INDEPENDENT CROATIA DEFINITIVELY ESTABLISHED

BY

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he 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 Stateformation. 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 Macek 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 cooperation 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 farreaching 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 grownup members of society having most of them been adherents of the former Peasant Party. The leaders of this Party, headed by Macek, 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 regime. The antagonism betweeen 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 Eszek 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 Nep" = "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 Ujvidek, 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 "Pravoslay" (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 Lorkovic, 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 Lorkovic 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 Croatians to prevail upon those members of the Orthodox Church who in the course of time had left the ranks of the Catholic Croatians 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 Cratian Minister for Foreign Affairs wrote a book in which he attemped to prove that the Mohammedans were originally Croatians. 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 Croatians are trying to win them over by guaranteeing them far-reaching rights. Severral 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 farreaching 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 Croatians 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 regies 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. Toth 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 regime. For the moment it is impossible to determine how far the economic organization of the former regime will support the totalitarian system. In all probablity the said economic organization will be kept aloof from politics and will only later on be placed at the service of the present regime. The former workers' organizations have been absorbed by ordinance in the Ustasamovement. 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 Croatians 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 ensiderable 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 Croatians 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 elite 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.