26th. a large number of Hungarian planes were put into action by the Hungarian Air Force, these planes having this morning successfully bombed Soviet Russian military objectives. Havoc was wrought and fires caused.

"At many points on the frontier — e. g. opposite Voloc and Torony — the Soviet Russians opened fire. We returned the fire.

"Soviet planes today once more entered Hungary, but did not carry out any bombing operations, as they were driven off

by our anti-aircraft artillery".

On June 28th. the Chief of the Hungarian National Defence General Staff reported that "according to reports received subsequently, on June 27th. the Soviet flyers bombed also Nagybanya and Talaborfalva. The bombs did no damage. During today too there was firing between our troops and those of the Soviet at several points on the frontier. Our troops have crossed the frontier in several places in pursuit of the enemy."

These were the events that led up to the Hungarian-Russian

war provoked by the Russians.

At the session held on July 3rd. the President of the Upper House, Count Bartholomew Szechenyi, made the following statement (which was received with vociferous approval by the

House): -

"The Soviet having carried out unwarrantable air raids against Hungarian territory which caused a serious loss of Hungarian life and grave damage to Hungarian property, as a consequence our country is now at war with the Soviet Uunion, and hostilities have begun.

"In these historical hours the Hungarian National Defence Army is advancing eastwards across the Carpathians to fulfil its duty — hand in hand with the mighty, magnificent German Army — in defence of the peace and culture of Europe and to ensure the safety of our native land. May the Almighty

abundantly bless the work of our heroic soldiers, giving them power to successfully achieve the great ends they have in niew!!"

THE REGENT OF HUNGARY'S APPEAL

On June 30th., at Kenderes, on the occasion of the unveiling of the Unknown Warrior monument, the Regent of Hungary addressed an appeal to the Hungarian nation. His words to his nation were those of a kind and wise father to his family. But the words of this majestic appeal contain passages also of international import. The text of the Appeal runs literally as follows: —

"We had to wait long before being able to erect this monument; for in order not to burden any one in these days of trial we desired to raise the sum required out of our own resources. At the same time, however, it was our wish that here, beside the highroad of the world, a monument should be erected in memory of our beloved heroes fallen in battle.

"Statues commemorating heroes are the inexhaustible sources of the most sacred feelings. They must serve as the fountain of encouragement to every generation for the work to be done on behalf of the country. This monument shall proclaim that our race is fully entitled to boast that today also one of its finest qualities is a martial spirit. We must keep that spirit alive, particularly among the younger generations, for its glorious military past has at all times given our nation strength also to

unselfishly fulfil its duty.

"After the arduous struggles of the past the stimulating light of the future is once more shining brightly. The place of the Hungary condemned to death by Trianon has now been taken by a strong, healthy, aspiring Hungary. In this country the path to prosperity and wealth, to the attainment of the most distinguished positions, now lies open to every one alike. But for the acquisition of wealth we need above all industry and economy; and then — whether in the field of agriculture or in that of commerce — practical and theoretical efficiency is needed too. For the attainment of important public offices responsible for the direction of the country's affairs there are many indispensable requirements. Yet the deciding factor in judging of anyone's qualification is not self-appraisement, but the judgment of public opinion and of the persons whose business it is to make the choice.

"Let us read the lessons of history and of our own days. There have been envied, mighty States which have come to the brink of ruin because the object kept in view by their leaders bent on self-assertion was not work, discipline and unity, but to demand higher wages and less work. To the south of

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our country an insignificant, ill-starred little man has become his country's grave-digger. In Hungary the standard of life is today still comparatvely low; but that can and must be remedied, though only by the greatest possible degree of work and industry and economy. There will be opportunities of work in abundance. We must however be able to exploit these opportunities in order to acquire surpluses to be invested profitably. Today there is still considerable inequality between the respective wages of industrial and agricultural labourers. This is to some extent comprehensible, in that the industrial workers are by the nature of their employment bound to the towns, where the cost of living is higher and where practically every move costs money. As in the case of the wages of labourers engaged in the manufacturing industry, the wages of navvies can also be raised only to a level at which the wages paid for labour does not exceed the value of the manufacture or product resulting from that labour. If the cultivation of a yoke of land costs more than that yoke yields or is able to produce, how would it be possible to employ labour at all?

"Public life in Hungary is untainted. We know of a country in which reports were published showing how many millions each several minister was unable to account for. It is from a love of an untainted, immaculate life too that the honesty of our race springs, — that honesty which is just as much a quality of the agriculturist as it is of the State employees of highest rank. In my conviction the Hungarian people may vie

in every respect with any other people in the world.

"With all its good qualities, however, that people has one bad quality too, — an inability to hate its enemies as it does — even for the most trivial reason — its own kin. This must be changed; for, though in better days we were able to allow ourselves the luxury of unthinking hatred, that is out of the question in these days of hardship. All our religions preach charity; let us follow their teaching.

"Let no one venture to endanger our internal peace!! Let there be an end of discord and enmity; and let that discord and enmity be replaced by unity and brotherly love!! Let us continue to train our youth in a spirit of Christian patriotism and thus educate that youth to realise without delay its national duty!"

HUNGARY'S POSITION IN CENTRAL EUROPE

The French "Journal" has published an article about Premier Bardossy and Hungary's position and prospects in the new Central European order. This French paper begins by laying stress on the universal respect with which the person of the Regent is regarded in Hungary. Then it goes on to write about Premier Bardossy's origin, studies and diplomatic career.

When one of the posts of Councillor of Legation fell vacant in London, — it says, — M. Bardossy was appointed to fill it. Soon he was appointed Hungarian Minister to Bucharest, where he remained in that capacity for six years.

The "Journal" next writes of the problems presented by the reorganization of Europe.

Since the dissolution of Yugoslavia — it says — Hungary is the keystone of Central European reorganization. Premier Bardossy continues to work for the realization of what has been the dream of every Hungarian since 1918: a road to the Adriatic.

Is there any prospect of that dream being realized — asks the French newspaper?

The article concludes with the following sympathetic sentences:

"Because of the mutilations she suffered it was customary in the years between the two Great Wars to call Hungary the "great cripple of Europe". Universal sympathy, including the sympathy of France, has never been withheld from her. Today Hungary is enjoying the fruits of her dignified behaviour, of which pride and understanding were the component elements."

HUNGARIAN PREMIER'S ARTICLE ON HISTORICAL MISSION

In its July 14th. issue the "Europäische Rundschau" publishes an article by Premier Ladislas Bardossy entitled "The Historical Mission of Hungary". Below we give a summary of the article: —

The Prime Minister in the first place explains that the Hungarian State has ever since its foundation been fulfilling the same mission in Central Europe — that of defending and ensuring order in the Basin of the Carpathians. In the Middle Ages Hungary fulfilled this mission of hers by holding back the hostile currents coming from the East, while spreading the influence of the West in a south-easterly direction. With the advance made by the Osmanli Power the importance of Hungary's mission became enhanced. Although the united front shown by Europe eventually put an end to Turkish rule, the restoration of Hungary's territorial integrity was accompanied by political and cultural tensions. The ruling dynasty - the House of Habsburg - failed to display adequate understanding towards Hungary's historical rights; and that led to an antagonism between the people and the dynasty which even the Compromise of 1867 failed to entirely eliminate.

As a consequence of the Turkish war the ethnic character

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of whole regions changed. The Rumanian immigration into Transylvania, which had continued since the thirteenth century, assumed such dimensions that in certain areas the Rumanians became the preponderant element. The Slav element also increased in the South. Nevertheless, the mixed nationality character of these areas did not become a political problem until the several groups were separated according to language. At that time, however, the linguistic differences did not yet give rise to any friction. It was only the nationality wave of the nineteenth century that threw into prominence the language question as a political factor of separation of great importance. The ethnic rights of the non-Magyar nationalities have always been able to assert themselves in Hungary. With Magyar help and the backing of Magyar influence the Serbians and Rumanians of Hungary developed a literature and a system of education far surpassing the half-civilised conditions of life of their racial kin living beyond the frontiers. It was in Hungary that the first Rumanian and Serbian books were published. And yet the endeavours of the non-Magyar nationalities of Hungary were concentrated upon destroying the unity of the Hungarian State.

It is indubitable that in the course of this struggle many mistakes were made; but the action of the Vienna Court in at all times supporting the efforts of the non-Magyar nationalities to undermine the unity of the Hungarian State, was fatal, as was the appeal to the military power of Russia against the Hungarians in their struggle for independence in 1848—49.

In the New Europe the Hungarian State is once more in a position to fulfil its historical mission of ensuring the peace and security of the Basin of the Carpathians. In her consciousness of this mission Hungary is pursuing a policy the elements of which are a sense of duty and a sense of responsibility. She has no individual aims of her own; her every endeavour being to continue unchaged to ensure the true and natural conditions of existence in the Basin of the Carpathians.

HUNGARIAN MINISTRY FOR AGRICULTURE'S ESTIMATE OF HARVEST YIELD

According to an official report issued by the Hungarian Ministry for Agriculture the warm, dry weather has for the most part exercised a beneficial effect upon the development of the grain of the cereal plants and upon the further development of the plants requiring to be hoed and of the fodder plants.

The rape has sprouted fairly satisfactorily, is fairly well developed, though in many districts it is thin. At present what may be expected is a fair average crop.

With the execption of the northern and north-eastern

counties the wheat promises to be fairly abundant. The early crops are generally speaking sufficiently dense, the stems being fairly high. The denser crops have in places been lodged by thunderstorms. In many districts the late crops are thin, considerably hampered by tares and backward in development. As things stand at present the yield will be almost a fair average one.

The ears of the rye are fairly long; but in many places there are gaps. The stems are generally speaking high; but in many districts the crop has remained thin. As things stand at

present we may expect a fair average crop.

The ears of the autumn barley are fine and long, the grains fairly full, while the quality is also good. As things stand at

present a fair average crop is to be expected.

The favourable weather conditions have furthered the development of the spring barley. In general it is fairly dense and long. The ears are for the most part fairly large and full. In places the late crops are thin, low and topheavy. As things stand at present, we may expect a good average yield.

Recent weather conditions have had a favourable effect upon the development of the oats. The early crops are on the whole fairly good, whereas the late crops are in several districts low, thin and topheavy. As things stand at present a fair ave-

rage yield is to be expected.

In several places the maize has sprouted badly, this having been partly made good. The early crops have improved considerably, but they are still backward in development. The late crops have sprouted fairly well but need more heat for their

development.

The yield of the early species of potatoes has already been marketed. Except in the northern and eastern counties the late species show a fine development, growing thick and their colour being a fresh green; the stems have developed vigorously, and the development of the tubers is satisfactory too. As things stand at present, we may expect a good average yield.

The early crops of sugar beet in general show a very fine and healthy development. The leafage is luxuriant and of a fresh green colour, completely covering the earth. The late crops are also developing very well. As things stand at present,

a good average crop is to be expected.

The original hay-yield of the meadows was a good one. The aftermath shows a vigorous growth. The growth of the grass in the pasture-lands is satisfactory. The animals going there to graze are sufficiently nourished thereby.

The musk and water melons show a good development. But

they need greater heat for their further development.

Of the fruit trees the apricot trees only promise to yield good average crops in a few places, while in many places we

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can only expect a poor yield. The crops of cherries and Mahaleb cherries are in part good average, but in other places the yield is only poor or average. We may expect average yields of apples pears and walnuts.

The development of the vines is satisfactory. Everywhere there are sporadic cases of peronospora; but the spread

of the disease has been checked by the cool weather.

RENAISSANCE OF INTELLECTUAL LIFE IN TRANSYLVANIA

The intellectual world of Transylvania has always been proud of two things — of its university and its theatre. After 22 years in exile the Francis Joseph University of Sciences returned last autumn already to its native city in order to devote its rich experience and its traditional efficiency to the service of the cultural life of Transylvania. And now the ancient National Theatre — the first permanent theatre to be established in Hungary — has also returned to its splendid home in Kolozsvár to give expression to the unbounded delight of the Hungarian Thalia of Transylvania.

In the forenoon of July 2nd., 1941, after a depressing silence of 22 years, the Hungarian National Anthem was heard once more in the stately building in Hunyadi-ter, being sung by a group of 350 persons with tear-stained eyes, the actors and actresses and the technical personnel of the theatre which that day took again into its possession its ancient inheritance. On the stage decorated with black drapery a mighty Hungarian coat-of-arms stood out conspicuous, with red—white—and—green flags round it, its fresh, happy colours as it were symbolising the happiness of the Hungarian theatrical world of Transylvania and the triumph won at last by the Hungarian speech of Transylvania over the sad years od mourning and injustice.

Every one was deeply moved when Dr. Aladar Haas, deputy under-secretary in the Ministry of Education, appeared on the stage accompanied by Baron John Kemeny, honorary chief director, Francis Táray, director, the stage managers, dramaturges and secretaries. This historical celebration of the National Theatre of Kolozsvár was attended also by M. Edmund Inczedy-Johsman, lord lieutenant and Dr. Tibor Keledy, mayor of Kolozsvár. After the national anthem had been sung Dr. Aladar Haas rose and made a speech, containing inter alia the following passages:

"We all of us know the significance of the Hungarian theatre in the life of the nation. The Hungarian actors who in days of oppression — in the days when the Hungarian Genius was persecuted and suppressed and cast into chains — were

at one and the same time artists and labourers and national defence soldiers, rendered invaluable service to the nation. Despite having to face indifference and want, — indeed often in the face of persecutions — obeying some sacred inner impulse, they did their duty."

Later on in his speech Dr. Haas outlined the past of Transylvanian theatrical life. He referred to the stone theatre in Farkas-utca which had so great a past and to the opening in 1906 of the new National Theatre. In dramatic words he reminded his hearers of the moment when the actors had been compelled to withdraw from their beautiful new theatre and when the knell of death was tolled also over the theatre in Farkas-utca. Then he continued: — "The Hungarian theatre of Transylvania continued to live and to work and to fulfil its mission, despite the foreign rulers doing all in their power to paralyse Hungarian work. Thanks be given to those who devoted their souls and their hearts, their material and moral resources, to the noble task. And now we stand here with our hearts filled with gratitude, — our souls transfigured —, to once more hand over to its mission the strongest bulwark of the Hungarian Genius — the National Theatre of Kolozsvar".

When Dr. Haas had finished speaking the Director, M. Francis Taray, delivered a festal address received with the greatest interest in which he outlined the tasks and the programme of the National Theatre of Kolozsvar, the Phoenix risen to life again from the ashes of the Hungarian Thalia of

Transylvania.

Almost simultaneously with the rebirth of the National Theatre and the celebration of the emancipation of the Hungarian language in Transylvania the Transylvanian Museum Association — this great institution of Hungarian scholarship in Transylvania with a glorious past — began a new lease of life. It was on June 30th. that this Association held its ordinary annual General Meeting in the assembly hall of the Unitarian College. The chair was taken by Baron John Josika, lord lieutenant of Szilágy County and president of the Museum Association, who was supported by the secretary, Dr. Louis Kantor. Among those present at the meeting were the professors of the Francis Joseph University of Sciences and a large number of other distinguished members of the public life of Transylvania.

The General Meeting was opened by Baron John Josika. In his opening address the chairman spoke with appreciation of the great and responsible duties fulfilled by the Association already for half a century. He reminded his hearers that the allotment to Kolozsvar of the Francis Joseph University of Sciences had been due very largely to the presence there of the choice, rich collections of the Transylvanian Museum Association. He referred to the sufferings inflicted upon the collections

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of the Association during the days of Rumanian rule: "however" — the chairman continued — "that spirit for the representation and cultivation of which the Transylvanian Museum Association was founded, did not weaken even during the wasting years of foreign domination, endeavouring indeed still more intensively to comply with its task in the sore plight in which Transylvania then was".

After the opening address of the chairman the secretary, Dr. Louis Kantor, presented his report of the activity of the Association during the year 1940. In the first place he pointed to the serious obstacles which the Rumanian authorities threw in the way of the Association's activity. He dealt with the meetings and publications of the several sections — all having served the popularisation and further development of extramural education (university extension). During the year 1940 alone the Association had arranged 60 lectures for the purpose

of popularising education.

While presenting the various reports Dr. Louis Kantor outlined the results of the discussions with the Hungarian Government respecting the future fate of the Association. As already announced by Dr. Valentine Homan, Minister of Education, the Transylvanian Museum Association was to receive a special State grant of 100.000 pengo — in addition to the sum of 30.000 pengo figuring in the Transylvanian Estimates. The relations between the Association and the University and the Scientific Institute of Transylvania respectively were also to be adjusted in a manner ensuring the absolute independence of the Association. The Association was anxious as soon as possible to add to or supplement respectively its collections of coins, minerals and other materials. The Association attached great importance to the activity of the various sections, to the continued publication of the "Erdelyi Muzeum", the Association's official periodical, and to the arrangement of scientific competitions and the granting of prizes for such competitions respectively. Then one of the former vice-presidents announced that he was presenting to the Association an endowment of 1000 pengo. The General Meeting decided to publish before the end of the current year a sumptuous memorial album dealing with the fifty years' activity of the Association with so distinguished a past.

On the basis of discussions held on the occasion of the recent visit to Transylvania of Dr. Valentine Homan, Minister of Education, a special organ is to be established in Transylvania for the organisation of extra-mural school education. In an interview on this question Minister Homan emphasised that in Transylvania the Churches and the various social organisations had during the days of Rumanian rule rendered invaluable services in this field. He still reckoned on this work being done;

but an organ of survey and control for the coordination of the whole system of work of the kind was needed too. This central organ would be able to utilise more economically the forces active in the work of extra-mural popular education.

HOW MILAN STOYADINOVITCH, FORMER YUGOSLAV PRIME MINISTER. WAS SMUGGLED ABROAD

The Serbian Press keeps continually writing articles about the question of responsibility for the war. "Novo Vreme" insists in making this question the order of the day. It publishes articles every day investigating the question as to who was responsible for the rapid collapse of the country. And now the "Opatinske Novine" has also joined in this campaign; in one of its recent numbers the paper publishes an article dealing with

Milan Stovadinovitch's exile.

This article in the first place severely criticises the fact that the country so deficiently equipped militarily was plunged into war. The leading advocate of a Germano- and Italophile policy was Dr. Milan Stoyadinovitch. It was he that during his visit to Germany engaged his country to follow the policy of the Axis. He was removed from office as Head of the Government. But even after his fall Stoyadinovitch continued to enjoy popularity and to exercise a strong influence. When Dragisa Tsvetkovitch, the new Premier, also entered the orbit of the Axis, the first thing he did was to get Stoyadinovitch out of the

country; for he was afraid of him.

The story of Stoyadinovitch's exile is told us by the "Opstinske Novine" as follows: — Drintchitch, Belgrade Commissioner of Police, was personnally instructed by Tsvetkovitch to remove Stoyadinovitch from the country, Simultaneously with the signing of the Three-Power Pact Drintchitch under some pretext or other persuaded Stoyadinovitch to call on him, the excuse given being that they were to drive together in a car to the Cabinet Council. The car did not however drive to the Prime Ministry, but to the interior of the country. In the evening hours the passengers reached the frontier at Gyevgyelija. where Drintchitch handed Stoyadinovitch over to Greek frontier guards. Near the frontier a British commission was waiting to take Stoyadinovitch to Athens. According to the information supplied by the paper in question the former Yugoslav Prime Minister was then taken to the Island of Malta.

BOOKS

LUCIANO BERRA'S TRIBUTE TO THE REGENT OF HUNGARY

Luciano Berra, the well-known Italian publicist whose work "Victors and Vanquished" has attracted so much attention, has written a new book entitled "Armed Peace". This volume sets forth in an extremely interesting and objective manner the causes leading to the Great War of 1914—1918, what preceded it, and the serious faults of the Paris Peace Treaties.

The author of this book, written with great erudition and a profound grasp of the complicated situation, never mentions Hungary except with the warmest sympathy. In particular the pages devoted to the arresting personality of Admiral Horthy are of special interest.

The history of post-war Hungary — says the author — is dominated by the figure of Nicholas Horthy, who personifies the will to re-birth of the Hungarian nation, which firmly adheres to the age-old traditions of the Magyar soil. On 16th. November, 1919, Admiral Horthy marched into Budapest at the head of the White Army recruited in Szeged to deliver Hungary from Bolshevism and restore national dignity. With his advent the continuity of Hungary's thousand years of history, which had been temporarily broken, was also restored.

For twenty years Hungary lived through days of suffering, not days of joy. When Admiral Horthy began to rule, he found a country ruined by the war and Béla Kun's Bolshevism. Hungary, surrounded by armed forces prepared to attack her, was nothing but a heap of ruins. The strength of the nation had been paralyzed by tragic poverty; spiritual apathy prevented an energetic defence of the nation's most sacred rights against the rapacity and attacks of aliens. Everything had to be re-constructed and Hungary had to begin her life anew.

With the inspiration of genius the Regent understood that Hungary must create this new life herself, that she must find

the strength to do so in herself and the energy to cope with the tasks of the future.

Unhesitatingly he recognized two truths which on the surface seem to contradict one other, but which, reconciled, enabled the Regent to restore the disturbed equilibrium of the country. The one was that Hungary must remain a kingdom, as created by St. Stephen, who laid down the foundations of Hungarian national life. The other was that the nation must refrain from any hazardous step, for any undertaking of that nature would unavoidably plunge the country into total ruin. He agreed to become the ruler of a country which, though lacking a king, had not ceased to be a monarchy.

Hungary had been practically reduced to a state of bondage by Trianon. Somehow therefore international contacts had to be established that would serve as protection and aid in the strangled situation of the country. And in this respect, too. Nicholas Horthy acted according to the teachings of history.

The great secret of his success was that he lost no time in idle efforts to re-capture the past, but drew from it inspiration and guidance for the future. Though policy is never a matter of sentiment, it is impossible not to realize that the new friendship between Italy and Hungary bears the stamp of past events. It cannot be denied that even political alliances based merely on contracts have a certain force, but those that rest not only on formal treaties, but also on spiritual and ethical realities, are able to weather, surely and safely, every storm.

Two decades of history witness to the fact that Admiral Horthy's political vision has been of as great service to the interests of European civilization as it has been to his own country. Hungary fought for her own independence, as other nations do, but she also fought to defend Western civilization. Admiral Horthy's first action which led to the historical march from Szeged to Budapest, was undertaken on behalf of that civilization. Hungary saved herself, but she also saved Europe from the dangerous contagions of Bolshevism.

Special mention can hardly be avoided of the equilibrium and wisdom with which Admiral Horthy — aided by men of marked intelligence and broad vision — has shaped the policy of his country during the past trying years. Under his guidance Hungary, without surrendering a jot of her pride, steadily re-

trained from any hazardous undertaking, withstanding all lures and temptations. A thousand-year-old country can afford to be patient, secure in the knowledge that it need not fear being thrust aside by the lapse of time. Experience teaches that historical justice may be tardy, but it will not fail. Countries without a historical past may easily grow impatient, or allow themselves to be led astray by false pride, and thus find themselves in a very critical position, but the people the edifice of whose national life is built on the rock of its traditions, will act differently.

The valuable work done by Admiral Horthy and his immediate collaborators was characterized by adherence to two guiding principles: on the one hand a firm determination to ensure historical continuity, on the other a real understanding of the problems — internal and foreign — of Hungarian national life.

In the treaty of friendship signed in Rome on 5th. April 1927 by the then Hungarian Premier, Count Bethlen, are laid down the principles of the intimate links between Hungary and Italy, principles that served as a model for a similar treaty between Budapest and Berlin. We may say that the understanding between Hungary and Italy began in the years immediately following the Great War, to grow stronger as time passed. After the Peace of Trianon the Papal See and the Italian Government were the first to recognize Hungary officially. Since that time Hungary's policy has progressed in an absolutely straight direction along the line of co-operation with Italy.

As something of particular importance Luciano Berra points out that, although in the sphere of internal affairs there is not always complete agreement in Hungary's politics, in foreign affairs and so far as the question of Hungary's major problems is concerned, national unity is perfect.

George Lukacs.

POLITICAL ECONOMY

CROATIA

CROATIA'S ECONOMIC RECONSTRUCTION

With her territorial growth Croatia, which stretches from the Danube to the Adriatic and from the Drave to the Drina, is confronted with new economic tasks. (Her present area is 115.000 sq. kilometres, as compared with her former area of 66.383; her population, which numbered 4.000.000 while she was one of Yugoslavia's Banats, is now 7.000.000.) In spite of her unexploited resources of raw materials and the industries already existing, the country, which has been divided into 21 administrative units (counties), remains largely agrarian in character, seeing that about 83 per cent of its inhabitants are supported by agriculture, forestry and fishing, while only 7.5 per cent. are employed in industry, 3 per cent in commerce and 6 per cent in other branches of economy.

This distribution of the various branches of economy arises from the agricultural structure of the country. One-third of Croatia's territory, about 4.000.000 hectares of land, is covered with forests, 4.000.000 hectares are wheat-, barley-, oats-, rye-and maize-producing areas; on 3.000.000 hectares other produce is grown, 1.800.000 hectares are pastures. 890.000 hectares are meadow-lands, 100.000 are orchards, 77.000 are vegetable gardens and 99.000 are vineyards. The number of fruit trees is particularly large: there are 14.000.000 plumtrees, 2.500.000 apple-trees, 1.600.000 pear-trees and 1.100.000 walnut-trees in present-day Croatia. According to the latest reports her stock of animals embraces 600.000 horses, 2.000.000 head of horned cattle, 1.300.000 pigs and 3.000.000 sheep.

In these circumstances it is only natural that the greater part of the programme of reconstruction should deal with the development of agriculture. Croatia's first task is to make agriculture more productive. Although there are a number of model farms, as well as an extensive network of co-operative societies, in the country, it is nevertheless seen to be necessary to improve the average yield per acre by means of agricultural machines and implements and the selection of a better quality of seedgrain. A plan has been made to reclaim barren and swampy land and to regulate the rivers in order to prevent their inundating large areas every year.

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In the course of the work of reconstruction an important task will have to be performed in the way of improving communications and transport. Besides the draining of swamps and the regulating of rivers, the building of a road between Zagreb and Zimony, with another branching off from it in the direction of Spalato—Serajevo—Dobrovnik, is to be undertaken, as is also the construction of a branch-road from Zimony to Eszék connecting up with the high-road leading from Zagreb towards the German, Italian and Hungarian frontiers. For road-building 4.000.000.000 dinars have been appropriated, 400.000.000 of which have already been issued.

CROATIA'S COAL SUPPLIES

Before the first Great War there was one privately owned brown-coal mine in Croatia which on an average produced 212.329 tons a year. The greater part of the coal required by Croatia then was supplied by Hungary. During the Yugoslav era Croatia obtained her coal from the brown-coal mines in Slovenia. The railway engines in Croatia were heated with brown coal obtained from the rich deposits in the Slovene mine at Trifail. Now that Slovenia has been divided between Germany and Italy, the new State of Croatia cannot expect the Slovene mines to supply her needs. Seeing, however, that the Kingdom of Croatia includes Bosnia and Hercegovina, regions rich in coal, the Bosnian mines, if properly exploited, will be able to cover the country's needs. Most of the mines in Bosnia belong to the State. In 1940 those State mines produced altogether 1.324.000 tons of coal valued at 163.500.000 dinars. In order of importance the capacity of the biggest mines is as follows.

 Kreka
 332.000 tons

 Kakanj
 312.000 tons

 Zenica
 287.000 tons

 Breza
 183.000 tons

 Mostar
 122.000 tons

According to expert opinion, production in these mines may be increased to the point of self-sufficiency. In spite of this Croatia will experience difficulties in connection with her coal supplies owing to the circumstance that almost all of the mines lie near narrow-gauge railways.

There are also a few privately owned coal mines in Croatia which yearly produce on an average 260.000 tons of coal valued at 33.000.000 dinars.

HUNGARY

RECORD BANK DEPOSITS

On 10th June the Central Corporation of Hungarian Banks published an official statement of the sums deposited with its Members in Hungary and with the Post Office Savings Bank, giving the fluctuations of deposits at various periods. According to that statement, on 30th April of the current year the sum total of the savings and account current deposits in the Hungarian Banks, including the Post Office Savings Bank, was 2.320.000.000 pengo, or almost 300.000.000 more than in 1930 the best post-War so far as deposits were concerned.

At the end of 1940 the total sum invested in deposits was 2.277.000.000 pengo. At the end of 1938 deposits amounted to 1.748.000.000 pengo, and to 1.964.000.000 at the end of 1939. This comparison shows an average increase of 15 per cent per annum, which must be considered very great if we remember that this increase of several hundred millions was deposited in years which, according to accepted economic principles, were not favourable to the accumulation of capital in the form of bank deposits.

That in contrast to almost every other country in Europe such satisfactory signs are noticeable in Hungary, is due on the one hand to the fact that Hungarian economic life is absolutely sound in all its functions and, on the other, to the unshaken confidence felt in the stability of the Hungarian banks.

The statement referred to above shows that the distribution of deposits is also very sound. According to this statement, the Post Office Savings Bank handles 173.000.000 pengo in savings deposits and 165.000.000 in account current deposits, the Budapest banks handle 606.000.000 in savings deposits and 899.000.000 in account current deposits, while the sums handled by provincial banks are 348.000.000 in savings deposits and 129.000.000 in account current deposits. Thus deposits are pretty equally divided between savings deposits and account current deposits, which is a sign of healthy development.

RUMANIA

RUMANIAN ECONOMIC NEWS

According to a report from the International Press Bureau, Rumania's oil production in the first five months of the current year amounted to about 2.250.000 tons, as compared with 2.550.000 in the same period last year. This is a decrease of 12%. As regards the exportation of oil and oil products, by far the greater quantity was transported by rail and the Danube, very little having been exported to foreign countries by sea.

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Exports from January to April totalled 929.958 tons valued at 7.031.500.000 lei, as compared with 1.090.000 tons valued at

6.399.500.000 lei in the same period last year.

The Hungarian Telegraph Bureau reports that as from 20th June for the period of one year the Rumanian State has requitioned all granaries capable of storing over 2 tons of grain and all buildings suitable for that purpose.

RUMANIA'S EXPORT TRADE BALANCE

According to an official report from Bucharest the export trade of Rumania for the first five months of the current year shows the following aspect as compared with the export trade

for the corresponding period of the previous year: -

During the first five months of the current year no wheat whatsoever was exported; whereas in the corresponding period of the previous year 360.000 tons of that commodity were exported. The quantity of maize exported during the said period of this year was 91.640 tons as against 288.835 tons in the previous year. Last year 750.070 tons of barley were exported; this year only 29 tons. This year no oats or rye was exported at all — as against 1631 tons of oats and 50.123 tons of rye during the corresponding period of the previous year.

From the aggregate data published it appears that during the first five months of the current year the exports of Rumania, including the agrarian products not enumerated above, aggregated 169.464 tons as against 746.767 tons in the previous year. That means that the volume of commodities exported by Rumania in the first five months of the current year was 576.800 tons less than that recorded for the corresponding period of 1940. Of the volume of agrarian produce exported by Rumania in the first five months of the current year 134.000 tons found their way to Germany — that representing nearly 80% of the total volume of exports. To Italy Rumania exported 13.712 tons, to Sweden 10.319, to Switzerland 2946, to the Czecho-Moravian Protectorate 3252, and to Slovakia 139 tons.

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