

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

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§ 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.

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