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Dr. ANDREW FALL
MANAGING EDITOR



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Carol I of Rumania (IV)

ZSOMBOR de SZASZ

Constructive Work in Transylvania nyvtár

LADISLAS SZENCZEI

Magyars and Jews in Slovakia

JOHN KARPATY

Independent Croatia Definitively Established

ALEXANDER BESENYŐ

Political Mosaic

Political Economy

BUDAPEST
V. ZRINYI-U. 1. III.

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CAROL I OF RUMANIA (IV.*)

BY

ZSOMBOR DE SZASZ

Rumania's reception into the Dual Alliance of Germany and Austria-Hungary was regarded as a most important event by the few Rumanians who at the time had knowledge of the fact. Before leaving Vienna, Brătianu said to the German Ambassador that it was a great honour for his country to be allowed to join the two great Empires as the third partner in their alliance. Nor was it a purely decorative benefit that Rumania derived from the convention. Baron von Saurma, the German Minister in Bucharest, had an opportunity to speak both with Brătianu, the Prime Minister, and D. Sturdza, the Foreign Minister, before the Treaty was signed, and was told by both that the alliance would be of inestimable advantage to Rumania: it would reinforce her independence by arresting the alarming advance of the Russian influence. Russia's efforts to sow dissension and to cast suspicion on the government for their endeavour to find support with the Central Powers were well-nigh intolerable, said the Foreign Minister. Russian agents flooded the country, newspapers were bought or new daily organs were founded for the purpose of furthering Russian aims. Members of the parliamentary opposition were bribed with unheard-of sums. It seemed as though Russia were making a last desperate effort to hinder Rumania's progress along the path of peace and internal consolidation.

This picture was by no means overdrawn. Panslavism and Russian expansion were not a chimera dwelling in the minds of the Rumanian Ministers, but a reality menacing the very existence of Rumania. This was the justification of those who had brought about the alliance with Germany and Austria-Hungary.

* See previous articles under the same title in the January, February and April 1942 issues of this Review.

Yet this alliance was incapable of accomplishing all that was expected of it. Genuine collaboration with the Central Powers, and especially with Hungary, was out of the question; the mere idea of it was so unpopular that the Treaty had to be kept secret; more than this, when, thirty years later, at the outbreak of the first world war, the time came for its practical application, public opinion was so strongly opposed to it that it became impossible to enforce it. The basic cause of this strong opposition was the Rumanian irredentist movement, which since the middle of the nineteenth century had assumed such proportions that the desirability of the union of all the Rumanians loomed larger in men's minds than the Russian menace.

Up to 1859 and 1866 the central problem of Rumanian politics had been the union of the two Principalities; this was finally achieved, but it did not bring with it the union of all the Rumanians in a single State: those of Bukovina and Bessarabia, as well as the nearly three million Rumanian population of Transylvania, remained outside its frontiers. From the middle of the nineteenth century a movement had existed for the amalgamation of all these scattered racial fragments; but it was only after the union and the promotion of the united Provinces to the status of a kingdom that this clandestine irredentist movement became an openly avowed imperialistic policy.

The feeling was not equally strong in regard to each of these territories. The Rumanian element in Bukovina and in Bessarabia was scanty, and while the Bukovinian Rumanians were satisfied with their lot in Austria, those of Bessarabia were in no position to show their discontent under the autocratic Tsarist rule. The Transylvanian Rumanians, on the other hand, could freely complain of oppression and as freely plot for the union of Transylvania with the Rumanian Kingdom, which lent them its effective support. Both political parties, the Liberal as well as the Conservative, subscribed to the irredentist programme, while the *Liga culturală*, an important society originally formed for the promotion of cultural aims, became in actual fact a hot-bed of the most violent anti-Hungarian propaganda. It was in vain that King Carol dubbed the irredentist leaders

"wildly foolish people"; they had the masses well in hand and succeeded in creating throughout the country an atmosphere strongly hostile to a collaboration with the Dual Monarchy. The masses knew little of their kinsmen beyond the frontiers, and heard nothing of the sufferings of the Rumanians under the iron heel of Tsarist Russia; but they listened eagerly to the feigned sorrows of their Transylvanian brothers, under cover of which they carried on their assaults on the integrity of the Hungarian State. "Even had the Austro-Hungarian Monarchy committed no blunders", wrote von Jagow, the German Under-Secretary for Foreign Affairs to Chancellor Bethmann-Hollweg, "the clandestine irredentism of the Rumanians would have grown apace as a result of the political aggrandizement of Rumania. The antagonism between the Monarchy and the limitrophe national State is a natural consequence of the existing state of affairs."

That Russian diplomacy should fan the flame of Rumanian irredentism in order to envenom still further the relations between the two countries was no more than could be expected. In 1912 M. N. H. Hartwig, the Russian Minister in Belgrade, expressed to M. Filaliti, the Rumanian Minister, his conviction that Rumania acted against her own interests in remaining on the side of Austria-Hungary. Rumania, he opined, had only to reach out her hand in order to obtain Transylvania.

The gradual estrangement of Rumania and the increasing influence exercised by Russia on Balkan affairs, produced a natural reaction in the Monarchy's Balkan policy. By way of compensation for the loss of Rumania's friendship, an effort was made to draw Bulgaria within the orbit of the Triple Alliance. On the conclusion of the three Balkan wars in 1912—1913, the Austro-Hungarian Monarchy was the only Great Power which declared itself in favour of a revision of the Bucharest Treaty in Bulgaria's interest. Although this was, and remained to the end, a platonic declaration, the Rumanians regarded it as a hostile gesture. Recuperation of her vanquished foe and the rise of a "Greater" Bulgaria was what Rumania dreaded most.

The deterioration of the relations between Rumania and

the Monarchy as a result of the charges preferred against Hungary for oppression of the Transylvanian Rumanians was made no secret of in Rumania; the king and the Rumanian politicians spoke of it with the utmost freedom.

In June 1913 King Carol, in the course of a conversation with Herr von Waldthausen, the German Minister in Bucharest, expressed the opinion that the Hungarians were responsible for the blunders committed by the Austro-Hungarian Monarchy in regard to Rumania, and that these blunders were responsible for the hostile attitude of Rumanian public opinion. He spoke in the same strain to Count Czernin, the Austro-Hungarian Minister, openly telling him that „in case of war the Rumanians will be unwilling to fight on Austria's side.” He hoped that there would be no war, but if it could not be avoided, then the situation would be grave. The army officers were against the Monarchy, and the younger generation clamoured for Transylvania.

On the other hand Poklevski, the newly-appointed Russian Minister in Bucharest, reported to St. Petersburg in January 1914 that he had met with the friendliest reception everywhere in the country; it was evident that a favourable change of sentiment had set in as regarded Russia.

The Rumanian people's inimical attitude towards the Triple Alliance was naturally no secret in Vienna; both Count Czernin and Count Berchtold, the Foreign Minister, were convinced that the Transylvanian question, that is, the alleged oppression of the Transylvanian Rumanians, was only a screen set up to hide the real purpose behind it, which was nothing less than the desertion of the alliance. Count Berchtold maintained that the "concessions" offered by Count Tisza to the Rumanians were by no means "insignificant"; in fact, they were so considerable that to go beyond them would be to overstep the bounds of possibility.

But whatever the explanation, the estrangement of the Rumanians was an undeniable fact. Before 1914 the mobilization plans of the Rumanian army had been directed against Russia; in the spring of that year they were altered so as to envisage a war against Austria-Hungary.

In June 1914, two weeks before the assassination of the Archduke Francis Ferdinand, Heir-Presumptive of the

Austrian and Hungarian thrones, the Tsar, accompanied by Sazonof, his Minister for Foreign Affairs, paid a State visit to King Carol. The main incidents of this visit have come to our knowledge through having been set down by Sazonof in a Memorandum prepared for the Tsar.

Sazanof had several long and intimate conversations with Ion Brătianu, who at this time was both Prime Minister and Minister for Foreign Affairs in Rumania. He asked him bluntly what would be Rumania's attitude were Russia to attack Austria-Hungary? Brătianu answered evasively, but Sazonof's conclusion was that "Rumania was bound by no treaty to stand by Austria-Hungary and to attack us, but she was going to side with the party which proved stronger and promised her greater advantages."

One afternoon the two statesmen made an excursion into the mountains in the neighbourhood of the Hungarian frontier, whence you could see Transylvania, that Promised Land. "The car halted for a moment, then slid over the frontier into Hungarian territory," wrote Sazonof, — "Probably the same thought was in both our minds — that this was Rumanian land, and that its inhabitants were awaiting their liberation. But we said nothing. The time had not yet come for open speech."

King Carol tried to convince Count Czernin that the Russian visit had been a simple act of politeness, but Count Czernin knew very well that it had been more than that. "There is no doubt," — he wrote to Vienna — "that the days of this visit form as many milestones in Rumania's and perhaps also the Monarchy's life... the encirclement of the Monarchy was pursued quite openly, in broad daylight, and with the utmost insolence."

Two weeks later Francis Ferdinand was shot in Serajevo.

The immediate impression created by the tragedy was that the Rumanian cause had suffered an irreparable loss. Francis Ferdinand was popular in certain circles, more especially among the Transylvanian Rumanians, as the promoter of a plan for a federated Austria in which the Rumanians would have had a certain autonomous-independence, somewhat like Bavaria in the German Empire.

They would have accepted this plan as a preliminary step towards complete separation, and saw their hopes in this respect frustrated by the Crown Prince's death.

The politicians of the kingdom, on the other hand, the Brătianus, Professor Iorga, Take Ionescu, had never accepted such a solution even as a temporary measure. Their solution was war with Austria-Hungary and the establishment of a Greater Rumania on the ruins of the dismembered Monarchy. If Rumania honoured her obligations as a partner in the Triple Alliance, she might attain the first solution; if she joined the Allies, the second road would be open to her. The Foreign Offices of the Central Powers were well aware of this.

A few weeks before the despatch of the ultimatum to Serbia, Francis Joseph wrote a letter to the Kaiser which contained the following passages: "The Panslav danger which threatens us from the side of Serbia is enhanced by the fact that Rumania, forgetful of her obligations as an ally, maintains close and friendly relations with that country and permits the same hateful propaganda against us as is carried on there. I do not wish to cast any doubt on the loyalty and good intentions of so old a friend as King Carol, but he himself recently gave expression to the fear that in view of the anti-Austro-Hungarian trend of public opinion in his country he would not be able to fulfil his obligations as an ally."

When finally the ultimatum was presented to Serbia, the Central Powers did their best to induce Rumania to enter the war on their side. Francis Joseph sent a personal telegram to King Carol in which he expressed the hope that the latter "would show appreciation of the motives which guided his decision"; while the German Government, after the declaration of war on Russia, summarily demanded of the Rumanian Government "the immediate mobilization of the Rumanian army and its advance against Russia."

There seemed, however, little prospect of these expectations being realised. Brătianu declared that "he would do everything in his power to carry out the obligations imposed by the alliance", but added the warning that "public opinion was starkly hostile to Austria".

A Crown Council was convoked for August 3 to decide the question of war or peace.

The king came to the Council accompanied by the Crown Prince. There were present, besides all the Cabinet Ministers, the Presidents of the two Chambers, two ex-Prime Ministers and three members of each of the two political parties of the land, the Liberals and the Conservatives.

King Carol read aloud, in a shaking voice, a comparatively brief memorandum enumerating the possibilities which confronted Rumania at this crisis.

Neutrality — said the Memorandum — would place Rumania in a humiliating position; the evidence of history has shown that neutral States are invariably assigned a secondary role and are left out of account at the peace negotiations. There remained the alternative of entering the war on the side of one or other of the belligerents. In the king's opinion there was no real Russophile sentiment to be found in the country; consequently there was only one possibility left — to join the Central Powers. "For thirty years Rumania's policy has followed that of the Triple Alliance, to which we are bound by a formal treaty. The fulfilment of one's treaty obligations is a matter of honour. Unquestionably," continued the king, "in a war everything depends upon the army; but there is little doubt that if we join the Triple Alliance we shall be on the winning side and shall receive the reward which is our due".

After the reading of the Memorandum the members of the Council spoke one by one.

Rossetti was in favour of neutrality. He was followed by Peter Carp, the only Germanophile member of the Council.

"Neutrality", — he said, — "is impossible both from a moral and a material standpoint. Rumania is bound by a treaty which she must honour if she is to maintain her position among civilised nations. And it would be useless for her to remain neutral, for sooner or later we should be occupied by one or other of the belligerent Powers." After a short pause he continued: "What is the meaning of the present war? In its ultimate issues it is a struggle between Germans and Slavs, and it is to the interest of our country

that the former should win; Russia's victory would mean the end of Rumania."

Carp's forcible speech made a deep impression on the Council, but its effect was soon nullified by the calm utterances of Marghiloman, who explained that no *casus foederis* had arisen for Rumania and that therefore she could afford to wait.

Lahovary and Take Ionescu also advocated an attitude of neutrality. Dissescu and Cantacuzino preferred to remain silent; so that the turn came for the Prime Minister to speak.

"The public opinion of the country, —" he said — "is strongly influenced by the fate of the Transylvanian Rumanians, but it is not wishful of going to war. For the present Rumania can do no better than to remain neutral, while public opinion is being prepared for cooperation with the Central Powers. The war will be a long one and there would be plenty of time to discuss matters later on."

At this point Carp interrupted:

"That is the policy of cowardice. You lack the necessary courage for shouldering the responsibility, and find it more convenient to withdraw behind the shelter of public opinion."

This started an altercation between the two statesmen, in the middle of which the door opened and a telegram was brought in and presented to the Prime Minister. It contained an official communication to the effect that Italy had declared for neutrality. The king made a gesture of resignation; he knew that he had lost his cause. The only one to stand by him was Peter Carp; all the other members of the Council were against him and in favour of neutrality.

At this dramatic moment Carp turned to him and said:

"Sire, I feel impelled to put it on record that after a long reign to which this country has owed its national development, Your Majesty stands, at this most difficult moment, abandoned by the parties and all their leaders."

The Prime Minister protested vehemently, declaring that the expression of one's opinion in the defence of the country's highest interests could not be regarded as disloyalty to the Throne.

The king interposed in a low and tremulous voice:

"Gentlemen, I feel myself bound to the Central Powers; but if you believe that henceforth Rumania should change the course of her external policy . . . I am ready to abdicate . . . My successor . . ." he pointed to the Crown Prince, "stands there." His eyes travelled round the circle, but there was no response to his words; the expression of the faces around him seemed tinged with a certain scepticism. He understood that he had lost the game.

Yet one more humiliation was in store for him.

Lahovary, turning to him, asked:

"Does not Your Majesty realise that by neglecting to divulge his intentions in good time, Berchtold treated Your Majesty as a vassal of Austria?"

This was too much. The king went purple, and turning upon Lahovary, said in a voice which shook with suppressed indignation:

"M. Lahovary, you must know that I would never tolerate being treated like a vassal!"

Lahovary only reiterated:

"I know, I know, Sire — nevertheless it looks . . ."

Mortun was the next to speak, after which the king put the question to each in turn: neutrality or no neutrality? Carp was the only one to vote against neutrality. All the rest were for it. The king, before closing the council, summed up the situation in a few broken words:

"The representatives of my country have almost unanimously voted for neutrality. As a constitutional ruler I subordinate my will to their decision."

He rose, shook hands with Carp and left the room, "a broken and saddened man," — as Queen Marie wrote in her *Mémoires*, — "denied by his people after a long life of hard work for his country."

Carp turned to Marghiloman. "The King will abdicate to-morrow," he said. But the king did not abdicate.

The interested Powers were notified of the Council's decision the following day. Berlin and Vienna were told by Brătianu that "as Rumania had neither been advised nor consulted in regard to the Austro-Hungarian ultimatum to Belgrade, no *casus foederis* existed", but neutrality on Rumania's part would mean a great advantage to Austria-

Hungary, since "several hundred miles of her frontiers would thereby be protected."

What could the Ballplatz do? A return telegram was despatched to the effect that the Foreign Office "appreciated the decision as an expression of the friendly relations obtaining between the two countries and regarded Rumania, in future as heretofore, as a member of the Alliance."

Kaiser Wilhelm's judgment came nearer the truth. His comment on hearing the Council's decision was: "a complete miscarriage both of German and of Austrian diplomacy."

To the Russian Minister in Bucharest, M. Poklevski Koziel, Brătianu explained that the concentration of a few troops on the Russian border was of no significance, in any case it did not denote an unfriendly attitude. "Rumania will never forget the good-will shown by the Tsar in 1913." Russia, on her side, noted with a certain amount of satisfaction that she was to be spared an attack on her southern frontier.

At the outbreak of the war the fiftieth anniversary was not far distant of the day when Charles of Hohenzollern had first set foot on Rumanian soil. He came to a country that was still only on the threshold of western civilization, held down by oriental suzerainty and the oppressive rule of Phanariotes and boyars, and determined to transform it into a well-governed State with an honest administration, based on the principles of nineteenth century democracy. An honest, simple, straightforward man with ascetic tastes, whose word was his bond, he was proud of the fact that he had not inherited his throne, but was a self-made king. He was a hard worker, and hoped, by dint of work, to win honour and the world's esteem for his adopted land.

Unfortunately, he found himself in surroundings where all appreciation was lacking for the things which he himself held high, — where, indeed, it was the opposite of all these things that was valued. He found that this land of his adoption was a land where the strong oppressed the weak, the boyar the peasant; where no man was bound by his word of honour, where public as well as private life was built on intrigues and corruption, and where everyone had two faces.

What Carol could achieve by his own efforts he

accomplished: out of two vassal Principalities he made a united "Rumania"; obtained her independence by force of arms, and raised her to the status of a kingdom. What he could not do was to make of the Rumanian people a European nation. "Rumanians, —" he once said, — "cannot govern themselves and will not let others govern them." He probably had in mind the class whose mission it was to lead the people, and which monopolised the government; the class of which *Constantin Steere*, one of Rumania's most eminent statesmen, wrote: "that corrupt and venal class devoid of all spiritual culture, and split into hostile factions, which for centuries past had made a practice of driving the Ruler from the throne, and which spends its time chasing after power in order to be able to despoil the State for its own benefit."

In this foreign world King Carol the Hohenzollern stood alone, isolated and friendless. There came a moment when it would have greatly pleased him to hurl the crown he had won at the feet of this ungrateful nation, which saw in him nothing better than one of the Phanariote Princes of the preceding centuries. But he held on and did his duty. It was not till the great war came that there was revealed in all its nakedness the tragic fact that for half a century King and People had lived in different worlds, never understanding one another. After fifty years the People discovered that their ruler was not a Rumanian and that his ideals were not theirs; while at the end of these same fifty years the King was driven to utter the bitter ejaculation: "I stand alone." Fifty years had to pass before the deep gulf was disclosed which lay between the king's honour and the aspirations of his people. After fifty years of honest endeavour for the good of his land, there came at last the poignant moment when the aged Monarch fell sobbing on his desk, while his trembling hands tried to tear from his own neck the Order "Pour le Mérite".

Queen Marie wrote sarcastically in her Memoirs: "Legend will have it that Uncle died of a broken heart. I do not know if hearts actually break, but it was certainly tragic that he should be at odds with his people at the last, and I really believe that this grief hastened his end."

King Carol's was one of the great tragedies of history.

It was the king's habit to jot down in his diary the outstanding occurrences of each day. The last pages contain the following entries:

August 4. All Europe is in arms. Bulgaria and Turkey on the side of the Triple Alliance. Sazonof has promised us Transylvania.

August 11. Weather fine. Brătianu tells me that public opinion in the whole of the country is against Hungary.

August 17. Spent all day in bed, in great pain. Japan has declared war on Germany. Enemies everywhere

September 4. At ten p. m. Waldhausen brought the Kaiser's telegram urging us to attack Russia.

September 10. Public opinion demands that we take Transylvania and the Bukovina. Everyone believes in the victory of France and Russia.

September 21. Again in bed all day. Suffered great pain all day and all night.

September 29. A dark day. Brătianu came at half past twelve. He said that in the case of a Russian victory Sazonof guarantees us the possession of the Rumanian territories of Hungary, and is willing to give us a written declaration to this effect. We shall have to convoke a Crown Council. Francis Joseph inquires after my health. He says the situation is very hopeful. I answered that here the situation was very grave.

October 5. Cold and rain. Pain and morphia. Czernin is anxious. The Russians have broken into Hungary. Public feeling here very war-like.

October 8. Snowing heavily; all the world white. At 12, Brătianu. He is full of plots and machinations.

October 9. Still snowing...

This is the last entry. On October 11, at dawn, King Carol died. Three months too late.

CONSTRUCTIVE WORK IN TRANSYLVANIA

BY

LADISLAS SZENCEI

During the Rumanian era the municipal undertakings in the Transylvanian towns made so little progress and received so little encouragement that after the Vienna Award the Hungarian authorities found them in a deplorable state of absolute neglect and backwardness. Now that the water and gas works in Kolozsvár have been modernized, attention is being devoted to the slaughterhouse. *At the general meeting of the Municipal Corporation it was decided to build a new furnace in the slaughter-house, for which a loan of 1.600.000 pengő will be required.* Negotiations for this loan have been satisfactorily concluded. The State is to lend the town 1.100.000 pengő and the O.T.I. (Social Insurance Institute) will furnish the other 500.000.

At the same meeting it was resolved to build a *picture-gallery*. The Ministry of Education will contribute 60.000 pengő, the Municipality and the inhabitants of the city have promised 90.000. New slaughter-houses are being built at Szováta and Szászrégen. The slaughter-house at the latter place will work for exportation, and the Government has issued a loan of 300.000 pengő for its construction. Szováta has also received a loan of 60.000 pengő for the construction of the new slaughter-house there.

The work of improving healthconditions in Transylvania is also going on at great speed. The M. O. N. E. (National Union of Hungarian Physicians) has decided to build a modern health institute that will cost several thousand pengő at *Csikszentdomokos*. In a short time another health institute will be finished at *Marosvásárhely*. This new health institute will be a two-storied building and will contain a dentistry department for school-children, consulting-rooms for sufferers from pulmonary and venereal

diseases, a bacteriological laboratory, and Green Cross and public welfare departments. The whole is to cost nearly 300.000 pengő, almost all of which is now available for the purpose. In a beautiful valley near *Kovászna in County Háromszék* a holiday resort called Fairy Valley is being built that will prove a Paradise for skiers. The idea of creating a holiday resort here originated in an offer made by the Parish Council of Kovászna with a view to attracting visitors to the district. This village, which is famous for its mineral springs and mud-baths, offered 164 sites for the purpose of creating a spa, on condition that the recipients undertook to build villas on the sites within a year's time. There were over 200 applicants. The work of parcelling out the sites and planning the grounds is progressing rapidly, so that as soon as it has been decided who are to have them, building can be begun immediately. Building will not be held up by a lack of materials, since the village is able to provide stone and timber, and a large kiln has been set up in the neighbourhood to manufacture the bricks required. One condition stipulated by the village is that only Szekler craftsmen may be employed to build the villas. This will provide the Szeklers in the district with profitable employment. Owners need have no anxiety about the quality of the work, *for the Szekler bricklayers and masons who built about half of the houses in Bucharest will be able to cope with the task of building these villas.* The village has committed itself to installing the villas with running water and electricity. One of the first applicants for a site was the *General Protection of Children League, which intends to erect a sanatorium for children with 200 beds at Fairy Valley.* The League has set aside 280.000 pengő for this purpose. Other applicants were *the Society of Gendarme Officers, the Baross Alliance, the M. O. V. E., the Ex-servicemen's Alliance, and the O. T. I.* All of them propose building commodious rest-homes.

The village of Kovászna has set to work rapidly to solve the problem of communications. Roads are being constructed, and the problem of a railway station for the new spa have been laid. By the time the work of building begins the whole network of streets will be ready. In the exact centre of

Fairy Valley there is to be an open-air swimming-pool covering an acre of land. Opposite it there is to be a pavillion for those who take the waters. All this, which is going to cost a great deal, is to be financed by the village of Kovászna. The new resort will be open summer and winter, and is likely to prove a paradise for those who go in for winter sports. A ski-run 1600 metres long with a drop of 400 metres is also being constructed near the village. The funicular railway on the Kommando mountain will be utilized to carry skiers, so that they will be able to reach great heights conveniently, as they do at the winter sport resorts in Switzerland. After the Mátra and the Kékes, Fairy Valley will be the third best skiing place in Hungary.

But Kovászna is not content with the construction of Fairy Valley alone. *The mud-baths, which were filled up by the Rumanians with more than a thousand cart-loads of stones, are to be cleared. For this work the expert knowledge of the famous geologist, Dr. Francis Pávay-Vajna, has been enlisted. At the time these baths were filled up to enable a Rumanian business man to set up a carbonic acid factory there.* Cheap carbonic acid meant more to him than this wonder of nature that had brought healing to many thousands of sufferers. Now, under the direction of the famous geologist, the Pokolsár mud-baths at Kovászna are to be restored. The village has asked for and received the loan of 400.000 pengő from the Social Insurance Institute for the work of restoration. In the very middle of a world war Kovászna, that virile Szekler community, has begun a series of public works that impose a burden of several million pengő on its budget.

MAGYARS AND JEWS IN SLOVAKIA

BY

JOHN KARPATY

Our January issue contained statistics relating to the numerical strength of the Magyar minority in Slovakia, showing that *the Magyars in that country number 180.000 souls.*

Naturally there are people, quite a number of people, who dispute the accuracy of that figure. In Slovakia itself in particular there are calculations and computations in circulation which, accepting the figures of the 1930 Czecho-Slovak Census, put the number of Magyars at no more than 67.000. German statisticians and demographers — who, it would seem, lack reliable data — are dependent for their information on Slovak propaganda statistics. This has led to the peculiar fact that, *though Czecho-Slovakia has collapsed, the spirit of Czecho-Slovakism is still alive.* It is alive and active in persons who, when the Czecho-Slovak Republic existed, fought against it, who were the most stubborn opposers of the anti-minority methods of the Czecho-Slovak Census, in which the Slovaks were registered under the same heading as the Czechs. At the time it was impossible to determine how many Czechs and how many Slovaks there were in the towns of Upper Hungary. The number of Germans, who could not by any stretch of imagination be registered as Czecho-Slovaks, was cut down by the same methods used to lessen the number of Magyars. Experts who at the time and later on criticized the Czecho-Slovak census, declared that in certain nationality areas the census officials had been told beforehand how large a percentage of Magyars they might register. These abuses were the subject of constant protests voiced by the leaders of the German, Slovak and Magyar minorities in the Press and in Parliament. It is therefore most unreasonable that in the present changed circumstance the figures of the census

taken by the Czecho-Slovak Administration should still be quoted in order to decrease the number of minority citizens of Magyar race.

Slovak and German authorities who accept the figures of the Czecho-Slovak census as correct where the Magyar minority is concerned (for German works on the subject see, for instance, Franz Riedl's "*Das Deutschtum zwischen Preßburg and Bartfeld*" Volk und Reich Verlag, Berlin 1940 and Otto Albrecht Isbert's "*Ungarn*", Junker und Dünhaupt Verlag, Berlin 1941), argue that a large number of Jews registered as Magyars, which was a mistake, for according to modern racial theories the Jews must be separated from the body of every other nation and regarded as a separate racial and national unit. They declare that if the Jews are counted separately the number of Magyars found by the Czecho-Slovak census is correct.

Those, however, who know what the nationality policy of the Czecho-Slovak Republic was in theory and practice, realize that this argument cannot be accepted as wholly convincing. The Czecho-Slovak minority policy treated the Jews in two different ways. *On the one hand, forestalling the present racial theories, the Czechs declared the Jews to be a separate nationality; on the other hand, when the census was taken, the Jews were supposed to be allowed to choose the nationality to which they wished to belong.* That should have meant that people of Jewish faith were free to declare themselves either Jewish nationals or Czechs, Czecho-Slovaks, Slovaks, Germans or Magyars. By means of the pressure brought to bear on them by the authorities, however, it was easy to persuade the Jews to register either as Jewish nationals or as members of the majority nation. *The Czechs took care that the Jews should not be allowed to swell the ranks of any of the national minorities, preferring that, if they did not increase the number of Czecho-Slovaks, they should figure as a small and harmless minority in Czecho-Slovakia's nationality statistics.* With their nationality policy the Czech democrats in practice were a good way ahead of the present racial theories.

Let us take the figures of the Czecho-Slovak Census and see in what proportion the Jews of the areas belonging

to Slovakia before the first Vienna Award professed to belong to the several nationalities. We have two columns of figures to study, one for 1921, the other for 1930. These columns are as follows:

<i>Jews</i>		
<i>Nationality</i>	<i>1921</i>	<i>1930</i>
Czecho-Slovak	21.7 ⁰ / ₀	36.3 ⁰ / ₀
German	14.5 ⁰ / ₀	30.34 ⁰ / ₀
Magyar	8.6 ⁰ / ₀	2.07 ⁰ / ₀
Jewish	53.5 ⁰ / ₀	31.29 ⁰ / ₀

The above figures show clearly in what proportion the Jews of Slovakia, under the pressure of the Czecho-Slovak minority policy, professed to belong to the several nationalities. It may be established that in the first years of the Republic the Jews took advantage of the permission to describe themselves as Jewish nationals. *In 1921 the percentage of Jews who availed themselves of this right was 53.5. By the time the second census was taken, it had decreased, which proves that the Jews had gradually given up their own nationality and joined other nationalities. The question that interests us is not whether this development was spontaneous and in keeping with facts, but what its effects were on nationality statistics. We see from the above figures that the Jews helped to increase the numerical strength chiefly of two nationalities, the Germans and the Czecho-Slovaks. While in 1921 only 14.5% declared in favour of German nationality, ten years later 30.34% of them professed to be Germans. In 1921, 21.7% of the Jews declared themselves Czecho-Slovaks, by 1930 the proportion was 36.3%. The proportion of Jews professing to be Czecho-Slovaks had grown in ten years by 14.6%, that of Jews professing to be Germans by as much as 15.84%. From this it follows that in the first ten years of the Czecho-Slovak Republic's existence the tendency was for the Jews to join the German minority.*

What do we see in connection with the Jews and the Magyar national minority in Slovakia? In 1921, as we have seen, 8.6% of the Jews of Slovakia professed to be

Magyars. *When the census was taken ten years later, only 2.07% of them registered as Magyars.* From this we must conclude that the nationality policy pursued by the Czecho-Slovak Republic and the methods used in taking the census were responsible for almost entirely separating the Jews from the Magyars; in other words, that the Czechs carried out in practice then what certain Slovak propagandists are now urging as desirable.

If we compare the nationality statistics of the Jews with their number as a whole, certain very interesting points emerge. In the first ten years of the Czecho-Slovak Republic's existence the number of Jews living in Slovakia was 135.914. This was the number of people of Jewish faith; it therefore included those who professed to be of Jewish nationality. If now we convert into numbers the percentages of Jews registered in the various nationality categories, we shall see how many Jews there were in each of them.

Let us take the Magyar Jews first. In 1930, 2.07% of the Jews in Slovakia declared themselves Magyars. When we calculate what 2.07% of the total number of Jews was, we find that *according to the figures of the Czecho-Slovak Census 283 Jews were registered as Magyars.* If we accept modern racial theories and decide to separate all Jews from the body of the Magyar minority, we must deduct that number from the number of Magyars actually living in present-day Slovakia in 1930. But even if we do separate all the Magyar Jews from the Magyar minority, which numbers 184.122 souls, it will be seen that the Magyars of Slovakia still numbered over 180.000.

For the sake of comparison, and because the question is interesting and important, we shall now proceed to examine this matter in connection with the rest of the national minorities.

In 1930, 36.3% of the Jews of Slovakia declared themselves Czecho-Slovaks, *which means that 49,536 persons did so.* The difficulty here is that we have no means of determining how many of that number registered as Czechs and how many as Slovaks.

In 1930, 30.34% of the Jews declared themselves Germans. *This percentage is equivalent to 41.236 souls.*

We have deducted the number of Magyar Jews from the number of Magyars and were prevented from making a similar deduction in the case of the Czechs and Slovaks only because we have no means of determining how many Jews registered as Czechs and Slovaks respectively to the German minority. *In 1930 there were 147.601 Germans in Slovakia. If from that number we deduct the number of the Jews who registered as Germans, we shall find that the actual number of Germans of pure Aryan stock in Slovakia at that date was 106.365.*

Here something must be said about Franz Riedl's work referred to above. That German author gives the number of Jews in Slovakia in 1930 as 63.385. There is an item in the Czecho-Slovak statistics that closely approaches Riedl's figure. This item is the number of *Jewish nationals* (not that of people of Jewish religion) in Slovakia. According to Czecho-Slovak statistics, in 1930 there were 70.929 persons of Jewish nationality in Slovakia. We thus see that Franz Riedl was fairly accurate in his estimation of the number of *Jewish nationals* in Slovakia in 1930. *There were, however, several tens of thousands of people belonging to the Jewish faith in Slovakia besides those professing to be of Jewish nationality, and these masses were divided among the different nationalities.* They represented the numbers that, in keeping with modern racial theories (which demand that Jews must be completely separated from all other nations irrespectively of whether they regard themselves as a religious, racial or national body) we have deducted from the figures denoting the numerical strength of the various nationalities. In the work mentioned above Franz Riedl has made the great mistake of neglecting to subtract the number of German Jews from the number of German nationals. In this way he puts the number of Germans in Slovakia at 147.601 instead of 106.365

INDEPENDENT CROATIA DEFINITELY ESTABLISHED

BY

ALEXANDER BESENYŐ

The establishment of the independent Croatian State set up over a territory of 106,000 sq. kilometres, is dated as from April 10th., 1941. Hungary was the first country to acknowledge the Croatia which separated from the body of the Yugoslav State then in process of dissolution. Or the European States Germany, Italy, Finland, Spain, Bulgaria, Denmark, Slovakia and Rumania have so far also recognized the new State formation *de jure* and Switzerland *de facto*. Of the States outside Europe Japan, Manchuria and the National Government of China too have endorsed the attitude of the European States enumerated above. The Croatian State has since then figured as signatory to an international agreement — when it adhered to the Three-Power Pact and the Anti-Comintern Pact. In her relations with the outside world Croatia's primary endeavour is to adjust and to clarify her international situation. The Anglo-Saxon Powers refuse to acknowledge the new State-formation and are still advocating the cause of the Yugoslav State-formation. It was for this purpose that they sanctioned the formation of the "refugee" Yugoslav Government, in which a seat has been allotted also to the Croatian Krnyevits, formerly Secretary-General of the Maček Party. No other Croatian "refugee" has accepted office as Member of the Government. The procedure adopted by Krnyevits came as a surprise to the Croatians; for *they had never dreamed of the possibility of a Croatian consenting to become a Member of a Government which refuses to acknowledge the national independence of Croatia or enlisting in the service of the chauvinistic Serbian elements which refuse to recognise the right of the Croats to be regarded as a separate nationality, inventing a new — the "Southern Slav" — ethnic element*

solely and exclusively for the purpose of securing Serb hegemony and being entitled to absorb all other Slav elements.

In respect of their relations with foreign countries the official circles of Croatia and their daily Press emphatically stress their endeavour to establish the closest connections with Slovakia and Rumania, though at the same time using every effort to draw the Bulgarians too into the new amalgamation (albeit the Bulgarians do not betray any particular anxiety to take the bait). In their relations with Hungary they show an attitude of cold reserve and do not display any special readiness to develop any intimate connection with that country. Between Croatia and Italy there is a close political and economic co-operation. On May 18th., 1941, in terms of the Rome Agreement, *an intimate co-operation was brought into being as between the two countries, Italy having at the same time undertaken to defend Croatia's political independence and territorial integrity.* This far-reaching intimacy between Italy and the Croatian State was misinterpreted by malicious circles; for that reason a statement was made by Italy to the effect that the relation between Croatia and Rome was not identical with that of Albania. Croatia — it was said — enjoyed complete independence. But that did not preclude the possibility of Italian troops taking part in the work of pacifying the southern territories of Croatia, where an attitude of antagonism to the newly-formed Croatian State was being shown chiefly by "communistic" Serbian elements. The Fascist Italian State offered assistance in other respects too to the Croatian State engaged in the work of developing its internal conditions; for it delegated Fascist advisers to sit on the Supreme Council of the Ustasa-movement.

The State chose to adopt the form of government of a kingdom, but the Italian Prince *Aimone* designated to occupy the throne has not yet become king in fact. The system of government is based upon the one-party system. So far all legal measures have been put into force by decree (ordinance). The division of the country into counties (provinces) has already been completed; but the Croatian counties are not modelled upon the autonomous system in

force in Hungary, being the executive organs of the Party or dictator respectively. *The legislative and executive power is to be based upon the Ustasa Party.* So far however the Party organization has not been completed. Every effort is being made to organize the younger generations, the grown-up members of society having most of them been adherents of the former Peasant Party. The leaders of this Party, headed by Maček, are adopting an attitude of passive resistance against the totalitarian system which runs absolutely counter to their principles. The great masses organized by them and saturated with their principles — particularly the agrarian elements — are now without a leader. Nonplussed and perplexed, they are adhering to the Ustasa-movement only in small groups. *The leaders of the Ustasa-movement have declared their readiness in principle to take over into their organization members of the former Peasant Party; excluding from their ranks only such as were prominently engaged as leaders in the service of the discredited ancien régime.* The antagonism between the two camps is so great that — particularly in Eastern Croatia — the work of organizing the new system is being deliberately obstructed; for which reason the Eszék organ of the Ustasa-movement has threatened with reprisals the persons responsible for creating the difficulties. An endeavour is being made to discredit the leaders of the former Peasant Party; that is why an order was issued for the confiscation of their property. At the same time the property of every "refugee" and of every person attempting to create a disturbance in the country itself, is being sequestered.

The antagonism dividing the Croatian nation against itself — an antagonism not yet bridged over — is not by any means abated by the circumstance that one-third of the six and a half million inhabitants of the present Croatian State are non-Croat elements. The hundred thousand Magyars do not indeed display any hostility whatsoever towards the Croatian State; but seeing that they are living for the most part in a region in which the Croatians are in the minority, a Croatian paper has suggested that they should be transferred to Hungarian territory. *No measures whatsoever have yet been taken to ensure the minority rights*

of this compact block of 100,000 Magyars. It is certainly true that after the conclusion of the Serb-Croat Compromise the right of organization of the Magyar minority was guaranteed in law. The statutes of the Cultural Community of the Magyars of Croatia were approved. A promise was given also that Magyar schools would be established. And a beginning was actually made with the registration of the Magyar children; but owing to the lack of teachers whose mother tongue was Hungarian the Magyar sections of the schools were never opened. Prior to the first Great War there were almost a hundred elementary schools with Hungarian as the language of instruction functioning in Croatia-Slavonia. The creation of the local organizations in the Croatian Banate proceeded rapidly. Particularly beneficial was the activity displayed by the Association of the Magyar Students attending the Zagreb University. A Hungarian weekly ("A Nép" = "The People") appearing in Zagreb developed Magyar self-consciousness, recorded the work of organization and entered the lists on behalf of the rights of the Magyars. After the collapse of the Yugoslav State this paper unfortunately moved to Ujvidék, the result being that the Magyar minority in Croatia (100,000 strong) does not possess a single weekly. *The Magyar organization is still carrying on its work, regarding itself as the legal assign of the Cultural Community of former days; but so far it has not been officially recognized in any respect by the Croatian State.*

The German minority enjoys far-reaching rights — full autonomy. All intercourse with the State organs is carried on through the agency of the official organs of the party.

In addition to the two nationalities already mentioned, there is however another Slav element, the Serbians, the State-building people which formerly enjoyed such exceptional privileges and treated the Croatian nation as a mere appendage of the Serbian. This element represents almost one-third of the whole population; and its attitude towards the Croatian State is one of bitter antagonism. Even in the event of its insurrection being quelled, it will still be a far cry to the day when these elements will be in a mood to allow themselves to be persuaded to co-operate with the

detested "sister nation". In Syrmia the Serbs are a relative majority; and in Bosnia and Herzegovina they represent a relative majority. In these territories there are nearly twice as many Serbs as Croats. According to the 1921 Census the population of Bosnia and Herzegovina numbered at the time 1,867,543 souls; this number including 827,051 persons of "Pravoslav" (Orthodox), 437,788 persons of Roman Catholic and 583,233 persons of Mohammedan religion. We see from these figures that the total number of Roman Catholics and Mohammedans was 193,970 in excess of that of members of the Orthodox Church. According to Dr. Mladen *Lorković*, the present Foreign Minister of Croatia, in 1921 the number of members of the Orthodox Church was 829,162, that of Roman Catholics 443,914, and that of Mohammedans 588,247, — these figures showing only very slight deviations from those of the Census referred to above. And according to the same Dr. Mladen *Lorković* the ethnical distribution of the population of Bosnia and Herzegovina in 1931 was as follows: — Serbs, 1,024,146 (44.14%); Croats, 520,275; Mohammedans, 717,399. The two latter nationalities combined (altogether 1,237,674 souls) represented therefore 53.19% of the total population of 2,326,673 souls. An intensive propaganda has been started by Croats to prevail upon those members of the Orthodox Church who in the course of time had left the ranks of the Catholic Croats and become absorbed by the Orthodox Serbian masses, to resume their Catholic faith and return to the Croatian nation. So far these efforts have not much to show in the way of positive results. *Not long ago the Croatian Minister for Foreign Affairs wrote a book in which he attempted to prove that the Mohammedans were originally Croats. But this propaganda initiated for the purpose of re-croatizing of the Mohammedans ended in smoke. So new tactics had to be adopted in dealing with the Mohammedans: and now the Croats are trying to win them over by guaranteeing them far-reaching rights.* Several central institutions have been established or transferred to districts inhabited by Mohammedans; while other institutions have been divided, — one part of these institutions remaining at Zagreb, and the other part being transferred to the territory

of Bosnia and Herzegovina. This fact is endorsed also by the "*Donauzeitung*" (February 8th., 1942). However events may shape themselves in the future, it is indubitable that far-reaching concessions have already been made to the Mohammedans, and that further concessions will be offered — with a view to winning them over. This lesson will not however do the Croats any harm; for they were always mistrustful even of the most far-reaching concessions granted them by the Hungarians. All that they have gained so far is to prevail upon Kulenovity, the leader of one of the fractions of the Mohammedans, to co-operate with the present system. In return he has been made Deputy Premier. This shrewd Mussulman had however been given a seat in all the Serbian Governments of former times; because he was able to wring concessions for the benefit of his people. On the present occasion too his procedure is much more likely to prove beneficial to the Mussulman people so anxious to achieve autonomy than to the Croatian national system.

Apart from the organization of the internal political life of the country, the chief problem facing the Government is how to place the economic life of the country on a stable basis. The Croatian State of today includes districts which are agriculturally of an absolutely passive character. Besides there can be no doubt that the Serbs did their best to economically exploit the Croatian territories. To repair the evils caused by the mistakes of the Yugoslavs and to reconstruct the economically passive areas referred to above, is no easy matter in these days of war. The organization of public supplies must be based upon a well-founded economy and a well-organized country. In this respect too the young State has to face a double difficulty. The best means of overcoming these difficulties is a favourable development of foreign trade. Such an issue cannot however be achieved until the balance of foreign trade — now showing an excess of imports — shows at least an equipoise of exports and imports and eventually closes with an excess of exports.

Early in the year the first Estimates were put into force by ordinance. The expenditure foreseen amounts to 10,891,203,000 kuna, the receipts to 10,591,942,000 kuna. The deficit amounting to 300 million kuna does not originate

from any appropriations for actual expenditure, a sum of 300 millions having been included in the amount of expenditure to serve as security for any unforeseen expenses which may arise. The items of expenditure will probably not be actually effected unless during the course of the year it becomes evident that the receipts will cover the item in question. To secure the excess expenditure the surplus receipts of the State undertakings which it is expected to obtain and a part of the State loan are to be appropriated. The biggest item on the expenditure side is that of the Department for the Interior, — 26% of the total expenditure. The combined expenditure of the Departments for the Interior and for Justice and of the State Treasury represent 31% of the total expenditure. The economic Departments are to receive 39% of the total amount of the expenditure. *Direct taxes are to yield 31% and indirect taxes 39% of the total amount of receipts; the receipts of the State régies represent 22% and those of the State undertakings 6.5% of the total amount of the revenue.* The future will show how far the first Croatian Estimates correspond with the actual facts of the situation; the responsibility for these Estimates is shared by the Minister of Finance and the Poglavnik (Head of State), who put the same into force by decree without consulting the country.

For the purpose of starting the economic blood circulation of the State a public loan has been issued. The scheme of this loan embraces the sum of 3,000,000,000 kuna. Down to last Christmas the amount of 2 milliards had been subscribed; the remainder will be offered for subscription later. These subscriptions are a manifest proof of the confidence in and self-sacrificing affection for the State of the Croatian people, — particularly when we take into account the fact that the rate of interest is far below the level of that generally offered in the case of loans offered for public subscription by the Yugoslav State.

The agricultural life of the country will continue to be based upon the co-operative system.

This system was built up already by the Peasant Party. Dr. Tóth has taken the direction of affairs here in his hands. In this respect he was a factor of decisive importance

already in the days of the former régime. For the moment it is impossible to determine how far the economic organization of the former régime will support the totalitarian system. *In all probability the said economic organization will be kept aloof from politics and will only later on be placed at the service of the present régime.* The former workers' organizations have been absorbed by ordinance in the Ustasa-movement. In time it will be seen how far it is possible to impregnate these organizations with the new spirit.

Road-building, the improvement of the soil, the development of industry, the exploitation on a larger scale of the forests and the opening up of mines, — these are all tasks that must be accomplished by the young country which has to face economic difficulties of no slight character. It is proposed to improve the nationality ratio in favour of the Croats by means of settlement, and at the same time to increase the economic production.

Then we have the question of the Constitution being incorporated in law and also of the organisation of legal life, — matters which require considerable circumspection in a country which contains a large number of minority citizens and which after centuries of constitutional law desires to adopt at a moment's notice a totalitarian form of government.

The first more important measure in the field of State organization was the ordinance relating to the composition of the Sabor (National Assembly). The Croats hold the view that in political law the Sabor has never ceased to exist. At the last meeting of this Assembly held on October 29th., 1918, the session was merely adjourned. After the conclusion of the Serbo-Croatian Convention (Compromise) the Regent, Prince Paul, signed a declaration in which he gave legal sanction to the creation and the convening of the Sabor, though writs were never issued for the elections. The ordinance in question, which was issued by the Poglavnik, provided that the present Sabor shall be only provisional in respect of its composition and of its sphere of activity; for during the year following its issue a new ordinance was to be issued containing provisions respecting the composition of that body. The Members of the Croatian Sabor for the year 1942 are the following: 1. the surviving

Members of the 1918 Sabor; 2. the Deputies elected in 1938 who are still alive, and the foundation members of the Peasant Party and the leading members of that Party elected for life; 3. the members of the executive body of the Croatian Right-Wing Party of 1919 who stood for Croatian independence; 4. the three upper categories of the leading section of the Ustasa-movement; 5. two Deputies representing the German ethnic group. The present system is however taking care to provide that no such element shall be admitted to a seat in the Sabor as might prove a thorn in the side of that system; it declares therefore that those of the persons entitled on the legal grounds enumerated above to seats in the Sabor who have in the past been guilty of prejudicing the cause of Croatia's endeavours to secure independence or have detracted from the honour or good repute of the Croatian people, shall be excluded from membership of the Sabor. Of the commentaries made on the relevant ordinance special interest attaches to that given in the leading article of the January 23rd. issue of the "*Hrvatski Narod*"; for this paper is the official mouthpiece of the Government. According to the writer of this article the Sabor is not to function constitutionally, "*seeing that the Croatian National Assembly has never been of a democratic character*". The Croatian legislature being the elected body representing the élite of the Croatian nation, it has preserved the legislative form of the days prior to the French Revolution. The important moment in this declaration is not its historical objectivity (about which much might be said), but the attitude adopted in this question by the present Croatian system. The object of the Croatian leaders in adopting this attitude was probably an endeavour to break the unceasing obstructionism of the Croatians which is an abstacle to every form of development.

POLITICAL MOSAIC

REGENT OF HUNGARY'S MESSAGE OF THANKS TO HUNGARIAN OCCUPYING FORCES

The following telegram was sent on 4th April by the Regent to Lieutenant-General Charles Olgyay, commander of the Eastern occupying forces, and to Major-General vitéz George Sziklay, commander of the Western occupying forces.

"It is now more than a year that Hungarian occupying forces have been doing their share of the work of maintaining order and security in the areas behind the Soviet-German front. Although these forces were despatched there solely for the purpose of maintaining order, the occupying troops in the Eastern zone have had to fight hard battles with hordes of enemy partisans; one of these troops, in collaboration with German forces, has even taken an active part in repulsing Soviet attacks, and is still in the front line.

"It is with pride and pleasure that I establish the fact that throughout the severe Russian winter, in uncomfortable quarters and with transport difficulties to contend with, the Hungarian troops have performed the task of maintaining order, and that, despite the fact that their weapons and equipment were below the standard required by modern warfare, they have won fresh laurels and added to the fame and glory of the Hungarian army in the unexpected battles they were called upon to fight.

"I therefore express my warmest thanks to and praise of every member of the Hungarian occupying armies, and ask you to convey this message together with my greetings to all your subordinates."

HUNGARIAN PREMIER ON THE WAR AND HUNGARY'S FOREIGN POLICY.

On 20th April the General Council of the Party of Hungarian Life held an impressive meeting at which the chairman of the Party, M. Béla Lukács, emphatically declared that in this war, which was provoked by the Soviet, *Hungary would win its rightful place in reconstructed Europe.* He warmly praised the victorious German and Italian armies and paid tribute to the bravery of the Hungarian soldiers.

After this M. Nicholas Kállay, Prime Minister, sketched his programme, which was received with great applause. The following are extracts from the Premier's great speech:

"From this spring on we are at war. The soldiers are going

to the front and the whole nation will take part in the war — in our war. For the first time since 1848 we are fighting our own battles." The Hungarian soldiers were being taken out to fight Hungary's battles, for *neither he nor anyone else could allow Hungary's sons to engage in a war that did not serve the country's interests*, — said the Premier amidst loud cheers.

"*We are deliberately joining the war*", — he continued — "*we have not been swept into it or driven into it by compulsion. Deliberately, because we experienced once what it meant when our fate was decided at Trianon without our being present. This must not be allowed to happen again. Our fate must not be decided again, even on the battlefield, without our participation. If we want to have a say in the future of Europe and establish our position therein, it is not enough to sit at the conference table; we must take part in the struggle, in suffering, and sacrifice.* This is why the nation is now at war.

"Fully conscious of its responsibility the Government sends our troops to the front, *but it is also the Government's responsibility to see that the country is not left defenceless. We have soldiers all along our borders, strong soldiers and of a number sufficient to guard our frontiers against any attack.*"

Here the Premier was interrupted by loud applause.

"*The Hungarian frontiers are in the hands of the Hungarian soldiers*, — continued the Premier. "*Frontiers are established by peace treaties, but they are held by the nation.*

"Hungary's foreign policy progresses along the same straight line as the policy that sends our soldiers to the front. No one with any commonsense in the country, if honest, could pursue any policy other than that pursued by my predecessors in office and myself, and today, to meet the demands of the present and the future, that policy must be stiffened. *That policy is close co-operation, friendly collaboration, with our allies, chiefly with Germany and Italy.*

"Complete co-operation; which means that we are ready to sacrifice everything needed to win the war: lives, armies, wheat and labour, but which also means equal rights and equal rank. Any co-operation that would benefit both partners involves reciprocal respect and appreciation and full recognition of the rights of each."

Here the Premier went on to say that he wished to be on good terms with all Hungary's neighbours and had taken the first step in this direction in his first speech in Parliament. What he said then still held good, and he was waiting for signs that his words had met with understanding.

Returning to the question of the Hungarian army he mentioned the message sent lately to the occupying armies by the Regent, who had praised the Hungarian soldiers. These soldiers had not been sent to the front, but as occupying forces

to maintain order behind the lines. In the course of events, however, they had found themselves, in accordance with the wishes of Hungary's allies, but also in complete agreement with the Hungarian Government, in the front lines. There, with equipment intended to be used only against the partisans, *they had held their ground with such bravery that they had been praised for it by the German military command, not only in the order of the day, but also in messages sent to Hungary.*

"We know our sons, our Hungarian soldiers," — said the Premier. "Now when they are starting for the front with the best, most modern and fullest equipment, *the country may expect them to perform greater, more magnificent feats. When in the next few days our troops set out on their way towards the East, let us all send them a message of confidence and encouragement.*"

HUNGARIAN REGENT APPOINTS TWO MINISTERS WITHOUT PORTFOLIO.

On April 17th. the Regent of Hungary appointed as ministers without portfolio Bela *Lukács* and Stephen *Antal*. Hungarian public opinion cordially welcomed the news of the appointment of the politicians in question. Béla Lukács has for long been a prominent figure in Hungarian public life and is an enthusiastic and consistent champion of a distinctly national policy. He has always been — and still is — intimately connected with the agrarian circles of the country. He is one of our leading authorities on agricultural problems. During the career he has so far run in public life he has acquired experience and an expert knowledge that he will be able to fructify to full advantage in his new sphere of activity. *Béla Lukács is on terms of intimate friendship with all the Members of the „Hungarian Life” (Government) Party.*

The personal influence and authority exercised by him in the Government Party itself, is well known. As a consequence of these connections he is continuously in close contact with every movement of the political and cultural life of Hungary. The experience acquired by him in this field he will in the future be able to place at the service of the Cabinet Council. *The special sphere of activity of Béla Lukács will be that of keeping the Cabinet Council informed of the affairs of soldiers who have gone to the front, of soldiers returning from the front and of their families, and to watch the activity displayed in this field by the State and society organs connected therewith.* His intimate connection with deputies and with the organizations render him peculiarly fitted to do the work entrusted to him.

The work entrusted to Stephen *Antal* is to be the cultivation of national defence propaganda. In the fateful period through

which we are now passing it is a matter of exceptional importance that public opinion should be as directly and as exhaustively as possible informed of the decisions taken by Government, of the schemes which Government has in hand, and of the prospects. While the present World War is being waged, it is of great importance that there should be an absolute harmony between Government and public opinion. This truth has been acknowledged already by all modern States; and most of those States have already established a special ministry or other organ of a similar character for the realization of this object. This sphere of activity is above parties and those engaged in it have in view solely the universal interests of the country and the nation when doing their work of information, convincing or encouraging.

National Defence propaganda is doubly necessary in these days of ours. Already when serving as *chef de presse* of Gyula Gömbös's Government Stephen Antal displayed a talent for organization, an unyielding will-power, an industry and a many-sidedness of ideas far above the average, so that his person would appear to be exceptionally well fitted for the task entrusted to him. That task is bound to be a delicate and arduous one and Stephen Antal seems indeed the man best fitted for this work of organization and construction.

Béla Lukács took his degree in law and the economic sciences. As captain in the artillery he displayed signal valour in the first Great War. He has acted as sheriff of a county; then he became a Member of the House of Deputies and was appointed Under-Secretary-of-State in the Ministry of Agriculture; later on he was elected president of the chamber of agriculture; and now he has left the chair of President of the Government Party to take his seat on the front bench. Stephen Antal is an eminent lawyer and an expert on co-operative questions. In the first Great War he was wounded and was awarded decorations. It was he that during the period of revolutions organized the nationalist university students. After first serving as Gyula Gömbös's *chef de presse* — he was also responsible for drafting Gömbös's party programme —, he subsequently took office as Under-Secretary-of-State in the Ministry for Justice, which office he is now leaving to take his seat on the front bench.

ANNIVERSARY OF RESTORATION OF SOUTHERN HUNGARY

On the anniversary of the restoration of Southern Hungary enthusiastic celebrations were held by the happy inhabitants of every town and village in that region. The demonstrations at

Szabadka, Ujvidék and Zombor were particularly impressive. The manifestations of the joy of the inhabitants were absolutely unanimous, the national minorities taking part whole-heartedly in the celebrations. For the occasion the Hungarian Premier, M. Nicholas Kállay, wrote a leading article entitled "*A military nation — a working people*" in the "*Délvidéki Magyarság*", a newspaper published in Szabadka. In that article the Premier, amongst other things, said: —

"Freedom lives in the souls of our people, love in their hearts. Noble feelings of friendship and co-operation cannot be appreciated, nor can an atmosphere of liberty be created, except by people in whose hearts and souls these sentiments live. Even as conquerors the Hungarians were never oppressors. Their endeavour was, not to oppress, but to press to their bosom all the peoples who were ready to offer their sincere friendship free of mental reservations. The object of our conquests was not to deprive subject races of their national or other virtues. It has always been the same object that was laid down a thousand years ago by our saintly King Stephen: to guard the hearth, build up the country, establish and maintain peace and order. It is only on this basis that the different peoples can be welded together in peaceful symbiosis.

"It was a thousand years ago that we first conquered Southern Hungary. The outposts of the occupying Magyars became the repeatedly stormed ramparts of the European forms of life and European ideas. With the cross in one hand and the sword in the other, the Magyars were a shield that not only protected their own people, not only stretched over our own country, but also proved to be the defence of the whole of Christian Europe, a shining wonder that filled the entire world with admiration. We defended the Southern borders, sometimes with the help of others, but far more often unaided. The flower of our race went into battle here, many to perish in the Southern regions and to lay claim to the rich furrows fertilized by their blood.

"This was how our people became a conquering nation in Europe, but also a nation sacrificing itself to protect Western civilization and the peoples who had fled from dangers in the South. A wave of havoc and destruction has again started from the East, to be met with the resistance of the Magyar soldier. Let us never forget that his struggle is ours. Our campaign has two aims: to defend our ancient hearths and to strengthen and reinforce them.

"It is now a year since you, our brethren in the Southern areas, returned to us. I send you my greetings, and when on the anniversary of your restoration I greet the people of the Southern areas, let me define the duty of all those who struggle at home and abroad in the following words: To defend and

cherish our fatherland. May the military prowess of this nation shine in all its pristine splendour and let all the people of the country aid and support the nation in its creative work!"

DOUBLE TREND OF RUMANIA'S FOREIGN POLICY

Two articles on the double trend of Rumania's foreign policy were published in the January issue of the Hungarian "Külügyi Szemle". In the first article Anthony Koncz outlined the French trend of Rumanian policy; the second was a translation of an article on the origin and nature of the friendly relations between Rumania and Germany from the pen of *Professor Dr. F. Hackmann*, chairman of the Berlin Rumanian Institute, that had appeared in a recent issue of the Berlin "Monatsheft für Auswärtige Politik".

It was not until the middle of last century that relations between France and Rumania began to have significance. It was with the help of Napoleon III. that the two Rumanian principalities united; and it is therefore quite comprehensible that the Rumanian people should always have been devoted to France. But it was at the Paris Peace Conference that the full measure of France's support was shown; for at that Conference all Rumania's claims were satisfied. From 1919 on Rumania's policy was to idolize France, until recent events forced her to change that policy. But the francophile sympathies of Rumanian public opinion could not be expected to change so rapidly. We see evidence that they have not, in the pro-French statements which still continue to appear in the Rumanian Press. In view of this it may seem a paradox that Rumania now professes friendship for Germany; but the truth is that there have always been advocates of this trend too. The chief of these advocates was John Bratianu, who was instrumental in setting *Charles of Hohenzollern-Sigmaringen* on the throne of Rumania. Bratianu would have liked to make the ties of friendship with Germany as close as possible. This he attained in 1888, when in a separate agreement Germany adhered to the pact concluded between Austria-Hungary and Rumania. Bratianu's plan of a triple agreement was frustrated by Wilhelm I, who did not wish to offend the sensibilities of the Russians. After 1919 pro-German sympathies became practically non-existent, although of course there were advocates of that policy. One of them was General Antonescu, whom in 1940 events placed at the head of the Rumanian State.

CROATIA CELEBRATES FIRST ANNIVERSARY OF INDEPENDENCE

The first anniversary of the restoration of Croatia's independence was celebrated by that country with great enthusiasm

and pomp. Official Hungary and the Hungarian people sent sincere messages of congratulation, and a delegation of distinguished Magyars took part in the Zagreb festivities, therewith demonstrating *that the ancient historical friendship which for so many centuries of struggle and glory linked the fate of the Croat people with that of Hungary, is still firm and unshaken.*

The Hungarian delegation, headed by *M. Anthony Ullein-Reviczky*, Envoy Extraordinary and Minister Plenipotentiary, arrived in Zagreb on 9th April. Hungarian officers of high rank, under the leadership of Lieutenant-General *Gustave Hennyey*, were also among the members of the delegation. At the Croat frontier station of *Koprynica* it was met by *M. Milorad Straznitzky*, Envoy Extraordinary, and the Hungarian officers were welcomed by Colonel *Krivatchitch*. Among others to welcome the delegation at the Zagreb railway station were *M. Lorkovitch*, Croat Minister for Foreign Affairs, *M. Vranchich*, Permanent Under-Secretary for Foreign Affairs, General *Begitch* and *M. Francis Marosy*, Hungary's Minister in Zagreb. The station was draped with the flags of all the friendly and allied nations, and two regiments recruited from the Poglavnik's Guards and the army acted as a guard of honour.

On 10th April the Poglavnik received the Hungarian delegation led by *M. Ullein-Reviczky* in audience. Before the Poglavnik's palace a guard of honour saluted the members of the Hungarian delegation on their arrival. *Vitéz M. Louis Keresztes-Karleusa*, military attaché, gave a lunch in their honour. The delegation was present at the march past before the Poglavnik that took place in St. Mark's Square. In the evening a dinner in honour of the members of the foreign delegations was given by *M. Lorkovitch*, Croatia's Minister for Foreign Affairs. The Hungarians present were *M. Anthony Ullein-Reviczky*, *M. Francis Marosy*, and *Dr. Ladislav Bartók*, Councillor of Legation.

On 11th April there was Divine Service followed by a dress parade. At noon a lunch in honour of *M. Ullein-Reviczky* was given by *vitéz M. Francis Marosy*. Hungary's Minister in Zagreb, several Croat Ministers being present. A lunch was also given to the military members of the delegation by General *Kvaternik*, Croat Minister of War. Among those present was Lieutenant-General *Gustave Hennyey*.

In the afternoon the Croat Sabor held a gala session. This was attended by all the foreign delegations, the members of the diplomatic corps and Croat politicians and officers of high rank. The meeting was addressed by the Poglavnik, *M. Pavelitch* "In the first year of Croatia's independence" — he said — "we have laid the foundations of our national and political life; in the second we shall build the walls and furnish the interior." *The Poglavnik expressed his gratitude to the diplomatic representatives of the Axis countries, Germany*

and Italy, and asked them to convey an expression of the friendship and respect of the Croat people to these countries and their leaders. In the evening the Poglavnik gave a dinner in honour of the foreign delegations. The Hungarians present were *M. Ullein-Reviczky*, Lieutenant-General *Gustave Hennyey* and *M. Francis Marosy*. In his speech the Poglavnik welcomed the delegation sent by the Hungarian nation and sent a particularly warm message to the Regent, Admiral Horthy. *M. Ullein-Reviczky* replied. After dinner the Poglavnik had a long conversation with the members of the Hungarian delegation. On the occasion of these celebrations the Hungarian Regent sent a warmly-worded telegram to the Poglavnik, whose reply was couched in similarly cordial terms.

INDEPENDENT CROATIA'S FIRST ANNIVERSARY

A year ago, on 10th April, under the protection of the victorious German and Italian forces, Dr. Ante Pavelitch, leader of the Ustasha movement and present head of the State, proclaimed the independence of Croatia. Two days later, on 12th April, he entered Zagreb and began the work of organizing Croatia, independent now for the first time since 800 years.

With the secession of Croatia began *the dissolution of Yugoslavia*, a State that after twenty-two and a half years' existence collapsed in consequence of the military *coup d'état* staged in Belgrade on 27th March 1941 at the instigation of the anti-Axis Powers. In point of fact, from the very moment of its creation the State known as Yugoslavia carried within it the germs of dissolution. This was established by the late Dr. Joseph Bajza, an eminent authority on Croat and Southern Slav questions, in his essay entitled "Eighteen months' old Yugoslavia", which was published in July 1920. He based his opinions on the following facts: 1. *Yugoslavia was suffering from a major mistake made at the time of her birth. Under the slogan of self-determination regions and peoples that had never lived in one State in the whole course of history were united in Yugoslavia without the consent of the peoples concerned. The Yugoslav National Council had been a self-appointed body; the mandate of the Serb Skupshtina had long expired, as had that of the Croat Sabor, which in any case had no right to decide questions of that nature.* 2. *Even the decisions of the bodies which, though, not entitled to pass resolutions on behalf of the different peoples, had done so (the Corfu resolution of 20th July 1917, the Geneva, declaration of 9th November 1918, etc.) were not respected, they were constantly violated.* 3. *It had proved impossible to resolve traditional national differences of thirteen centuries' standing; they had, in fact, become accentuated during the period of forced symbiosis.* 4. *The idea of national independence had not died out among*

the Croats, who were struggling fiercely to defend their individuality.

What, after keen observation of the internal political life of the new State, was set forth, with prophetic vision in the summer of 1920 by Bayza, proved to be true during the whole existence of the S. H. S. Kingdom, known from 3rd October 1929 on as Yugoslavia. His description was typical of her domestic affairs all along.

No definite consolidation was wrought by the Serbo-Croat agreement concluded under the influence of an imminent threat of war on 26th August 1939. Speaking by way of a secret broadcasting station on 5th April, the eve of the German attack, Dr. Ante Pavelitch, leader of the Ustasha, addressing the Croat nation, said: — "*On the threshold of a new European war, which will clear the path to Croat national and political freedom, this shameful agreement was signed to delude both the Croat nation and foreign countries and frustrate the national and political liberty of the Croat people. But as the Royal Decree was powerless to crush the Ustasha, so this agreement has not been able to stop its activity. The Croat Ustasha movement will continue to fight, and the time has come for it to strike a last and decisive blow.*" ("Hrvatski Narod", April 8th.)

The last and decisive blow against a tottering Yugoslavia was dealt when the members of the Ustasha, led by Dr. Pavelitch, marched into Zagreb and fulfilled the prophecy, made by Dr. Matthew Drinkovitch, one-time Minister of Social Policy, in a pamphlet published in 1928, that "in the event of war the Kingdom of Yugoslavia will fall to pieces". (Dr. Joseph Bajza: *The Croat Question*", 1941, p. 241.).

This radical solution of Yugoslavia's twenty-two and a half years old internal crisis — a solution that surprised nobody but the uninitiated, or confirmed optimists — was the final stage of the struggle that *a priori* had made impossible any lasting reconciliation between the Southern Slav idea enlisted in the service of Pan-Serbism and the Croat national idea that had sprung from the soil of ancient traditions and the history of wellnigh 1500 years, and had excluded the possibility of a complete elimination of differences. It also meant a satisfactory solution for the Croats.

This explains the great enthusiasm, pride and joy with which Croatia celebrated the first anniversary of the triumph of self-determination and justice. The following extracts from the "Hrvatski Narod", a Government newspaper, witness to how the Croat Press interpreted the mood of the people and emphasized the significance of the 10th of April. On 9th April a leading article in that paper, entitled "Poglavnikovo rešenje" (The Poglavnik's decision) contains the following passage: "On that day the Ustasha movement saw the greatest event in the

history of the Croat nation; saw the realization of the hopes and aims of many generations and the full and final solution of the Croat question... Amidst the general rejoicings over the success achieved, we must not for one moment consider that success enough; we must labour incessantly to add to the work done, to extend and perfect it and make in serve its purpose in the best way possible..." The anniversary issue on 10th April contained a leader entitled "Naš najveći dan" (Our greatest day). In it we read: — "In the life of the Croat nation the 10th of April will always be the greatest national holiday, for it was on that day that our centuries-old aims were realized... No movement in the past ever accomplished what was achieved by the Poglavnik, Dr. Ante Pavelitch, a year ago... The Ustasha movement has revived and consolidated the independent Croat State, and will therefore be the most memorable movement in Croat history, for it has realized the national aspirations which for 1500 years have been handed down from generation to generation... Today, therefore, on the greatest day for all Croats, the gratitude of all past and present generations, of all who in the past and the present have worked for and had faith in this end, is due to the Poglavnik."

At the meeting of the Sabor held on 10th April the speaker of the day was the Poglavnik himself. In his address he spoke of the immense significance of the day on which the fate of the Croat nation was decided, and also of the remarkable results achieved in the various branches of national work during the past year.

The Poglavnik's speech made a great impression on the Sabor and the Press, no less than on those who listened to it — as the whole country did — on the wireless.

Besides other foreign delegations, a Hungarian deputation headed by Dr. Ullein-Reviczky, Envoy Extraordinary and Minister Plenipotentiary, and Lieutenant-General Augustus Hennyey, took part in the Croat celebrations. At the time, Hungary was the first State to recognize the independence of Croatia, and also, when on 29th October 1918, the Croat Sabor announced Croatia's separation from Hungary, its secession from the Realm of the Holy Crown, it was Hungary that sent the first legation to Zagreb. The Hungarian Minister at Zagreb then was Dr. Aladár Balla, one-time Lord Lieutenant of Ujvidék, and the military attaché was Julius Gömbös, then a captain on the General Staff, later on Prime Minister of Hungary. Then, as now, Hungary gave proof, not only of her earnest desire to maintain good, neighbourly relations with Croatia, but also of her sincere willingness to co-operate with that country. We should be glad to believe that our desire to establish reciprocal understanding will not meet with any opposition on Croatia's part.

POLITICAL ECONOMY

SERBIA

FIRST ESTIMATES OF INDEPENDENT CROATIA

Dr. Kosak, Minister of Finance, has made a detailed statement relating to the first Estimates of the independent Croatia established after the collapse of Yugoslavia. In the introductory part of this statement *Dr. Kosak* addresses an appeal to taxpayers, requesting them to do their duty towards the State and to pay their taxes regularly. This appeal he considers essential also because when under Yugoslav rule the Croats regarded it as their patriotic duty *not* to pay taxes. This attitude must now be abandoned; for in future the Croats will be paying their taxes to their own State.

The Estimates are divided into two parts, the first referring to the public administration and the second to the State undertakings. The amount comprised in the Estimates of the latter is roughly 5,500,000,000 kuna. *Under this head the Minister expects to realise a surplus (profit) of 300,000,000 kuna.* *Dr. Kosak* expects the expenditure of the State administration to amount to 10,203,000,000 kuna.

The bulk of the receipts Croatia hopes to obtain from indirect taxation. The amount foreseen under this head is 4,328,000,000 kuna; direct taxation is expected to yield the sum of 3,445,000,000 kuna; the State régies are expected to provide the sum of 2,408,000,000 kuna; while the rest of the amount required the Minister of Finance hopes to obtain from „sundry receipts.

HUNGARY

HUNGARY'S INDUSTRIAL DEVELOPMENT

An interesting article by *M. Joseph Varga*, Hungarian Minister for Industry, appeared in the "Uj Világ" on 2nd April. It runs as follows:

"In war time the most obvious aims of the industrial Administration are to make rational use of the available sources of raw materials, discover fresh sources, produce artificial materials and substitutes and make their manufacture part of the scheme of controlled domestic production.

"As regards the rational employment of our available resources of raw materials, we have been successful in increas-

ing the output of almost all our coal-mines by means of new shafts and the opening up of new seams. At Brennberg coal is being worked at a depth of 630 metres; this at present is the deepest mine in Hungary. Another important development is the production of surface coal in the County of Esztergom. Here about 15 truckloads are produced daily. The systematic development of coal-mining has led to the result that our production of this important source of energy has grown rapidly year by year. *In 1913 the total quantity produced in Hungary was 10.027.000 tons. In Trianon Hungary the quantity produced in 1933 was 6.700.000 tons; by 1939 it was 10.620.000, and in 1940 there was a further increase of 8.36 per cent. In order to increase production the sum of 23.800.000 pengő was invested in the mines in 1939, 17.000.000 in 1940 and 41.500.000 in 1941; a total of 82.400.000 pengő in three years. The appropriation for 1942 is 35.000.000 pengő.*

"The large investments made in 1941 are now bearing fruit.

"The investment programme for this year, although it falls short of the sums invested in 1941, being only 35 million as compared with 41 and a half, is none the less destined to increase production in 1943 and the years following and to enable any demands for more coal that may arise to be satisfied. The transfer of the Pilisvörösvár mine, involving an expenditure of more than 10.000.000 pengő, the opening up of new coal-fields, the gigantic work that has been going on for almost three years at the Treasury mine in the Borsod coal-basin, the sinking and equipping of new shafts by means of a new freezing process now being used for the first time in Hungary, and the extension of the brown coal mine supplying the Matra electric power-station with energy, are all evidence of the ingenuity, technical knowledge and patriotism of the Hungarian mining engineers and the unselfish co-operation of the miners, who, overcoming all difficulties, strive by means of constructive work and increased production to raise the economic level of the country.

"Besides the well-known reasons for increased coal production, it must be remembered that the restored areas, though possessing little or no coal of their own, require an ever increasing quantity to supply their growing industries. There are no coal-fields of any importance in Upper Hungary, and there is very little coal in Transylvania. The one mine of any importance in the latter region would, it is true, be able to supply the Szekler counties with their needs, but because of the way the frontier has been drawn, there is no railway communication, and therefore, owing to transport difficulties, that mine cannot for the present be exploited to its full capacity. No coal at all is produced in the restored southern areas, although their indus-

tries — chiefly mills, sugar refineries, distilleries, canning factories and breweries — are highly developed.

"Otherwise, as regards the sources of industrial energy, everything indicates that *the main emphasis must be laid on electrical energy, especially in view of the possibilities afforded by the rivers of the restored areas.* The construction of a 5000 HP. power-station on the river Ung is approaching completion, and the building of another 3000 HP. one near Tiszaluc is in progress. In Transylvania we have formed a company, the *East Hungarian Electric Co. Ltd.*, which has already begun preparations for the exploitation of the water-power available there. Besides this, a power-station is being erected in the Matra district, which will use cheap Hungarian brown coal, and another at Ajka that will utilize slack.

"Despite the fact that other obligations devolving upon an aggrandised Hungary and that present conditions as regards materials and labour put difficulties in the way of electrification, *37 villages were supplied with electric energy last year, and this year it is proposed to increase that number by no fewer than 111.*

"Great progress has also been made in our domestic mineral oil production, the maintenance and development of which are of the greatest importance from the point of view of national economy and defence. At the wells of the Hungarian-American Oil Co Ltd., which have for some time already been in the hands of the State, plants for the production of gasoline and the separation of butane, as well as compressors to return the superfluous gas to the earth again, have been set up. Drilling for oil and gas in various parts of the country promises good results.

"With the enlargement of the country, areas have been restored that are promising from a mining point of view. Besides this, we have gained possession of mineral resources for which hitherto we were dependent on foreign countries. In all these mines, whether State property or only controlled by the State, a great development is noticeable. Alongside of the important task of increasing production it also devolves upon the Government to make provision for the social welfare and hygiene of the miners. In this respect conditions in the mines restored to Hungary were intolerable. At these places we are building dwelling-houses, public baths and cultural institutes with a view to training a healthier, stronger and more skilled generation of miners and to raising their standard of life to the level we have been able to ensure to those in the mother-country.

"One of our most valuable minerals is bauxite. The extraction of aluminium from it was begun in Csepel in 1935. Increased production of this metal is of major importance, because owing to the war it is being used to an ever greater extent as a sub-

stitute for copper. Seeing that the demand continues to grow, we should like to increase the output of our two aluminium factories this year. *Our greatest step in the bauxite industry, however, is the construction and fitting up, which now approach completion, of a new aluminium and alumina factory.* This new factory is expected to begin work on 15th August. We are also setting up a magnesium factory, and a new roller plant is being established for the manipulation of aluminium and other light metals. We hope that work in them will begin by the end of the year. Steps are being taken to ensure that free and even insulated electric wires, cables, water-supply fittings, milk-cans, mountings on buildings and furniture and other articles of daily use that were formerly made of copper shall in future be made of aluminium.

"In the iron and machine industries production is naturally greatest in those manufacturing war materials. But neither have the factories working to supply civilian needs been neglected; they are not only being kept working at almost their full capacity, but they have also been enlarged or preparations are being made to enlarge them.

"One of the raw materials for which we have to find a substitute ourselves is rubber. The natural rubber no longer available because of the British blockade must be replaced by the synthetic article. A synthetic rubber factory is in process of construction, and we hope it will be able to begin work by the end of the year.

"In the textile industry, which formerly used large quantities of foreign raw materials imported mainly from overseas countries, we must help the undertakings that produce domestic raw materials to replace what is no longer available. The most important of these factories will be the new cellulose plant, the erection of which is approaching completion, some of its machines having been already installed. As regards the supply of textile raw materials, we are manufacturing a substance called "cottonin" to make up the deficiency caused by the shortage of cotton. We must also reorganize the manufacture of the sacks required by agriculture and supply domestic requirements with sacks made of home-grown hemp mixed with paper, a material that goes by the name of "textilit".

"It would be very important to increase paper production. We must therefore strain every nerve to facilitate the domestic production of cellulose.

"The new situation created by the war has compelled us to engage in quite new branches of production, such, for instance, as the manufacture of resin and the refining of mineral oil. Where the refining of light oils is concerned, we are now independent of imports. Our production of paraffin and vaseline is now so large that we are able to export these commodities to

other countries. To ensure the required quantities of insulin and pepsin the collection of the necessary glands from animals has been organized. Soon we hope to be able not only to supply our own needs, but also to have a surplus for exportation.

"It has been possible to overcome at least part of the difficulties attending the supply of *leather*. It will be remembered that pigskin was ordered to be manufactured into leather to replace cowhide and calfskin. We have also done everything possible to encourage the manufacture of artificial leather from waste and to ensure the production of tannin from Hungarian oak and pine bark, in order to have a sufficient supply of our own tanning materials.

"The satisfactory result of all these strenuous efforts to supply the country with raw materials by taking full advantage of the sources available, by opening up new sources and providing artificial materials and substitutes to replace shortages, and of our determination to maintain and increase domestic production, has been that *industrial production, which in the last quarter of 1940 and the first of 1941 had shown a decline — even if only a slight one — has since then become noticeably brisker*. Thanks to this, employment in industry has not fallen off, and the number of people engaged in industrial pursuits is satisfactorily large. According to statistics, in June last year 70.500.000 hours of work were registered in the Hungarian factories. The rise in production is also seen from the figures expressing the value of the articles manufactured. In June last it was 389.200.000 pengő, as compared with 357.600.000 in January and 336.600.000 in June 1940. At present the number of people employed by the manufacturing industries is almost 400.000. Together with those employed in handicrafts the number in the Trianonn areas in May 1940 was 881.219, a new peak point in the history of Hungarian industry. At the beginning of 1941, when the Trianon areas had been augmented with part of Upper Hungary and Subcarpathia, the number was 918.000 and by May it had risen to 945.000. Together with the industrial workers of restored Transylvania and Southern Hungary the army of people for whom industry provides a livelihood is well over a million strong. *The sums invested in industry since 1939 total 533.300.000 pengő. If to this we add the 82.400.000 invested in mines, the capital invested totals 615.700.000 pengő. Counting the 140.000.000 pengő to be spent on the proposed building of factories, the sum total of investments amounts to three quarters of a milliard pengő.*

"The rapid changes that have taken place in Hungary's situation, the influence they exert on the course and extent of the constructive work begun, the growing war needs of the country that demand foresight and organization, the constant necessity for adapting our economic policy to the requirements

of the moment: all these things have made and are making our economic life dynamic and mobile. Whether it is a question of adding to our sources of raw materials, of producing and manufacturing artificial materials and substitutes, of making the best use of and developing our industrial plants, of assisting, closing down or telescoping factories, the decisive point of view today and for a long time to come must be the question of what is judged to be profitable — profitable, not to the individual, but to the nation and country as a whole."

COMPULSORY DELIVERY OF MILK IN SLOVAKIA

The November 14th, 1941, issue of the Slovak paper "*Gardista*" reports that in Slovakia an Order has been issued making the delivery of milk and milk products compulsory. It is thought that this will serve to solve one of Slovakia's most burning problems — a problem which ever since the establishment of the independent Slovak State has rendered necessary some kind of solution or at least measures to relieve the acuteness of the same. This is particularly true of Pozsony, where since the declaration of Slovakia's independence there has been a continuous shortage of milk in evidence.

Under the Order in question *the owners of agrarian real estate (i. e. of arable land, meadows and pastures) — in cases where the area of agricultural land exceeds 3 hectares — are required to deliver a certain quantity of milk and milk products (the quantity being determined by the number of cows and hectares of land respectively), the sale price to be that determined by the Price Control Office.* The quantities to be delivered are to be determined by the Pozsony Milk Syndicate with reference to each individual village. The Pozsony Milk Syndicate shall moreover appoint collecting depots for each village or group of villages separately, the producers being required to deliver the milk at the respective depots.

Under the Order in question those farmers too who do not keep any milch-animals are required to deliver at the collecting depots a certain quantity of milk.

FIRST YEAR OF ACTIVITY OF HUNGARIAN FOREIGN TRADE AGENCY IN SLOVAK CAPITAL

During the course of the past three years there has never been any obstacle on the part of Hungary to the positive development of the trade relations between Hungary and Slovakia; and we may affirm that in the manysided development of Slovak-Hungarian connections that has ensued in the meantime Hungary has always shown in an exemplary manner how to reconcile her economic interests with those of her neighbour and thereby to further the reciprocal satisfaction of the economic require-

ments of the two States. The competent factors of Slovakia and Hungary from year to year insist upon the equality of the conditions of economic reciprocity when determining in detail the framework of the trade between the two countries. In the systematically positive development of Slovak-Hungarian trade in goods two events recently set up a milestone: — in the first place, an agreement was concluded respecting the quotas of goods for the coming economic year, while in the second place the Pozsony Agency of the Royal Hungarian Foreign Trade Bureau, one of the official organs for the development of trade between Hungary and Slovakia, has just celebrated the first anniversary of the initiation of its activity. These two events offer an opportunity to review retrospectively the development of Slovak—Hungarian trade during the past three years and to outline the results achieved and the future prospects of the foreign trade between the two countries.

Hungary, which was one of the first countries to recognize the new independent Slovak State, was also one of the first to initiate direct trade relations with Slovakia. At the outset there were difficulties in principle impeding the negotiations for an initiation of the trade in goods between the two countries, but after protracted discussions the delegations representing the two Governments came to an agreement and at Budapest, on November 4th., 1939, signed the first trade convention. This first foreign trade convention was based upon the former Czecho-Slovak-Hungarian agreement, — a circumstance that is quite comprehensible in view of the fact that Slovakia figured already under that agreement as an important factor (claiming a large percentage of the total volume of trade) in the trade in goods between Hungary and Czecho-Slovakia. But this first convention left open many questions respecting the adjustment of Slovak-Hungarian trade. The negotiations were continued with interruptions of varying periods between the economic delegations of the two States; and on March 13th., 1940, the representatives of the Hungarian and Slovak Governments concluded the economic frame-agreement which has ever since served as the basis of the trade conventions. In the year 1939 the trade between Slovakia and Hungary was very slow in beginning; and there arose difficulties in particular in the matter of prices which impeded the exportation to Hungary of Slovak timber. After the initial difficulties of the first year had been overcome the trade between Slovakia and Hungary began to show an upward development, — a tendency which has been maintained ever since.

The first Slovak-Hungarian trade convention — that concluded in November, 1939 — was signed on behalf of Slovakia by Dr. Stephen *Polyák*, minister plenipotentiary, and on behalf of Hungary by Alfred *Nickl*, minister plenipotentiary; and the same delegates were responsible for the conduct of the arduous

negotiations which led eventually to the drafting of the economic frame-agreement between Slovakia and Hungary. The Slovak and Hungarian delegations have ever since been headed by Dr. Polyák and M. Nickl respectively; both are acknowledged experts in foreign trade questions, a circumstance reflected also in the fact that Minister Nickl has for decades been the head of the permanent foreign trade delegation appointed by the Hungarian Government. He is exceptionally familiar with the economic structure of Hungary and knows equally well what imports that country requires and what export surpluses it has available: and it is due to the continuity of the discussions guaranteed by his continuous presence that actual negotiations between Slovakia and Hungary are every time less protracted than before, the work being more and more devolved upon the advisory committees of the Slovak and Hungarian economic corporations, where the agreements in principle are given a practical form by the elaboration of the conditions governing the carrying into effect of those agreements. On the basis of the agreement concluded between the plenipotentiaries, *M. Alfred Nickl and Dr. Polyák, the Hungarian Government in February, 1941. decided to organize in the Slovak Capital an Agency of the Royal Hungarian Foreign Office Bureau for the purpose of rendering even closer and more permanent the intercourse between the Slovak and Hungarian economic corporations in respect of questions relating to the trade in goods. The Agency of the Hungarian Foreign Trade Bureau then began its activity in the month of March just a year ago* — that activity extending to the whole territory of Slovakia. Count Andrew Teleki, President of the Royal Hungarian Foreign Trade Bureau, appointed Nicholas Cseke, Secretary-General, to act as head of the Pozsony Agency, Dr. Gabriel Szarka, Rapporteur-General, being appointed his deputy: the latter have since that time worked with signal success in the sphere of activity entrusted to them, which is of exceptional importance for the development of trade between the two countries, and have done everything within their power to further the rapidity and smoothness of that trade. *During the year 1941 the trade between Hungary and Slovakia reached a peak point, — a circumstance to be attributed primarily to the work of the Hungarian Foreign Trade Agency. We need not be surprised to hear that on the Slovak side it has been suggested that a similar Agency should be organized by the Slovak Government in Budapest.*

And now, when we investigate the question as to the numerical results shown by the Slovak-Hungarian trade dealings, we find that in the economic year 1939—40 the value of the total volume of Slovak-Hungarian trade was fixed at 260.000.000 Slovak crowns, but that this quota was by no means exhausted in the first year following the commercial agreement. In the year 1940—41, however, the value of the goods exchanged in

the actual trade between Slovakia and Hungary exhausted the original quota of 260 million Slovak crowns. *In the economic year 1941—42 — i. e. during the first year of the activity of the Hungarian Foreign Trade Agency — the volume of Slovak-Hungarian trade already represented a total of almost 400.000.000 Slovak crowns.* This foreign trade turn-over representing a value of 400 million crowns was distributed as follows: — The trade agreement distinguishes three categories of trade; under the first category Hungary supplies agrarian products in exchange for Slovak timber, — the amount involved being 140.000.000 Slovak crowns; within the framework of the so-called "mixed category" the two countries exchange industrial articles and industrial raw materials, — the value involved being 140.000.000 crowns; and, finally, the value represented by the so-called "Rima" category — within the framework of which Slovakia supplies Hungary with iron ore in exchange for pigs, hardware and aluminium — is 120.000.000 Slovak crowns. *In the coming economic year the quotas of the trade between Slovakia and Hungary will remain on the level of value (400.000.000 crowns) already reached; that being — in view of the general tendency of foreign trade induced by the war — an exceptional result.* The tendency to expand of the volume of Slovak-Hungarian trade is shown also by the fact that, whereas in the economic year 1939—40 Hungarian-Slovak trade stood fourth on the list of Slovakia's foreign trade, of which it represented only 2.7%, in the economic year 1941—42. Hungary already claimed a quota of 5% and advanced to the third place on the list, preceded only by Germany and Italy. The further intensification of the trade between the two countries is proved also by the circumstance that the amounts of this year's quotas have been determined after taking into account to an even greater extent than hitherto the demands of the actual situation.

The reciprocal goodwill and perseverance indispensable to a successful coping with all these difficulties for the purpose of ensuring undisturbed trade between Hungary and Slovakia, is to be explained by the reciprocal character of the economic interests being fully appreciated by both Parties. The leading economic factors of the economic life of both countries alike are well aware of the great importance attaching to the economic relations between Slovakia and Hungary: *Slovakia supplies Hungary with many important raw materials, while the produce and manufactures imported by that country from Hungary contribute in no small measure to solve the public supply problems of Slovakia. The economic dependence of Slovakia is a living reality.*

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