

DANUBIAN REVIEW

(DANUBIAN NEWS)

A REVIEW DEVOTED TO RESEARCH INTO PROBLEMS OF THE
DANUBIAN BASIN

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THE CARPATHIAN BASIN NEEDS STABILISED CONDITIONS!

BY

ANDREW BAJCSY-ZSILINSZKY

A healthy, confident optimism is beginning — even in the exceptionally dark and critical period through which we are now passing — to hold sway over the conscience of Europe, — in the belligerent countries as well as among the neutrals and in the countries which are watching events prepared for all emergencies. People are beginning more and more to realise that a war must not be regarded as merely a business to be exploited without limit by the victorious Party, as was done after the last Great War. The fact that the idea of revision is expanding and attaining such formidable dimensions in the very midst of a war means that *the conscience of humanity is already endeavouring to discover at least the underlying principles of a just peace*, stimulating the belligerent Parties to lose no time in fixing and determining their war aims in order to prevent the wave of hate following on an interminably protracted war asserting its influence and to hinder the eventual predominance of the instincts of brute egoism and greed...

What is the *concrete* significance of the idea of revision today? That idea involves, not merely the redress of the injustices committed by the Paris treaties of peace — and in particular by the Treaty of Trianon — which are still in force, but timely measures taken to prevent the recurrence of any similar aberrations when drafting the peace treaties. That idea means, therefore, *reparation in respect of the past and new principles of adjustment in respect of the future*.

After the *exposé* recently delivered by Count Csáky, Hungarian Foreign Minister, the revisionist *motif* has been in evidence in European public opinion everywhere. The press of the gallant and noble Bulgarian nation was one of the first to clearly and convincingly formulate the revisionist cause and express the conquering force latent in that idea. One of the

Bulgarian papers, the *Slovo*, pointed out that Rumania still persisted in voicing the silly catchword that revision meant war. Yet the *status quo* is no longer defended either by Great Britain or by France or by Germany.

And indeed we must take as our starting point today the idea — and the undisputed fact — that even the belligerent Parties have ceased to insist on the pre-War *status quo*. That this is the attitude adopted both in Britain and France is proved, most strikingly, for instance, by the fact that even France has acknowledged only a Czechoslovak "national committee" to act under the direction of Beneš, not a Czechoslovak Government, the Committee being however authorised solely and exclusively to act as the political superior of the Czech and Slovak legions now *preparing* to fight in the Allies' armies; and according to the latest information available the British Government *makes no reference* in this connection to a Czechoslovak nation, only to Czech and Slovak peoples.

The decisive influence on the expansion of the revisionist idea was however that exercised by the exhaustive exposé of Italy's foreign policy delivered recently by Count Ciano before the Fascist Council. Recalling the twenty years of anti-revisionist policy in Europe, we Hungarians are almost afraid to believe our eyes when we read — naturally with feelings of the greatest satisfaction and with sincere pleasure — of the understanding appreciation with which the public opinion, not only of the belligerent countries, but of Europe generally and indeed of the whole civilised world, received and interpreted (and in most countries also endorsed) the decidedly and unequivocally revisionist statements made by the Italian Foreign Minister as representing the Fascist political attitude. Characteristic of this reception and appreciation was the article in the December 9th issue of "Le Temps" in which the very important and powerful semi-official organ of French foreign policy spoke with great sympathy of the political principle of Italian policy now assuming a more and more definite form that the existence of a strong and independent Hungary as the centre of gravity of the Danube Basin is the safest and most reliable guarantee of peace, not only in Central Europe, but in the whole of South-Eastern Europe

too. And what is this principle but a *more up-to-date instrumentation* of the revisionist idea?

This more recent transposition of the revisionist idea effected rather with an eye to important interests affecting European civilisation than for considerations of justice, is to be found also in the feeling reflected in the press of the whole world and becoming more and more understood everywhere which was similarly given fresh emphasis to in the Italian press commentaries on Count Ciano's speech — the feeling which, in full keeping with the given situation, makes people realise that *the chief reason why a revision is imperatively necessary is that the Carpathian Chain is the only natural line of defence against the inroad of Bolshevism*. But without Hungarian defenders the Carpathians cannot act their natural rôle as breakwater; for Rumania, as a consequence both of internal conditions and of her position in international politics, is too weak to be able to make full use of this important line of defence. This assertion does not originate from Hungarians but was made quite recently by the "*Corriera della Sera*", which also emphasised the fact that Italy is present today too, as she has always been, in the Danube Valley.

In France too people are beginning to take an interest in the Hungarian-Soviet frontier. Recently the "*Paris Soir*" stressed the profound conviction prevailing in Hungary that the Carpathian frontier of that country is at the same time the boundary of the thousand-year-old Christian civilisation. And we could quote a host of similar statements from French, British, Italian, Swiss and other European papers. We shall however confine ourselves to referring to an article published in the latest number of "*Free Europe*", an eminent British periodical, entitled "Hungary and the Second Great War".

This article stresses the European mission fulfilled for a thousand years by Hungary — ever since the days of her first King, St. Stephen —; and then illustrates the character of the Treaty of Trianon by describing it as the fruit of a mechanical way of thinking based upon statistics and anti-historical in character, proving most convincingly that it is quite impossible to solve the political and historical problems of Europe exclusively on the basis of statistics and

ethnography. As a consequence, what the interests of Europe demand is not a peace treaty based upon more or less unreliable statistical data to replace the Treaty of Trianon which has proved worthless, but a lasting system in the Carpathian Basin *the primary sine qua non of which is a strong and independent Hungary*. And if we would appreciate the value of this more up-to-date formulation of the revisionist idea as being a European conviction gradually but triumphantly making headway everywhere, we should analyse the five Peace Points recently put before the world by Pope Pius XII., the culmination of the encouraging development reflected in the symptoms previously in evidence, which Points — as expressed in the sublime and profoundly human words of the greatest moral authority and highest forum of the Christian world — do actually make the revisionist idea the focus of His Holiness's ideal effort in the cause of peace.

In Point 3. His Holiness declared that "in the joint re-organisation of international life every Party must take into account the hiatuses and deficiencies of the past". And then in Point 4. — "If we desire a better organisation of Europe, we must be particularly careful to take into account the legitimate needs and demands of the nations and peoples and also of the national minorities. These points under all circumstances deserve to be studied with goodwill; an attempt must be made to satisfy their legitimate claims by peaceful means and, if necessary, *by a just revision of the treaties effected wisely and in full agreement*. If we succeed in restoring a real equilibrium and the foundations of reciprocal confidence between the nations, we should be able to eliminate many of the causes inciting to the use of force."

We see, then, that the Pope, in full agreement with the policy of Fascist Italy, is taking the lead in propagating the idea of revision! We Hungarians may look forward to the future with implicit confidence.

THE DANUBIAN VALLEY AND THE RUSSIAN ADVANCE

BY

LANCELOT LAWTON

Twenty years ago, the world believed that it was the Peace Treaty of Versailles which changed the map of Central Europe; we see now that Versailles only prepared the way towards a really thorough change. It was 1938—39 that brought about the real transformation. The *Anschluss* in the beginning of 1938 brought Germany considerably nearer to the so-called South Eastern Europe and the latest partition of Poland at the end of 1939 sees the Russians established more than 200 miles nearer to the West. And we have the impression that Russian Dynamism does not regard the present stage of development as final.

Both of these advances were justified by their perpetrators "on ethnographic grounds." The *Anschluss* has been a current problem of the last 20 years: we do not therefore propose to dwell upon it and would confine ourselves to the quite new and unexpected event, the Russian advance.

For Central Europe, Bolshevism is not new: Hungary had a taste of it in 1919 and Poland in 1920. It came to Hungary as Saviour against the threat of the Peace Conference to partition this ancient country; to Poland, to mutilate this nation against the integrating efforts of the same Peace Conference. Both efforts collapsed and there has been a relative silence from this quarter during the past decades.

Those who have studied and analysed Bolshevism, know that its source is to be found not so much in Marx, as in Russian thought and character. Bolshevism is not a non-Russian phenomenon; on the contrary: it is Russian to the core.

It is not surprising then that the Bolsheviks should have

inherited the grandiose imperialist ambition of the régime which they superceded. The first stage in the realisation of this limitless ambition was to be an empire from the Carpathians to the Pacific. The Bolsheviki have accomplished it; because Europe is divided against itself they have succeeded where tsarism failed. Today the Red Empire stretches from the Carpathians to the Pacific. Will it expand still further, like a great fang thrusting itself deeper into Central Europe, and thus threatening to overpower western civilisation as a whole? Just as there were no limits to the aims of tsarist imperialism, so there are none to those of Bolshevism. Fan-slavism was pan-russianism; Bolshevism is pan-sovietism. In tsarist times Moscow was to be the third and last Rome; today Moscow is to be the Red capital of a Red Soviet Empire. As I have said, the first stage in the realisation of this ambition has been accomplished. In a night, so to speak, the frontier of the Soviet Union has swiftly moved forward 250 miles until now it almost overlooks Europe's western wall, the Carpathians.

Honest students of Soviet Russia know well what are her plans. A hundred quotations or more could be given to prove that she has but one fixed unalterable purpose; to incite the European nations to destroy each other, so that upon their ruins she may impose her creed and rule. Nothing is more amazingly symptomatic of the present degeneration of European civilisation than the confidence, the audacity, with which the Communists now boldly proclaim their aims. Listen to this, for example; it is an extract from the current issue (November 18th) of the Comintern journal, *World News and Views*: "*A spectre is haunting Europe — the spectre of Communism*", wrote Marx and Engels in 1848. "*All the powers of old Europe have entered into a holy alliance to exorcise this spectre; Pope and Tsar, Metternich and Guizot, French Radicals and German police spies!*" *Communism, no longer a spectre but clothed in Soviet flesh and blood, is again haunting Europe in this period of the second imperialist world war. Its frontiers were advanced in Eastern Europe within three weeks of the war breaking out; not a step is taken by the warring imperialist Powers without having to take into account the power of the Soviet*

Union and the revolutionary spirit of the international working class."

If Bolshevism now stands, as it were, upon the very threshold of European civilisation, the blame rests solely with certain vain, short-sighted politicians in Central Europe, who with the motto: Destroy *Austria-Hungary*, friend of Germany, willfully misled statesmen of the great Western Powers, and who today, posing as martyrs, are conspiring to regain their lost eminence. For such an accusation there is abundant and convincing evidence. A little while before the war, Dr. Beneš made a speech in Chicago in the course of which he said that, prior to Munich, he had taken care to ascertain whether Soviet Russia would give military aid to Czechoslovakia. She was, he added, quite willing to do so, but the Agrarian Party in Czechoslovakia threatened to revolt if Red forces were allowed on Czechoslovakian territory. This statement, taken in conjunction with events that have recently happened, makes it clear that Soviet Russia took over the pan-slavist ambitions of the tsarist regime and transformed them into pan-soviet designs. In other words, she was determined to gain admission into Central Europe; and only the opposition of a large section of the Czechoslovakian people frustrated this purpose.

*Historically speaking, it is the Peace after the last war that must be made responsible for what can only be described as the present invasion of Europe by Bolshevism. In their anxiety to close the door to the East against Germany, the Allies opened a door leading to the West for Russia. The form which this open door to the West has taken may best be described in the words of no less an authority than the League of Nations itself, which, in spite of its political futility, has occasionally, and it might be almost suspected accidentally, performed a useful service through the media of experts. In a volume of *Danubian Studies* issued under its auspices, it was written:*

Before the war all the different countries of the Danube from Passau to a point below Orsova enjoyed with each other a condition of substantial freedom of trade. Industries developed in advantageous localities, relying upon the fact that over the wide extent of Central Europe raw

materials could be obtained and finished products could be distributed, without crossing any frontier. — The cutting up of this single customs area so that it is now divided among seven different states, each politically independent of the other and desiring to be economically and industrially independent of the world, has fundamentally changed the economic situation. Raw materials are separated from the former factories, which in turn are separated from their former customers. Of practically all these States it may be said that each is trying to exclude the other from its own market, so as to preserve its existing industries and to build up new ones to supply its inhabitants to the extent that they have heretofore drawn their supply from industry beyond their present boundaries.

One of the chief, if not the chief, cause of the last war, was Tsarist Russia's desire to establish itself in Central Europe by destroying the Austro—Hungarian Empire. This empire was destroyed and with it, as we have seen, went Europe's barrier against the Russian hordes.

In its place was erected a disjointed, ramshackle and artificial structure which could endure only so long as it was propped-up by the Allied Powers and subjected to no severe external pressure. To put together the pieces of this shattered structure and re-erect it now, is impossible. Those who think otherwise, and who advocate that an attempt should be made to return to the former conditions, are either ignorant of the danger of Bolshevism or not unwilling to be its allies.

A quite new system is called for — the bloc system. In various publications, as the originator of this system, I have described how it should be developed in detail, and I have been gratified by the large amount of support with which it has been received. From many influential quarters all over the world, messages of approval have reached me.

I have only space here to give a very brief summary of my ideas. First, the frontiers of Europe must be re-shaped so as to take account of ethnical realities; that goes without saying. Once this re-shaping or re-division has been accomplished, the problem will remain: how can nations relatively weak live a progressive and dignified existence

alongside powerful nations? As a rule, the relatively weak nations are mainly agricultural, and the powerful nations are highly industrialised. I suggest that the time has come for the association over wide areas of nations, large and small, in the form of blocs. In each bloc industry would need to be distributed on a just and agreed basis, and the exchange of commodities so regulated that the exploitation and degradation of agricultural nations, so conspicuous under present conditions, would be brought to an end. Naturally, the bloc would aim at self-sufficiency as far as possible. But there would still be abundant scope left for orderly world commerce. Instead of nation competing with nation, bloc would deal with bloc. I cannot attempt within the limits of an article to define the limits of each proposed bloc, but such definition should not present insuperable difficulties. Already to those who have some vision the natural outlines of various blocs are plainly discernible.

We earnestly hope that the peoples of the Danubian Valley will have the constructive political mind to re-build in a modern form what the above mentioned *Danubian Studies* of Geneva described as an economic unit by eliminating all the causes of friction, misunderstanding, jealousy produced by the pernicious political propaganda which preceded and followed the World War and which, fortunately, seems to ebb down under the effect of the danger of the Russian shadow.

WAR AIMS AND THE DANUBIAN AREA

By

BÉLA DE PÓKA-PIVNY

In his recent work "A Radical in Search of Hot Water" H. G. Wells, who during 1914—18 was in control of British propaganda from Crewe House, writes the following important lines:

"The work I did was done in absolute good faith, and the gist of the business is that we, who lent ourselves to propaganda, were made fools of and ultimately let down by the traditional tricks of the Foreign Office. We were kept in the dark about all sort of secret entanglements to which these gentry had committed the country, hopes to the German people of a liberal post-war settlement our masters had no intention of making. We were tricked and, through us, the German liberals were cheated."

"I am not going to be a stalking horse for the *British Foreign Office* again... Most of us know that this time the propaganda activities are going to be far more cunning and elaborately misleading than ever before."

This frank admission on the part of H. G. Wells gives rise to a host of ideas, one of which is that it is itself subject to criticism.

In a period when we were still living in the age of secret diplomacy, we cannot wonder at even Crewe House being kept in the dark about "certain entanglements". Mr. Wells's fundamental error is his one-sided conclusion that

"the German liberals were cheated", whereas in fact what the secret treaties aimed at, and effected, was the partition of *Austria, Hungary and Bulgaria*, i. e., of the *Danubian Basin*.

The lesson which it would be worth while to point out is that the "traditional tricks" of the 1914—18 Foreign Office were far less dangerous than the fundamental conception of the ensuing peace work, i. e., an atomising of the *Danubian Monarchy* which resulted in the post-war chaos and events of 1938—39.

The propagandists of 1914—18 and the Foreign Office should have known the great historic rôle played by the Danubian countries and should have studied the consequences of their partition; for then the world would look quite different now.

*

The tragedy of our time is that the minor Foreign Offices created their fake *Crewe Houses* for a post-war propaganda activity which preached, with far less good faith than the great English writer, detrimental "truths", such as that the Monarchy "fell to pieces"; that the partition of the Habsburg Empire "followed the ethnographic lines"; that the new Succession States, if they happened to become rulers over minorities, would treat them better than the age-old "oppressors"; that the League of Nations would be there for the "redress of eventual grievances"; that it was high time to take the peoples out of the hands of "reaction" and place them in those of democracy, etc.

The blaring trumpet of this cheap propaganda penetrated everywhere and prevented the truth being heard.

Who knows in the Western countries even now that the disintegration of the *Austro-Hungarian Monarchy* set in only when the news came from Paris that, owing to the "secret entanglements" to which the Foreign Offices had

committed their countries, Serbia would be transformed into a large Yugoslavia and the young *Rumanian* kingdom into a Greater Rumania, that an entirely new country, which had never existed in the past, *Czechoslovakia*, was to be created, etc.?

Who knows even today that *Czechoslovakia* was a country in which the rulers, the *Czechs*, were in the minority, and that the other nationalities, *Germans*, *Slovaks*, *Magyars*, *Ruthenes*, *Poles*, had never been asked whether they wished to join the new republic? Who knows even today that 30% of *Greater Rumania* is not *Rumanian* or that 60% of *Yugoslavia* is not *Serbian*? Instead of "falling to pieces", following "ethnographic lines", the uncounted millions could be separated from their mother country only by brute force, bloodshed, atrocities, the history of which has not yet been written, although it would be highly instructive to those who committed, or connived at, the crimes of these arrangements.

Who knows even today that these irresponsible operations, which brought the *Balkans* to the heart of Europe, were conditional, — viz. that the many millions of Austrians, Hungarians, Bulgarians were subjected to the new ruling elements subject to the stipulation that the rights of the minorities should be under international control and must be strictly observed? And who knows that out of the innumerable complaints sent to Geneva during 20 years only three or four cases were examined by the League of Nations? No wonder that this unpardonable neglect led to the collapse of this international organisation, leaving everything unsolved.

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And now we are witnessing a new phase of propaganda. Is it going to be, as *H. G. Wells* said, "far more cunning and elaborately misleading than ever before?"

It is very difficult to say. Again, it is not the way propaganda is made, but the final purpose at which it aims, that is important. It is none the less important to remember that new errors may be made if decisions are taken in defiance of the principles of self-determination and of the postulates of justice.

It will be necessary not only to try to build up a happier new world, but to endeavour to eliminate all the injustices committed in the past.

Justice will not be found in the Chancelleries of the various well-paid but inspired sections of the *League of Nations*, but in the common consent of the peoples.

All persons interested in foreign politics should refrain from believing the ceaseless outpourings of post-war propaganda, — viz. that just boundaries cannot be drawn; all that this propaganda has in view is to suppress the truth that it would have been impossible to draw worse boundaries than those which made the life of *Austria* helpless and hopeless; which forced every third *Magyar* to live under a foreign yoke; which over-balkanised Bulgaria by tearing away her sons round her ancient boundaries. It would be a fundamental mistake to believe that the so-called War Aims are a matter which concern only the *Allies* and *Germany*, and that the consolidation of peace in the Danubian area may be neglected.

Had the peace conference of 1919 really divided the *Austro-Hungarian Monarchy* into its natural constituent elements, — i. e., had it not brutally cut that Monarchy up into unacceptable forms, — the economic crisis and the impending storm would have been able to re-unite them before Austria, Czechoslovakia and Poland had experienced what 1938—39 meant to them, and would be able to face all the dangers which the "World War II" may bring them. But the lack of harmony and confidence resulting from the

bad conscience of the one side or from the spirit of the other, may bring about conditions in which the territories, the rôle of which should be to separate the two great neighbouring Powers in Central Europe, will follow the policy not of the moderates but of the extremists. It is a wonder that the Balkan powder magazine has not yet produced the usual explosions, and that Hungary, which is meanwhile carrying on the peaceful traditions of the Monarchy, has been able to maintain apparently good neighbourly relations within and without the Carpathians, the defence of which was her task in the difficult times of past centuries.

We have no space here for an adequate analysis of future developments; but we have no hesitation in saying that the *Danubian Basin*, which owing to its illogical partition has already brought about the present catastrophe, will be the source of ever-recurring conflicts until the roots of the injustices have been destroyed. The XIXth century wars started in the Balkans: the XXth century wars will all start in *Central Europe*.

The question is: who will be more successful? The "cunning and elaborately misleading" propaganda, or the Foreign Offices which have learned their lesson since 1919, and will try to put an end to the innumerable Danubian injustices in a constructive spirit?

In our mind no War Aim can be complete or circum-spect without claiming a just solution of the Danubian problem, as no peace conference will achieve a sound work without placing, in harmonious collaboration with all the interested factors, the Danubian reconstruction on lasting foundations.

SERB AND CROATIAN POLITICIANS MAKE STATEMENTS CONCERNING MAGYAR MINORITY

BY

EMERY PROKOPY

Since the dissolution of the Skupshtina, Parliamentary elections have been in the air in Yugoslavia, a circumstance that naturally causes Serb and Croatian politicians, and even Ministers, to devote more attention to the national minorities, amongst others to the Magyar minority. The following are some of their statements taken in chronological order.

M. Beshlitz, Minister of Communications, a native of the Bácska, speaking at a constituent assembly of the Government Party at *Nagybecskerek* (Petrograd) on 6th November, amongst other things said that the minorities must be treated with due understanding. The Serbs, today, did not wish the Magyars to become Serbs; everyone should preserve his own nationality; the Serbs would respect the language and culture of every national minority, but the latter in turn must acknowledge that Yugoslavia was the country of the Serbs. On 16th November this same Minister attended a constituent assembly held at *Bács-topolya*. After listening to the complaints and requests submitted by the representatives of the Magyars of the district, who in particular demanded that the system of name-analysis should be abolished, M. Beshlitz *flatly denied that such a thing existed in Yugoslavia*, and said that all parents were at liberty to send their children to any schools they liked. The Magyars have received this announcement with satisfaction and would fain hope that this disagreeable problem will be solved on lines in keeping with the Minister's statement.

A statement concerning the minorities was also made recently by Premier Tsvetkovitch, who at a meeting of the

Government Party held at *Ujvidék* (Novisad) towards the end of November, speaking of the political representation of the national minorities, to the astonishment of the nationalities said that "in the new system the minorities will have no opportunity to form separate political parties. *A revival of the old Hungarian Party will therefore not be possible; at best the national minorities will only be allowed to form sections within the national Serb or Croatian Parties, where they will be able to pursue their activities subject to Party discipline.*" This means simply that the 2.600.000 minority nationals in Yugoslavia, the Magyars included, will not be allowed in terms of the Election Act under preparation to organize separate political parties. Of particular significance in this respect is a statement made by M. Koshulitch, Vice-President of the Croatian Peasant Party, in which he hastened to refute the report published in the Bucharest "Universul" to the effect that he had promised the Magyars living in the Banate of Croatia adequate representation in the Croatian Sabor ("Napló" Dec. 1.).

To these various statements we must add one made by M. Subashitch, Ban of Croatia, and published in the Szabadka "Napló" of 3rd December. This rather vague statement says that "the rights and liberties of the minorities depend not only on the theoretical guarantees of the minority treaties, but also on the democratic ideas of the State and nation. We Croats profess the principles of democracy. Democracy has always been the basis of our political life, and *for this very reason we make no distinction between minority peoples and the Croatian nation... and to those who have fought with us we shall grant every right that will enable them to progress with us in the fields of culture and economy.*"

A statement similar in tenor was also made by Premier Tsvetkovitch at a banquet given by the Serb Patriarch, M. Gavrillo, on 14th December. The Premier said that the Government wished to ensure every Yugoslav citizen complete equality and the free exercise of all civil rights.

But now let us look at the other side of the picture. The Magyars in Yugoslavia were under the impression that certain signs of an understanding spirit were to be found in the abovesited statements, and that therefore the time was

ripe to demand from the Yugoslav Government guarantees of their rights and redress of their wrongs. So they took steps which they hoped would eliminate all misunderstandings and prove their complete loyalty to the Yugoslav régime. These efforts have been repeated more than once during the past two months; with what results may be gathered from a speech delivered by Dr. Emery Várady, ex-Senator, at a banquet given in Bácsstopolya on 25th November last in honour of the former leaders of the Hungarian Party, which was dissolved on 6th January 1929. In this speech Dr. Várady emphatically stressed that *"the old Party Committee, having learnt by sad experience not to trust the Government, has refused to co-operate with the Government Party during the Skupshtina elections unless considerable results of a political, economic, cultural and social nature and beneficial to the Magyar minority are first achieved, which results must be positive and not merely promises. All the negotiations conducted with the Premier and other Ministers by myself and the other leaders of the Magyar minority since the Serbo-Croatian agreement was concluded on 26th August 1939, have proved utterly fruitless."*

The fruitlessness of the negotiations between the minorities and the competent Yugoslav factors was also pointed out by one of the newspapers of the German minority, the "Volksruf", In its issue of 27th October 1939 we read that "many promises of a settlement of the educational problems of the German minority have been made by the competent authorities, but so far nothing definite has been done."

It was therefore with great pleasure that the minorities read the statement made by M. Maček, Deputy Premier, in the December 25th issue of the "Naplo". This statement, which was sensational in its effect, declared amongst other things: — *"I do not consider the minority policy hitherto pursued by this country either fair or wise. But we Croats will try to alter all that... I hope that very soon every citizen of the State — minority citizens too — will enjoy equal rights... I repeat, the present system is not a just one. Conditions must be altered and a wise minority*

policy inaugurated. Now the first and most important task of a wise minority policy is to give schools to the minorities. Let the children learn their lessons in their own mother-tongues... The Magyars living in the Banate of Croatia should be allowed to form a political party of their own. The draft of the Election Bill submitted to the Regency Council does not discriminate in favour of any one party. It allows every group able to collect 100 signatures in any constituency to enter the campaign with its own list. I am not at liberty at present to say what the general system of election will be."

As M. Maček is not only the leader of the Croats but also the Prime Minister's deputy, we must suppose that this really astonishing statement expresses the Government's attitude as well as his own. If this is so, and the new trend of minority policy promised by M. Maček is really adhered to in the Government's dealings with the nationalities, the change will be welcomed with rejoicing not only by the Magyars directly affected, but also by the Magyars at home in Hungary.

Országos Széchényi Könyvtár

NEW RUMANIAN STATE INSTITUTION WITH
A CAPITAL OF 1.000.000.000 LEI
ESTABLISHED FOR PURPOSE OF FINANCING
STATE PURCHASES OF LAND AND
COLONIZATION

BY

LADISLAS FRITZ

§ 47 of the Transylvanian Land Reform of 1921 ensures the Rumanian State the right of pre-emption in respect of all land described at the time by the expropriation committees as arable. Later, on 21st March 1927, a law was passed extending that right to every estate and property with buildings on it (*conac*) over 50 hectares in area, whether or not the estate in question had been wholly or partly exempted from expropriation. The law of 1927 thus made the State's right of pre-emption general and therewith *dealt the minorities (racial groups) in Rumania a severe blow by giving the Government power to prevent their being able to buy land.*

Two new laws regulate the exploitation of the State's right of pre-emption as a means of furthering nationalistic aims and colonization. One of these, promulgated on 16th June 1939, deals with the reorganization of the Mortgage Bank (*Casa Ruralia*), the other, of 18th November 1939, with the financing of the State's purchase of land by right of pre-emption. *Both laws contain special measures dealing with the buying and selling of land in the frontier regions (chiefly inhabited by minority citizens) and the villages with a mixed population, and with the work of colonization in those parts.*

The law of 16th June 1939 reorganizes the *Casa Ruralia* (Mortgage Bank) with a capital of 1,000,000,000 lei. Of this initial capital the State subscribes 500,000,000 — 50% —

and will contribute 100.000.000 annually for 20 years towards raising the capital. The other half is to be subscribed by the National Bank of Rumania, co-operative societies and other institutions controlled by the State. The Bank's shares are declared to be equivalent to State bonds and the Bank is not to be subject to the provisions of the banking laws. *All this proves that it is definitely a new State institution.*

The task of the reorganized Mortgage Bank — which is known simply by its initials as the B. I. N. A. G. — is to *facilitate the buying, selling and development of agricultural land* within the framework of the relevant laws. It is also empowered to *buy up estates on which the State has the right of pre-emption, but does not exercise that right.* Should the State exercise its right, the Mortgage Bank may also participate by financing the transaction. *In certain parts of the country the Bank may, in agreement with the State, help to promote colonization by issuing loans etc. Under § 22 the sales of land effected by the Mortgage Bank are similar to those transacted by virtue of the State's pre-emptive rights by the Ministry of Agriculture, for they also serve the same national aims and interests.* The State's right of pre-emption ceases in the case of land sold by the Mortgage Bank. The Law also says that the land purchased by the Mortgage Bank *may not be leased except to Rumanians, nor may the Bank sell land to any but Rumanians.*

In terms of § 46 the land sold directly or indirectly by the Mortgage Bank *may never pass into the hands of any but Rumanians*, either by purchase, or by deed of gift, or by will, or by inheritance, or in any other way. This applies to the total area and original boundaries as at the time of purchase by the Mortgage Bank.

The law dealing with the financing of State purchases of land by right of pre-emption ("*Lege pentru finanțarea preemtiunii*" of 18th November 1939) empowers the Minister of Agriculture to conclude an agreement with the B. I. N. A. G. (*Banca pentru industrializarea si valorificarea produ-*

selor agricole) concerning the transactions necessary for the exercise of the State's right of pre-emption in connection with the purchase of estates, *latifundia* and agricultural property in general. The notification required by law of the owners of land for sale must be forwarded to the Bank within two days of its arrival at the Ministry of Agriculture. The Bank, after examining the circumstances, will decide whether to buy or not, and will let the owner know whether the State wishes to exercise its right of pre-emption. In that case, if the Bank does not consider it expedient to finance the transaction, the Ministry of Agriculture may exercise the State's right of pre-emption itself. § 4 says that the land purchased under this law by the Mortgage Bank *may not be sold again to any but Rumanian citizens* who undertake to cultivate it themselves. The advantage seemingly latent in the fact of the law speaking of "Rumanian citizens" is speedily neutralised in § 9., which says that "*In the frontier districts and in villages of mixed nationality (comunele steroglote) the land purchased by the B. I. N. A. G. may not be used except for settlement purposes.*" These districts are to be determined by the Ministry of Agriculture acting in conjunction with the Military High Command. The B. I. N. A. G. may sell the estates purchased in those parts in parcels of 5 to 10 hectares to such Rumanians as conform to the conditions required of settlers. The ownership and right to cultivate the parcels of land thus created will be subject to the conditions embodied in the Settlement Act.

The law aims at depriving minority citizens of even the remotest chance of buying land. For it stipulates that *the parcels sold by the Bank are indivisible and must be transferred intact to their next owners*, who must in every respect conform to the prescribed requirements. The deed of conveyance must contain the stipulation that the land conveyed is indivisible, and this stipulation must also be entered in the Land Register. Inheritance is also regulated by law.

Mention must also be made of the provision which says that to facilitate the State's exercise of its right of pre-

emptive purchase, the *National Bank of Rumania* is authorized to extend a re-discount credit of at least 300.000.000 lei to the *B. I. N. A. G.* at a low rate of interest — 2^o/. This also shows how greatly detrimental to the interests of the minorities the whole business is. Lastly, the provision which empowers the *Minister of Agriculture* to appropriate 5.000.000 lei in his annual Budget for the assistance of settlers and to cover any losses arising from the sale by the *B. I. N. A. G.* of the land purchased under this present law, clearly proves that the aim is to encourage the settlement of Rumanians in the minority areas.

The law makes no secret of the fact that the object is to enable the State to buy up all the land for sale — especially the agricultural land at present in minority hands — and settle landless Rumanians on it. This is a fresh and striking example of how Rumania breaks all the promises, repeatedly made in exalted places, promises of equal rights for the minorities who have been living in present-day Rumania for centuries.

Országos Széchényi Könyvtár

SLOVAKIA'S STATE BUDGET FOR 1940

BY

SLOVACUS

In connection with Slovakia's Budget, *Dr. Pruzinsky*, Slovak Minister of Finance, himself advises caution, since owing to a lack of experience and because of the shortness of the time at the Government's disposal, it is not possible to estimate with any degree of certainty what the State's revenue and expenditure may eventually be. This is in effect a tacit confession that the Budget submitted by the Minister of Finance is nothing but a more or less arbitrary grouping of figures and sums. It is another question whether there is any solid basis for those figures, or whether, and to what extent, they deviate from the hard realities of actual facts.

In the draft Budget the estimates of the State Administration proper show a revenue of roughly 1.468 million and an expenditure of 1.509 million Slovak crowns. Accordingly, the deficit in the State Administration Budget is a round 41 million Slovak crowns. When we consider that the population of Slovakia is roughly 2.700.000, it will be seen that in the administration Budget 559 crowns of the State expenditure and 544 crowns of the State revenue fall to each inhabitant. What an enormous burden this is upon the inhabitants and upon production, may be gathered from the computations of economic experts, who put Slovakia's annual national income at about, 4.000 million Slovak crowns, or something under 1.500 crowns per head. And if we add the rest of the rates and taxes, it will appear that according to the Minister of Finance's figures, 40% of the aggregate national income is to be absorbed by taxation.

It is another question whether the above-quoted figures, especially those on the revenue side, are sound at all. The Minister himself notes that the Budget for last year, dating from 14th March and thus covering only nine and a half

months, showed a deficit of 300 million crowns. It may be reckoned that certain sums spent last year on the initial expenses of financing the machinery of the new independent State will not be required in 1940, but we cannot find any justification for the optimism which reckons on an increase of 238 million Slovak crowns in the State revenue in the next Budgetary year, as the draft Budget does. Is there no such thing as a little cautiousness in estimating possible revenues?

But even this is not all. The Minister of Finance's *exposé* states that the arrears of taxes in Slovakia amount today to 344 million crowns. Since we know that in 1937 and 1938 almost all the old arrears were written off under the Czecho-Slovak administration, we are justified in supposing that the 344 million Slovak crowns of arrears date from 1939. This would certainly mean that the Budgetary figures for 1939, which estimated 238 million crowns less revenue than the present Budget does, were already not sound, and that the tax-paying capacity of the population was not accurately gauged. Nothing else would explain how arrears of taxes could amount to 344 million crowns in one year's time. We shall never see clearly in this matter until the balance-sheet of the State's finances for 1939 is made public, if indeed it ever is.

If on the strength of the figures quoted above we take the probable revenue of the past year as a basis of calculation, we arrive at the conclusion that the State revenue in 1940 will be at least 500 or 600 million crowns, short of the figures of the Budget Estimate. This is about half the total revenue estimated. Whether in these circumstances the figures of the Budget are sound, is a question the reader may be left to answer.

The various items of revenue foreseen in the Estimates are:

1. Direct Taxation	283.100.000 S. crowns
2. Turnover and Luxury Taxes	255.193.100 S. crowns
3. Customs Duties	50.133.000 S. crowns
4. Excise Duties	304.165.000 S. crowns
5. Stamp Dues	169.210.100 S. crowns



6. Other Dues	500.000 S. crowns
7. Monopolies	35.630.000 S. crowns
<hr/>	
Total	1.097.931.200 S. crowns

The rest of the State revenue is to accrue from the receipts of the various Ministries.

The total expenditure is: 1.508.972.107 S. crowns.

Of this amount 737.063.085 Slovak crowns represent personal, while 771.909.022 Slovak crowns represent material expenditure.

But we must not forget what Dr. Zátko, chief rapporteur to the Budgetary Committee, said about the estimates of revenue and expenditure during the Parliamentary debate on the Budget. He said that the sum originally demanded by the various Ministries on the basis of the old Czecho-Slovak requirements was 2.408 million Slovak crowns. The Retrenchment and Supervisory Committee cut this sum down to 1.508 millions. The State revenue was originally estimated at 1.232 million Slovak crowns, which sum was finally increased to 1.468 million. It would be hard to say whether this reduction of expenditure and increase of revenue are in keeping with the actual situation and economic possibilities, or whether they will not result in a lowering of the economic, social and cultural standard of the people that will in the long run prove intolerable for large sections of the population.

We hear little about the estimates for the State undertakings and works in the Minister of Finance's *exposé*. All that he said was briefly that the following State undertakings show profits: the tobacco monopoly, the mint at Kőrmöcbánya, the State forests and estates, the Post Office, the Post Office Savings Bank, the State Printing Office and the Slovak Law Journal. The Minister did not see fit to say what the profits amount to in each instance.

On the other hand he told us that the balance-sheet of the State Railways showed a deficit of 154 million Slovak crowns, and that of the State mines and foundries a deficit of about 9 million. We do not learn from the Minister's

exposé what the State's losses were on the Slovak State spas and the Slovak Telegraph Bureau.

The Budget appropriates 562 million Slovak crowns for State investments. Of this sum 239 million crowns are set apart for investments connected with administration, and the remaining 323 millions for the investments of the State undertakings. The chief items are as follows:

Roads and Bridges	178.741.500 S. crowns
Waterways	22.500.000 „ „
State Buildings	30.958.500 „ „

The chief items of the investments programme of the State undertakings are:

Post Office	50.000.000 S. crowns
State Railways	250.137.700 „ „

The sums required to cover investments and deficits in the balance-sheets of the State undertakings can naturally only be raised by loans.

In conclusion Dr. Pružinsky spoke of the national debt. The first loan received by the Slovak Republic was a reconstruction loan of 358 million Slovak crowns. The services of interest and amortization on this loan are assured. But there is another debt that weighs heavily on the new State, the joint national debt of the old Czecho-Slovak Republic, which amounts to at least 50.000 million Czech crowns. The negotiations which are to determine how this debt is to be divided, have not yet been brought to a conclusion, but rumours that have leaked out state that the quota for Slovakia will probably exceed 6.000 million Slovak crowns. The interest on and amortization of this debt will absorb at least 400 million Slovak crowns per annum. Besides this, the Czechs claim other considerable sums from Slovakia in lieu of compensation to the Czech State officials discharged when Slovakia became independent. Where the money to pay all this is to come from, was not stated in the Minister's *exposé*.

Judging by the data given above we feel justified in saying that we cannot share Dr. Pružinsky's optimism either as regards the future economic development and vitality of the Slovak Republic or in respect of the financial solvency of the Treasury.

POLITICAL MOSAIC

HUNGARIAN REGENT'S NAME-DAY CELEBRATIONS EVERYWHERE

The name-day of the Hungarian Regent, Admiral Horthy, which falls on 6th December, was celebrated in Hungary with the stirring scenes of enthusiasm that every year witness to the loyalty and affection with which his subjects regard the great statesman to whom the country owes its resurrection as a State, its peace and its progress. The Hungarians are pleased and proud to think that their Regent is respected all over the world. Fresh signs of this fact were afforded by the spontaneity with which his name day was feted in the international Press and by the broadcasting stations in the capitals of three great countries.

In the London radio, on 5th December, Admiral Kerr broadcast in English a greeting to Admiral Horthy.

"Although I have never met the Regent of Hungary in person" — the British Admiral said — "I have always greatly admired him. Since the conclusion of the world war, in the naval battles of which we were opponents in 1916 and 1917, we have had occasion several times to exchange friendly greetings. In the old war days I was commander of the fleet operating in the Adriatic. Admiral Horthy, as commander of a ship of the line, was in command of one of the cruisers belonging to the Austro-Hungarian fleet, but he was also frequently in command of other cruisers and destroyers. On one occasion we closed the Adriatic with a chain of fishing-boats about a mile apart from each other. Steel netting had been stretched between them in order to capture the enemy's submarines, which otherwise might have run out to the Adriatic and attacked our warships. On 15th May 1917 Commander Horthy attacked with the "Novara". Two other light cruisers, the "Helgoland" and the "Saida", the latter under the command of Ferdinand Pruska, and two destroyers commanded by Prince Lichtenstein, attacked at the same time. We had only one light gun to each of the gunboats, and their crews consisted merely of a captain of the line and two seamen. This fleet might easily have fallen a prey to the two cruisers and the destroyers. They might have sunk us or captured our ships without any losses to themselves. But that was not what happened.

"Towards a weaker enemy Commander Horthy behaved with a gallantry worthy of the noblest traditions of naval warfare. When he signalled our ships to surrender, one of the gunboats refused to do so and engaged his warship in battle. The cruiser

took up the challenge, but at Commander Horthy's orders all its guns, with one single exception, were fired into the air. The one which took aim fired at the bows of the gunboat, and as soon as it had put the one gun out of action, the cruiser drew away and set off in pursuit of another ship. Any nation in the world, whether friend or foe at the time, might be proud of a naval officer who behaved with such gallantry towards the enemy as did that young commander. I therefore feel highly honoured at having been asked to send greetings to Admiral Horthy, the Regent of Hungary, on the occasion of his name day. May God give him health, happiness and complete success in his difficult work! With all my heart I wish that great mariner, the leader whom the whole Hungarian nation has followed through thick and thin with loyalty and unflinching confidence ever since the close of the world war, many happy returns of the day."

When Admiral Kerr ceased speaking the Hungarian Anthem was played by the British Broadcasting station. This was followed by a Hungarian translation of the Admiral's speech.

HUNGARY ANXIOUSLY WATCHING STRUGGLE OF FINNISH NATION

It is only natural that the wonderfully heroic struggle of the Finns, which has won the sympathy of international public opinion, should make a deep impression on the Hungarian nation. The Magyars and Finns are kindred peoples, the descendants of one race. In prehistoric times they roamed the Asiatic steppes together and spoke one language. The feeling of kinship is still so strong that the Finnish language is taught in the Faculty of Philosophy at the Budapest University, while, vice versa, Magyar is taught in Finland; and since 1893 there have been societies in Budapest and Helsinki devoted to the cultivation of fraternal relations between the two countries. Both nations love liberty and independence and for centuries fought to achieve these ideals. It was the impulse of a passionate self-sacrificing longing for liberty that raised the literature and poetry of both peoples to the heights of sublimity, ennobling and beautifying them.

The entire Hungarian nation — Government, Parliament, old and young — has given expression to its sympathy for the Finns. On 6th December, the anniversary of Finnish independence, great celebrations were held at the Finnish Legation in Budapest, at which the Speaker of the Hungarian Parliament, the representatives of official Hungary and a number of other distinguished Hungarians were present. M. Onni Talas, Finnish Minister, thanked the Hungarian people for their sympathy. He said that nobody could foresee the outcome of the chaos threaten-

ing the whole of Europe; one thing, however, was certain: a nation that was capable of making such a superhuman effort to defend its liberty had a right to live. Ex-Minister M. Emil de Nagy, President of the Hungarian-Finnish Society, declared that the marvellous heroism displayed by the Finns was an uplifting sight amid the horrible and ignoble events taking place in the world today. *He trusted that Divine Providence would not forsake that valiant people.*

On 8th December, the "Turul", an association of university students, marched in procession to the Finnish Legation. In reply to their cheers the Finnish Minister said that *the Finns were hopeful, for a nation so full of vitality as they were would be able to rise again even if momentarily crushed.* On 9th December, first the "Hungaria", an association of students of the Budapest Technical University, and later the *Emericana*, a Roman Catholic youth society, staged demonstrations in front of the Finnish Legation. To them the Finnish Minister said *that the spirit of the great Hungarian poet Petöfi was alive in the souls of the Finns.* Similar demonstrations were also made at the Szeged, Debrecen and Pécs universities.

The Hungarian Parliament, too, has expressed its deep anxiety and warm sympathy for a kindred people. After heartfelt words spoken on 3rd December by M. Zoltán Meskó (Extreme Right) and on 4th December by M. Nicholas Mester (Government Party), M. Géza Malasics (Social Democrat) and M. Gabriel Vajna (Extreme Right), the Hungarian Prime Minister, on 5th December, said: —

"A new war has broken out between our kindred, the little but brave Finnish nation and Soviet Russia. This is a separate war, not a phase of the war between the Franco-British Allies and Germany, yet it is not unconnected with the relations existing between the States of Europe. *It fills us with anxiety, and when we think of the Finnish nation, with sadness.*"

The Bench of Bishops of the Hungarian Lutheran Church on 14th December issued a circular letter, which, inter alia, contained the following passage: —

"The joy of Advent, the season of preparation for the birth of Jesus Christ, has been disturbed by the appalling events taking place in the far north. The Russian giant, ironclad from head to foot, has set forth to destroy one of the finest and bravest peoples, the little Finnish nation. With sledgehammer raised to strike, the giant is preparing to deal a blow under which churches, cultural institutions, and family altars will collapse in ruins. The Finnish nation holds the standard of the Gospel aloft and puts its trust in the mercy of God made manifest therein. The civilized nations of the world, aghast and filled with righteous indignation, watch the stage where the curtain threatens to rise on a historical tragedy in which Godless

Soviet Russia's 185 million inhabitants are preparing to trample to death the Godfearing Finnish nation of 3 and a half million souls." —

Baron Louis Villani, who formerly occupied an important post in the Hungarian Foreign Office, has been appointed Hungarian Minister in Helsinki. It will be his task to strengthen the ties of friendship between the two countries.

Hungary, it is true, is no longer a member of the League of Nations, but she follows its work with great interest and hopes that justice will triumph.

STATEMENT BY COUNT STEPHEN BETHLEN

The December 23rd. issue of the "8 Órai Ujság" contained a statement by *Count Stephen Bethlen*, former Prime Minister, relating to the international situation in which, *inter alia*, he said: —

"The situation in which Hungary has been placed by the outbreak of war resembles that of Italy. We too have refrained from taking part in the war on Germany's side; but we have not made any declaration of neutrality in the struggle: *we are watching events with our arms ready* and are taking care of our interests, prepared also to intervene in the event of our interests making such intervention necessary. *Hungary is not however in the least eager for adventures or at all anxious to fish in troubled waters* — a circumstance very wisely stressed on several occasions by our Foreign Minister. On the other hand *we naturally expect the injustices inflicted by the Treaty of Trianon to be at long last — after twenty years — eliminated. The war may be expected to provide an opportunity to repair these wrongs — not perhaps before it is over, but without fail after hostilities have been suspended and peace is made.* Without a liquidation of the treaties of peace drafted at Paris there cannot be any peace in Central Europe; and that means that there cannot be any peace in Europe generally. This is realised already by the great democracies of the West too, which were responsible for the Treaties of Trianon etc.; consequently the public opinion of the world at large is fully prepared to accept the new adjustment. We must therefore keep our powder dry pending the coming of that time; not that I believe that we shall then have to use our arms to vindicate the justice of our cause: but we must remember that not much weight attaches to the interests of a nation which is unarmed or is not prepared to fight too in defence of its vital interests.

"As I have said, it is conceivable that eventualities may force us to intervene even before that time comes; but the statements made by the Hungarian Government have made it clear to the whole world that Hungary is not out to find either

opportunity or pretext for intervention in any direction. Hungary is indeed leaving no stone unturned to ensure the elimination of every source or even possibility of controversy or antagonism, that country having indeed made concrete proposals for that purpose."

No Clash of Interests between Hungary and Russia.

"In my opinion, therefore, it is very desirable that these proposals should be taken seriously on the other side too' — continued Bethlen — "and that they should find an echo beyond the frontier; for, though perhaps that might not result in the settlement of every question at issue, the mere opening of negotiations is nevertheless bound to create an entirely different atmosphere against the time — of such decisive importance — when the Great Powers once more redraft the map of Europe. Since the outbreak of hostilities there has been a very material change in the situation both of Hungary and of Rumania — the latter being the country in question. As a consequence of the collapse of the Polish nation — the tragic fate of which has evoked our profoundest sympathy — Russia has taken the place of Poland as our neighbour. *Sentimentally, this change is to us a painful one; but, grave as it undoubtedly is, it does not involve disaster, as so many people would fain have us believe:* for the Russian advance has come to a standstill on the line of the Carpathians; and we would fain believe that in the future too that line will mark the limit of the Russian advance. Rumania has also experienced a change of the kind; in her case, however, this change may really be described as disastrous seeing that as a consequence of the downfall of Poland she has lost the neighbour who was her most trustworthy ally, the result being that *today Rumania has no neighbour except Yugoslavia — the common frontier on this side being however a very short one — from whom she did not annex territories under the Paris treaties — no neighbour not anxious to recover the territories allotted to her.*

"*If we leave out of account the questions of political philosophy — the question of systems of thought —, there is no serious clash of interests between Hungary and Russia; for the Russian Government regards the line of the Carpathians as a final and definitive frontier. Indeed, in certain respects it may be said even that we have common interests.* The international relations thus existing as between Hungary and Russia are not prejudiced either by the fact that in the armed conflict that has ensued between Russia and Finland we sympathise wholeheartedly with our sister nation. This is only natural; our fellow-feeling for the Finns is a matter of course: *we deeply regret that it is not in our power to intervene with the Russian*

Government in order to bring about a restoration of peace between Russia and Finland — and to prevent the liberty and independence of the gallant and high-minded Finnish nation being unnecessarily made the prey of the biggest European nation, which is already in possession of the largest area of territory owned by any European country."

Maintenance of our Present Position.

*"There is already a neutral South-Eastern European bloc" — continued Count Bethlen — "though it does not possess any generally accepted organisation; it is, namely, my conviction that it is the decided intention of all the States in question — including of course Hungary too — not only to keep aloof from the European war, but also to avoid any armed conflict even among themselves. And these countries are moreover in the fortunate position of having the direction in this connection of Italy, the Fascist Great Power whose Foreign Minister, Count Ciano, in his recent exhaustive *exposé* offered them the advice and good services of Italy for the reconciliation of any differences that might arise between them — a circumstance which may in any given case prove of immeasurable value for the maintenance of peace in this part of Europe.*

"Our situation in respect of the procural of raw materials is beset with exceptional difficulties, seeing that the bulk of our agrarian exports are sold against payment in marks and lire — very little trade being indeed carried on except with these markets —, whereas the raw materials we require have for the most part to be paid for in Western exchanges. The task facing us is therefore not capable of solution unless both the principal belligerent Parties — both Great Britain and Germany — show a certain appreciation of the difficulties which Hungary has to face in this connection. This must however depend primarily upon the international valuation of Hungary as a political factor and is not exclusively an economic question. There does not seem to be any likelihood of any infraction of our interests. In the first place because our friendship with Germany is as strong as ever, so that we may not even dream of such an eventuality from that quarter; and in the second place because it is the interest both of France and of Great Britain that the war should be restricted to the territory already involved, so that we have every reason to hope that these countries too will fully respect our important vital interests. The surest guarantee that we shall be able to continue to safeguard the peace of our country is that we should accommodate our action absolutely to that of Italy, co-operating with that country in every respect, seeing that Italy and Mussolini are our best friends and that — as we have experienced so often in the past — Mussolini is

ready in any given case even to make sacrifices on our behalf and has never kept us in the lurch."

MINORITY CITIZENSHIP IN RUMANIA

At Last — after Two Decades — a Satisfactory Law

Sad to say, two decades had to elapse after the ratification of the Peace Treaties before the Rumanian Administration decided to settle the question of minority citizenship in a satisfactory way. The Rumanian official gazette, the "Monitorul Oficial" No. 243, of 20th October 1939, contains the text of a new law. In terms thereof, all that is now required of applicants who wish to be enrolled *de post facto* in the list of Rumanian citizens is proof that they *were living* in the area attached to Rumania, or at some place in the Old Kingdom, on 1st December 1918 (the date of union) or on 26th July 1921 (the date on which the Trianon Treaty was ratified), and that in the interim between these dates and the present day they have not applied for citizenship of another country. Applications are to be investigated by the Minister of Justice. The date up to which applications for citizenship may be filed has been prolonged to 1st February 1940, and until this term expires the law provides all applicants with facilities of complying with the necessary formalities.

What gave rise to the difficulties attending the question of minority citizenship in Rumania was the difference between the provisions contained in the Rumanian minority treaty of 9th December 1919 and those contained in the Trianon Treaty. The minority treaty stipulates *permanent residence* and descent from parents who were permanently resident in the areas attached to Rumania. According to the Trianon Treaty, on the other hand, all persons who possessed domiciliary rights in any territory formerly part of the Austro-Hungarian Monarchy automatically acquired citizenship of the State exercising sovereignty over the territory in question (Article 61.). The Hungarian Peace Delegation wished to substitute "place of dwelling" for "rights of domicile", but this suggestion was rejected by the Peace Conference. The first Rumanian Citizenship Act, passed on 24th February 1924, in conformity, not with the minority treaty, but with the Trianon Treaty, established the principle that to obtain Rumanian citizenship it was necessary to have been in possession of rights of domicile in the attached areas on 18th November 1918 (Article 96.). Besides this, the recognition of a man's Rumanian citizenship was conditional on certain formalities (application for enrolment in the citizenship lists had to be made in person, etc.). In consequence, the citizenship of hundreds of thousands of minority subjects became uncertain. No special importance having been attached anywhere during the Hungarian era to a formal acquisition of rights of domicile, very few people

were in possession of the required certificates. The possession of those rights on 18th November 1918 presupposed — in terms of the Hungarian (Parish) Act XXII of 1886 — that the person concerned had lived for at least four years before that date in the village in question and had been a ratepayer there. It may be imagined that people of the lower classes, such as agricultural labourers and industrial workers, changed their places of abode pretty frequently, not staying long enough in any one place to acquire rights of domicile. Any chance of these people being enrolled in the lists of Rumanian citizens was therefore forfeited as soon as it came to the point of proving rights of domicile, and as a result the citizenship of large sections of the minority population became uncertain. This proved a great disability, for citizenship is the basis of most civil rights, of all political and many private rights too. It will suffice to point out that for two decades the chaos surrounding the question of citizenship was responsible for the circumstance that the minorities lived under a constant threat of dismissal from public posts, the loss of their pensions and, in the case of merchants and craftsmen, of their trade and commercial licences, to say nothing of the danger of being expelled from the country. The number of people whose Rumanian citizenship is a matter of doubt is approximately 400.000, and of these 90% are of Magyar nationality.

By not requiring proof of rights of domicile, the new Rumanian Citizenship Law will undoubtedly in principle do away with the old uncertainty surrounding the question of citizenship. All we would ask is why it was necessary to wait twenty years and keep millions of minority subjects in the greatest suspense for such a long time, despite the fact that the representatives of the minorities continually urged a satisfactory solution of the problem. Another question we should like to put is: will not this law share the fate of so many others that were passed by the different Rumanian Governments, but have never been put into execution?

HOW MINORITIES LIVE

RUMANIA

A WAVE OF LAWSUITS

Leaders of Magyar Minority Before Military Court. — Count Mihály Toldalaghy, president of the local branch of the Magyar Ethnic Community in the County of Maros-Torda, together with four land-owners living in the same county, was summoned before the military court under the charge of activity hostile to the State. On February 4th, 1939, the Count addressed a farmers' meeting in the village of Backamadaras and in his speech he referred — among other things — to the tasks facing the Magyar people. His statements were considered hostile to the State, and he was therefore ordered to appear before the military court. He was, however, acquitted of the charge, it being found that the "informer" had selected only certain passages from the Count's speech, and that the whole speech did not convey the impression of having been directed against the interests of the State.

Hungarian Editor's Appeal Rejected. — A few years ago M. Zsigmond Gyulai, a Hungarian editor, was sentenced to six months imprisonment for publishing in his paper (in Marosvásárhely) an article of the "Manchester Guardian" dealing with the situation of the Danubian States. The editor actually spent 37 days in prison, after which he was temporarily released, owing to illness; in the meantime his punishment was by royal amnesty reduced to four months imprisonment, but the editor appealed for pardon. His petition was, however, rejected, whereupon he has now returned to the prison for the rest of his confinement. (Estilap, December 13.)

Hungarian Editor Charged With Treason. — M. László Baradlai, editor of the daily "Sajtó" (The Press), appearing in Szatmár (Satu Mare), was arrested by the local police and ordered to appear before the military court of Kolozsvár (Cluj) charged with having received mysterious sums of money from abroad. After an inquiry lasting for six weeks the editor was released, as it was proved that the false accusation was supported by forged receipts and was, as a matter of fact, invested by his enemies. (Brassói Lapok, December 17, 1939.) —

Hungarian Parish Clerk Punished for Writing Local History. — A few months ago the Rumanian Ministry of the Interior instructed all parish clerks to compile monographs of their vilages, or to collect particulars of local history. In describing the past and the social conditions of the village of

Pusztaszentmárton, the district clerk of Aranyosronk referred to a historical work written by a Transylvanian historian, Baron Balázs Orbán. In this work the village is described as an ancient Magyar settlement Rumanianized in the course of centuries. On the other hand, the parish clerk also referred to the theory put forward by Prof. Nicholas Iorga, who maintains that the Szekler villages of Transylvania were originally Rumanian settlements successively assimilated by the Magyar elements of the population. The Hungarian parish clerk was therefore ordered to appear before the military court at Kolozsvár (Cluj), charged with having preferred the theory of the Hungarian historian to Prof. Iorga's, whereby he had committed an offence against the dignity of Rumania's national history and institutions. After 28 years of absolutely unimpeachable public service, the Hungarian parish clerk was fined 3.000 lei and costs.

Punished for a Telephone Report. — Charged with committing an offence against the honour of the Rumanian nation, M. László Sebestyén, a journalist resident in Marosvásárhely (Targu-Mures), was ordered to appear before the military court at Kolozsvár (Cluj) on account of a telephone report which he was alleged to have sent abroad. The counsel for the prosecution asked the judge to sentence the journalist to three years' imprisonment, whereupon the counsel for the defence proved to the court that the journalist had been stopped by the censor while telephoning his report, so that it would be absurd to punish him for something he could not possibly have done. The journalist was fined 2000 lei and costs.

Punished for Coffee-House Conversation. — The military court at Temesvár (Timisoara) has sentenced M. József Fazekas, a manufacturer of Orsova, to the payment of a fine of 4000 lei on the charge of irredentist statements which he is alleged to have made during a coffee-house discussion. The fact is that he, as a Hungarian member of the company, was asked to give his opinion on a political question; his answer was as follows: "The time will come when the Rumanian and Hungarian nations will walk hand in hand; it will be necessary, however, to make further concessions to the Hungarians first."

Chief Rabbi Charged with Hostility to the State. — M. Géza Seidner, religion teacher and Chief Rabbi of Karánsebes, was charged with hostile intentions against the State, in connection with a religious festival held three years ago, the programme of which — it was said — had displayed the Rabbi's ill feelings towards the State. No trustworthy evidence having been produced against him, the Rabbi was acquitted by the military court. (Népujság, December 17, 1939.) —

House-Owner Accused of Insult. — The military court of Kolozsvár (Cluj) has sentenced to the payment of a fine of 10.000 lei Mrs. Lederer, a house owner, who had been denounced

by a former tenant for insulting the honour of the Rumanian nation. (Ellenzék, December 8, 1939.) —

Further Military Court Sentences. — The military court at Brassó (Brasov) has sentenced M. Antal Balázs, County of Csik, to three months imprisonment for sensation mongering and insulting the honour of the Rumanian nation. — The military court at Nagyszeben (Sibiu) has sentenced M. György Páll, one-time secretary of the late Hungarian Party, to three months imprisonment. — The military court at Kolozsvár (Cluj) has passed the following sentences for crossing the frontier without permission: János Zsikány, ten years' penal servitude, Sándor Jenei, László and Juliska Balogh, András Farkas Balogh, János Bogdán and Ferenc Tóth, two years' imprisonment each. All are residents in the County of Bihar. The following persons had been sentenced to two years' imprisonment each for holding meetings without permission: Viktor Katona, Karolin Fülöp, Julia Trombitás, Zsuzsa Popas and a friend. They all live in the County of Maros-Torda.

Magyar Law-Student Sent to Prison For a Year on the Charge of Agitation Dangerous to the State. — The Kolozsvár military court has sentenced John Tőkés, a Marosvásárhely law-student aged 20, to one year's imprisonment on the charge of agitation dangerous to the State. According to the prosecution, Tőkés sent a letter to a relation living in Hungary in which he used expressions equivalent to subversive agitation and abuse of the Rumanian nation. The letter fell into the hands of the authorities by way of the *Cabinet Noir*, and proceedings were instituted against him. The young law-student was arrested immediately after sentence had been passed.

LAND BELONGING TO TRANSYLVANIAN REFORMED CHURCH PARISH EXPROPRIATED AND MADE OVER TO STATE

Forty acres of land have been expropriated in the prefecture of *Körösbánya*. Of this area twenty-one acres belonged to the Reformed Church parish of *Körösbánya*. The greater part of the expropriated land will be made over to State institutions and the State Church.

NO SETTLEMENT YET OF QUESTION OF STATE GRANTS (CONGRUA) TO PROTESTANT CLERGYMEN IN TRANSYLVANIA

We have several times referred to the striking inequality that exists in respect of State grants between the treatment meted out to minority and to majority clergymen respectively.

Not long ago a delegation headed by the Reformed Church Bishop of Transylvania appeared before the Rumanian Minister of Religion and Education and again urged the settlement of the question of State grants to Protestant clergymen. The delegation begged the Minister to settle this question in terms of the agreement arrived at between the leaders of the Magyar minority and the Government, and to do so at latest by January.

MINORITY SCHOOLS IN ARAD RECEIVE ALMS INSTEAD OF REASONABLE SUPPORT

The municipality of Arad appropriated 2.000.000 lei for educational purposes. Of this sum the denominational schools received only 35.000, while the Arad State schools were given the remaining 1.965.000 lei. In other words 99% of the grant went to the State schools, which are in any case in a safe position, while the denominational schools struggling hard to maintain their very existence had to be content with 1%. The 35.000 lei were distributed as follows: 5000 each to the Arad Roman Catholic boys' and girls' schools, the Lutheran German elementary school, the Jewish and the Serb elementary schools, the remaining 10.000 being given to the Serb elementary school at Aradgaj. The committee of the Magyar minority in Arad has lodged a protest against the disproportionately small sums allotted to the denominational schools and has stated that this unequal treatment has given rise to general feelings of dissatisfaction among the minority inhabitants. ("Magyar Újság," Dec. 18.)

MAGYAR MINORITY DEMANDS NOT ONLY A MINORITY LAW, BUT ALSO ITS ENFORCEMENT

The *Rumanian Administration* — as we have repeatedly reported — settled the question of minority rights by means of the so-called Minority Statute. This Minority Statute consists of a Royal Edict and a resolution passed by the Cabinet Council, but the rights guaranteed therein, with one two exceptions, have not been granted. The provisions of the Minority Statute are being as little observed as were the stipulations of the so-called Minority Treaty — concluded in Paris on 9th December 1919 between Rumania and the Allied and Associated Powers — by the successive Rumanian Governments. Quite recently the new Rumanian Premier, M. George Tatarescu, received the Chairman of the Magyar Parliamentary Group, with whom he discussed the situation of the Magyar racial minority. The communiqué issued by the Presidential Board of the Magyar Ethnic Community states that Premier Tatarescu announced his intention of drafting a minority law. In connection with this plan the wish of the Magyar minority is that the leaders of

the Magyars should be allowed to assist in preparing the draft of that law, in order to guarantee its efficacy and ensure that in scope and scale it shall be satisfactory. The *Chairman of the Magyar Parliamentary Group* expressed to the Press the hope that the promises received would not prove empty words, that the Government would not consider it sufficient to frame a law, but would see that it was enforced in every field alike. This was what the Magyars would demand, for unless they were enforced, all laws and decrees were merely so many scraps of paper. ("Magyar Lapok", December 20.)

SITUATION OF DISCHARGED MAGYAR OFFICIALS STILL UNCERTAIN

An oath of allegiance was demanded by the Rumanian Government from the State, municipal and village officials in the Hungarian areas attached to Rumania at the time of occupation — that is to say, long before the ratification of the Peace Treaties. Those officials, standing on their rights in terms of international law, refused to take this oath. Thereupon the Rumanian Government discharged thousands of them without paying them any compensation or pensions, which meant that they were plunged into the greatest destitution. It was only 10 years later that some of the civil servants who had refused to take the oath received a pittance in lieu of pension, but not as from the date of their dismissal. (The members of the Hungarian gendarmerie, for instance, are still suing for their pensions in the civil courts.) Later on fresh batches of minority officials were discharged after language tests on the pretext that they had an inadequate knowledge of the official language of the State. This meant that again thousands of minority public servants were reduced to beggary by the Rumanian Government, for naturally they were dismissed without compensation or pensions. A report from Bucharest states that the Magyar Parliamentary Group has now submitted another memorandum to the Government, requesting a general and equitable settlement of the question of the discharged Magyar public employees. (Magyar Lapok, December 20.)

ONLY NOW, AFTER TWENTY YEARS OF WAITING AND LITIGATION, ARE THE DISCHARGED MAGYAR RAILWAY EMPLOYEES TO GET THEIR PENSIONS

The personnel of the *Royal Hungarian Railways* (M. A. V.) in the Hungarian areas attached to Rumania were discharged without compensation or pensions by the Rumanian Government. After twenty years of litigation, they are at last in

possession of a juridical decision in re their pensions. The supreme Rumanian court of law, the Court of Appeal, has pronounced that the Rumanian State is the legal successor of the Hungarian State in those areas and has therefore inherited not only these assets, but also the liabilities and obligations, of the latter. The Court of Appeal has therefore instructed the Minister of Finance as representing the Rumanian Government to pay the plaintiff railway employees their dues. This finding is a defeat for the Rumanian Government and a reflection on its behaviour, particularly in view of the fact that the men whose right to pensions the successive Governments have denied for twenty years were minor employees, platelayers, pointsmen, etc. These humble persons were plunged into the greatest social and economic distress only because they happened to be minority citizens. This juridical sentence does not however apply to the *Magyar railway officials* dismissed from their posts in recent years owing to their failure to pass the language tests. No arrangement concerning them has yet been made ("Népujság", December, 16.)

SZÉKLER JOINT TENANTS (COMPOSSESSORATI) MAY NOT SELL THEIR OWN WOOD

The joint tenants of *Gyergyószentmiklós* decided to fell and divide among themselves 10.000 cubic metres of wood. This they announced to the proper authorities, and received permission to fell the trees, but only on condition that they did the work and used the wood themselves. In a word they cannot sell it to other people. The farmers concerned, who are most seriously affected by this prohibition, have appealed to the leaders of the Magyar minority for help to obtain a redress of this wrong.

SUPPRESSION OF GERMAN MINORITY PAPER

The Censor has prohibited the appearance for ten days of the German daily paper "*Extrapost*". The paper is alleged to have been guilty of disrespectful conduct and various offences against official ordinances. (Magyar Lapok, November 23, 1939.)

SLOVAKIA

27 MAGYARS PUNISHED FOR WISHING TO BELONG TO HUNGARY

The following case is reported from *Besztercebánya*: Thirty inhabitants of the village of *Felsőpokorágy* were tried by the local district court on December 15th; they were reported to have left their village on the beginning of April, 1939, to look

after their land in the village of *Alsópokorágy*, which had been recently restored to Hungary. From there they went to the town of Rimaszombat, to ask the prefect of the county for the restoration of their own village (*Felsópokorágy*). They were tried by the district court under § 2 of the State Defence Act, charged with activity hostile to the integrity of the State. The court passed the following sentences: Pál Ocsvay Kipták and Sámuel Bereczky, the two leaders of the deputation, to six months' imprisonment, *Kriskó*, Pál *Házás*, Péter *Bornay*, Pál *Ocsovay*, András *Petrusz*, Pál *Laczkó* and Pál *Asztalos* Visny, to 4 months each, and 13 other defendants to 3 months each. One defendant was sentenced to three months' imprisonment and four others to two months each, being released on bail. Four defendants were acquitted. (*Uj Hírek*, December 17, 1939; Pozsony-Bratislava). —

PERSECUTION OF MAGYARS IN SLOVAKIA

It is reported from Slovakia that Baron *Baratta*, a landowner and manufacturer, has been arrested at Polta and taken to the prison at Illava. No explanation of his arrest was offered, but it is believed to have taken place on account of his political activity as a member of the United Hungarian Party of Slovakia. His arrest has created a very unfavourable impression among the Magyars in Slovakia, as it is one of a series of arrests recently effected in the counties of Nyitra, Szepes and Abauj-Torna. Thus, for instance, Mr. Gusztáv *Wlaszlovics*, a manufacturer of Stósz, was taken from the prison of Illava direct to the military court at Lőcse, charged with the absurd accusation that he had been responsible for the desertion of those pro-Hungarian German citizens of Stósz and Mecenzéf who had escaped to Hungary at the time of the mobilization in Slovakia in September, because they did not wish to enter the Slovak army.

"YOU DAMNED MAGYAR!" — AND TWO SLAPS IN THE FACE — IN POZSONY

Arthur *Sinko*, a "bus conductor in *Pozsony* (*Bratislava*) — on November 30th — called a Magyar passenger a "damned Hungarian", because the latter had told him not to let the 'bus start before all the passengers had got in. The conductor then told the passenger to mind his own business and not to interfere with his work, wherupon the latter pointed out that he had a right to interfere as "it was the conductor's duty to see that everybody should get a chance to leave the 'bus or get in, because it was the conductor's business to serve the public and not vice-versa." Though the passenger spoke in an amicable manner, the conductor advised him to stop arguing, or else he

would "slap his face"; accordingly, he attacked the Hungarian passenger and — amid a volley of oaths — hit him twice in the face.

YUGOSLAVIA

NO ROMAN CATHOLIC RELIGIOUS INSTRUCTION SINCE YEARS IN ZOMBOR SECONDARY SCHOOL

The Roman Catholic inhabitants of Zombor, the old capital of County Bács-Bodrog, are Bunyevatz, Magyar and German by nationality, and together form about two-thirds of the total population. For years they have been complaining that owing to the lack of a Roman Catholic teacher of religion, the children of that faith attending the State secondary school were not receiving proper religious instruction. Their petitions, submitted more than once a year, have so far remained un-answered but now that in consequence of the Serbo-Croatian agreement concluded on 26th August the Croatian Catholics have been given an important rôle in the administration of the affairs of the State, the situation has suddenly changed. On the intervention of Senator Pajo Vuyevitch (a Bunyevatz of Zombor), which was strongly supported by the five Croatian Ministers, M. Bozho Maximovitch, Minister of Education, *has at last appointed a Roman Catholic priest to teach religion in the Zombor secondary school.* Another grievance of the Bunyevatz people typical of conditions in Yugoslavia is that *there is not one teacher of that nationality among all the 58 State school teachers in Zombor.* Encouraged by their initial success, they are now demanding a redress of that grievance too.,

IMPORTANT JURIDICAL PRECEDENT

The nationalization of schools under Ordinance No. 31.230 of 27th October 1920 and other subsequent decrees was in practice carried out as follows. The buildings and equipment of schools belonging to denominations, communities, societies and private persons were expropriated without any compensation being paid for them, especially in the areas wrested from Hungary. Besides this, all movable assets and real estate that went to their maintenance were also confiscated by the State. As the great majority of the schools in those parts belonged to the above-mentioned categories, the denominations, communities, societies and private individuals maintaining them suffered enormous losses when the school property was confiscated. After 1931 several parishes sued the State, demanding both the return of the school-buildings and rent for the entire period that had elapsed since they were arbitrarily confiscated. In



many cases judgements were pronounced by the courts, on the basis of which agreements concerning the restoration of the confiscated buildings were arrived at between the ecclesiastical authorities and the political communities acting on instructions received from higher authorities.

Recently, the Ujvidék Court of Appeal pronounced a judgement of great theoretical importance in the lawsuit brought by the ecclesiastical parish of *Bereg (Backi Breg)* against the School Board of the political community. The judgement pronounced was that *the school-buildings confiscated by Ordinance have not ceased to be the property of the denomination; that they must be restored and rent paid for their use since the date of confiscation. The Church had absolute control over all denominational property, which could neither be expropriated nor confiscated.* It would seem that the question of the confiscated school-buildings is likely to be settled satisfactorily; but what about the rest of the educational assets, especially the land expropriated by the Land Reform and allotted to War volunteers and other Southern Slav claimants?

COMPLAINT OF MAGYARS IN BARANYA

In the so-called "Baranya triangle", but especially in the prefecture of *Kőszeg (Batina)*, the authorities have almost entirely paralyzed the activity of the Magyar cultural societies. The performance of Hungarian plays in particular is seldom or never permitted. Now that the electioneering campaign has started all over the country, the Magyars of Baranya hope that this grievance will be redressed — at least for the time being.

YUGOSLAV MINISTER OF WAR'S INTERESTING ORDINANCE

The official army gazette of 9th Decmeber contains an ordinance issued by General Neditch, Yugoslav Minister of War, in terms of which "those reserve officers of the former Austro-Hungarian army who for any reason did not receive the rank of reserve officers in the Yugoslav army, *but have been obliged to serve in the ranks and consequently were often given very hard manual work to perform*, may not in future be employed on any work during manoeuvres except such as is best suited to their mental and physical capacities."

This interesting ordinance, which it is to be hoped will put an end to a state of matters that for 20 years had been very hard on the former reserve officers of the Austro-Hungarian army, especially on those of Magyar nationality, was issued by the Minister of War "for the purpose of rationalizing the work done by non-Slavs in connection with the erection of fortifications".

BOOKS

Viscount Rothermere: My Campaign for Hungary; Foreword by Ferenc Herczeg (Eyre & Spottiswoode, London.)

The author rightly points out in his Story of the Book that "this is the account of a unique interlude in the history of present-day European politics." It is unique for an author to concentrate in his book on:

a) describing how he initiated an entirely new chapter of international law, the revision of peace-treaties by pacific methods which, in territorial questions, were unknown before;

b) summarising his own innumerable and highly interesting contacts with post-war Hungary, on behalf of which country he strove for twelve years of unremitting activity and considerable material sacrifice to obtain "redress of the grossly unjust treatment inflicted upon her by the Peace Treaty of Trianon";

c) picturing the memorable days when, in November 1938, after Munich, the Hungarian people, of which the book records "the courage and constancy under suffering and oppression greater than any other country in Europe has had to endure", recovered the lost Northern territories, thus illustrating the possibilities of peaceful change;

d) analysing the causes and effects of wars and pointing out the outstanding duties of the statesmen of our times in questions of adjustments without bloodshed. "War can only produce a fresh crop of wrongs and injustice... Wrong can be righted without war..."

Lord Rothermere's book is thus much more than a simple work on a political problem: it describes the initiation and the fulfilment of a great task "not so much in the interests of Hungary as in those of Europe as a whole, including Great Britain". It is at once theory and practice, hope and life.

For Hungary all that is recorded in this book will be a sacred chapter of national history; for Britain, a manifestation of the exceptional political capacity of her sons.

de P. P.

POLITICAL ECONOMY

HUNGARY

HUNGARIAN FOREIGN TRADE BALANCE SHOW EXCESS OF EXPORTS OF ABOUT 15.000.000 PENGŐ

According to the report of the Royal Hungarian Central Statistical Bureau, the value of imports in November was 44.600.000, that of exports 59.500.000 pengő. The value of our imports from 1st January to 30th November was 438.000.000, that of our exports 540.000.000 pengő. The foreign trade balance for the first 11 months of the years thus shows an excess of exports of 101.800.000 pengő. This is somewhat less than the excess of exports recorded for the same period last year, but it is gratifying to note that the aggregate volume of our foreign trade has increased considerably. For, the value of imports from 1st January to 30th November was 65.000.000 pengő more than last year, that of exports 63.000.000 more. The increase in evidence in our foreign trade certainly shows an advance of the economic capacity of the country.

RUMANIA

DEVELOPMENT OF RUMANIA'S FOREIGN TRADE FROM JANUARY TO AUGUST 1939

Compared with 1938 and 1937, Rumania's exports and imports from January to August 1939 were as follows:

<i>Imports</i>	quantity in tons	value in lei
1939	561.931	15.877,000.000
1938	553.494	12.975,000.000
1937	399.268	11.992,000.000
<i>Exports</i>		
1939	5,321.359	16.892,000.000
1938	4,655.611	13.537,000.000
1937	6,461.981	19.986,000.000

From this it will be seen that the volume of exports during the period between January and August 1939 was larger than during the same period in the previous year. On the other hand it must be remembered that the prices of raw and half-manufactured materials have risen considerably. So far as exports are concerned the increase exceeds 665.000 tons. Rumania's exports are steadily

on the increase, especially her exports of agricultural produce, petroleum and wood.

The balance of exports and imports shows a steady improvement.

In 1939 the excess of exports was	1.014,159.000 lei
" 1938 " " " "	562,456.000 "
" 1937 " " " "	7.933,907.000 "

Direction of Exports.

Germany occupies the first place in Rumania's foreign trade. Exports to and imports from that country are steadily increasing. (Czecho-Slovakia is treated separately in the official report.) The second place is claimed by Great Britain. Rumania's trade with Italy has increased considerably. In the first half of last year Czecho-Slovakia was fourth on Rumania's foreign trade list. A slow increase in Rumania's trade with France is in evidence, and Belgium also does more trade with Rumania than she used to.

	<i>Exports</i> <i>in quintals</i>		<i>Imports</i> <i>in quintals</i>	
	1939	1938	1939	1938
<i>Germany</i>	1,815.338	1,359.665	11,916.329	8,858.982
<i>Great Britain</i>	349.453	274.459	8,331.512	3,320.469
<i>Italy</i>	267.002	161.964	7,440.715	4,164.683

The above figures give the volume of exports and imports in quintals. The following table shows the value of the same in thousands of lei.

	<i>Exports</i>	<i>Imports</i>
<i>Germany</i>		
1939	5,861.925	5,198.130
1938	4,580.856	3,539.652
1937	4,441.804	5,118.732
<i>Great Britain</i>		
1939	1,004.505	2,312.549
1938	1,149.315	431.912
1937	1,183.523	1,872.048
<i>Italy</i>		
1939	1,440.191	2,293.634
1938	588.063	929.199
1937	545.288	1,427.882

Character of Rumania's Foreign Trade.

Rumanian exports consist mostly of live stock, agricultural produce, wood, seeds, fuel and mineral products: her imports are

POLITICAL ECONOMY

mainly raw and half-manufactured iron. Her second largest category of imports is machinery.

Exports	in million lei		
	1939	1938	1937
<i>Live stock</i>	962	679	771
<i>Agricultural produce</i>	4,560	3,306	6,569
<i>Seeds</i>	593	455	492
<i>Wood</i>	1,989	1,548	1,686
<i>Mineral products</i>	7,005	6,307	8,552

Exports have increased considerably in value, but in volume they have not, with the exception of wood, reached the 1937 level. Prices, however, are much higher. Rumania's foreign trade balance shows a steadily improving tendency.

YUGOSLAVIA

ABOUT HALF YUGOSLAVIA'S JOINT STOCK CAPITAL IS SITUATED IN BANATE OF CROATIA

There are 692 industrial joint stock companies in the entire area of Yugoslavia, 293 of which (42.28%) are situated in the Banate of Croatia. At the end of 1937 the balance-sheets of the industrial joint stock companies presented the following picture, from which we see what percentage of their capital falls to Croatia.

	Yugoslavia (entire area)	Croatia	Croatia's quota (%)
	in million dinars		
Joint stock capital	4,214.0	1,858.4	44.13%
Reserves	3,561.9	1,437.7	40.36%
Liabilities	6,574.7	1,191.7	18.12%
Permanent investments	7,376.2	3,320.3	45.01%
Floating capital	2,670.5	1,410.0	52.80%
Credits	2,600.4	1,243.5	47.82%
Balance-sheets total	16,371.6	6,961.1	42.50%

The situation at the end of 1937, so far as commercial joint stock companies were concerned, was as follows:

	Yugoslavia (entire area)	Croatia	Croatia's quota %
	in million dinars		
Joint stock capital	189.2	83.0	43.86%
Reserves	194.5	15.0	7.72%
Liabilities	416.3	122.0	29.30%

Permanent investments	87.3	62.5	71.60%
Floating capital	157.9	63.6	40.31%
Credits	305.2	83.1	27.24%
Balance-sheets total	858.5	239.2	27.86%

66 (55% of the total number of commercial joint stock companies operating in the whole area of Yugoslavia) are in the Banate of Croatia.

The number of traffic and transport companies working on a joint stock basis in 1937 was 42 for the whole area of Yugoslavia. Of these 26 (61.90%) fell to the Banate of Croatia.

From the above figures it is apparent that 40 or 50 per cent of the total number of joint stock companies in Yugoslavia are situated in the Banate of Croatia. The lesser number of commercial companies and the smaller amount of capital involved are explained by the fact that the biggest commercial concern in the whole country, the "Prizad", is situated in Belgrade.

AGREEMENT BETWEEN YUGOSLAVIA AND GERMANY RESPECTING SETTLEMENT OF PRE-WAR DEBTS

After prolonged negotiations an agreement has been concluded between *Yugoslavia* and *Germany* concerning the settlement of pre-war debts. Yugoslavia has two kinds of unpaid debts to Germany. The one concerns Serbia, the other Bosnia-Hercegovina. Between 1895 and 1909 *Serbia* borrowed 76 million francs from Germany, while the Government and municipalities of *Bosnia-Hercegovina* received 17 different loans to the total value of 336 million crowns. At the close of the 1914—1918 war the latter debt was still 110 million crowns. In terms of the present agreement, the arrears of annuities and interest on Serbia's debt accumulated between 1914 and 1929 are to be written off, while those accumulated between 1929 and 1939 are to be calculated later on and paid in instalments. Payments due at present are to be made in dinars. Bosnia-Hercegovina's debt will be settled by Yugoslavia buying the bonds when Germany offers them for sale. Their redemption will be effected gradually over a period of years.

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