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LORD ROTHERMERE

BY

FRANCIS HERCZEG

During the last ten years, every time any one in Hungary spoke of "His Lordship", every one knew that *Viscount Rothermere* was the person referred to. His figure occupied a position in the spiritual world of the Hungarians of post-Trianon Hungary roughly the same as that of the look-out tower on Jánoshegy in the landscape of Budapest, which is high up among the clouds and is yet visible from every point. The sentimental ties binding His Lordship to the Hungarians were a quite exceptional phenomenon, — a private person in intimate friendship with a whole nation; this friendship being for the nation too so much a living reality that every class of the community was conscious of the duties and rights involved thereby.

When in 1927 His Lordship demanded a place in the sun for Hungary, the mighty echo which reverberated every word written by this prince of journalists converted the sufferings of the Hungarians into a problem of international politics. We still remember vividly the gestures of surprise, indignation and horror with which the statesmen of the Little Entente received His Lordship's statements. These statesmen had been convinced that the spoils which they had obtained at so small a cost were their indisputable possession for all time. They had firmly believed that the Hungarian people was definitively dead and buried, Trianon having rolled stones of such weight over its grave that it would never be able to rise again.

His Lordship's first article started the process of dissolution — noiseless but all the quicker in its action — which

annihilated the vitality of the Little Entente. The world began to doubt in the future of Czecho-Slovakia and Greater Rumania; indeed, even the Czecho-Slovaks and the Pan-Rumanians lost their capacity to believe in themselves. The real significance of His Lordship's attitude lay however in its effect upon the spiritual life of the Hungarians. The nation which had been veritably ostracised from the community of civilised peoples began once more to believe and hope, found itself again, recovered its former self-respect and dignity and started on the path of regeneration.

The situation was then already ripe; there was an acute tension in men's minds; the Hungarian people was saturated with suppressed energy; but a spark was needed to fire the mines. This spark was kindled in the soul of the Hungarian people by His Lordship. He demanded justice for Hungary, desiring that there should be a peaceful revision of the treaties of peace and thereby offering the world that healing balsam which might have saved the peace of Europe then tottering to its fall. What so many famous statesmen had failed to understand, His Lordship's keenness of vision enabled him to realise; and he proclaimed aloud and openly that a stabilisation of the conditions induced by the Paris Treaties of Peace must necessarily plunge Europe into a fresh welter of bloodshed. We remember that His Lordship went repeatedly to Berlin and Rome to secure mighty supporters for his campaign of peace. And he did achieve successes: the public opinion of the States which had been victorious in the first Great War ultimately came to realise that Hungary had been wronged; but unfortunately the Governments and Geneva did not possess the moral courage to take the consequences of their conviction. And the fate of Europe was accomplished. If asked in the other world to give an account of his earthly life His Lordship will be able to say, "*It was not my fault*".

And now, across the ocean, over a Continent in flames, we must bid a final farewell to the great friend of the Hungarians. During the closing months of his life he was separated from us by a world racking itself to death in a bloody war; but the gratitude of the nation and its reverence will find its way to the Man who had the courage to offer us his hand in the darkest and saddest days of Hungarian history.

In the personality of His Lordship, which was pregnant with power and energy and life, there was always something which seemed to us superhuman — almost titanic; but in his death his figure — like that of a felled tree — looms ever larger in our eyes. We look upon him as upon a fallen hero. And he was a hero — the hero of justice and will.

OSZK
Országos Széchényi Könyvtár



FUNDAMENTAL PRINCIPLES OF NEW NATIONALITY EDUCATIONAL POLICY

BY

DR. IMRE MIKO,

Member of the House of Deputies

In the territories of Eastern Hungary and Transylvania re-incorporated in the dismembered mother country in terms of the Vienna Award, as a consequence of the period at which that Award was announced being separated by a few days only from the period of the autumn school registrations, one of the most urgent tasks confronting the Hungarian Government was the adjustment of educational matters. The change of rule brought about an entirely new situation in the field of school education too; and, until measures can be taken by law to provide for the distribution of schools, the utilisation of buildings and the organisation of the educational administration, the adjustment of educational matters will be provisionally effected on the basis of an Ordinance (No. 24.024 VKM. ex 1940) issued for the purpose by *Dr. Valentine Hóman*, Minister of Public Worship and Education. Apart from a few measures of a general character the Ordinance — which was published in the October 6th., 1940 (No. 227) issue of the „Budapesti Közlöny” or Official Gazette — determines also the fundamental principles of the new Hungarian nationality educational policy.

When Transylvania was wrested from the mother country the tendency in force in the field of education was still that of nationalisation rooted in the liberal conceptions of the Millennium period which had during the two decades preceding the outbreak of the first Great War put the State in possession of hundreds of schools, most of which were Protestant. After the Treaty of Trianon the Rumanian State took over these school buildings; but it failed to fulfil the condition stipulated in writing by the

church communities that the language of instruction should be Hungarian and that the persons employed as teachers should as far as possible be men able also to undertake the functions of precentor. That was why, on February 21st., 1937, *the General Magyar Party of Rumania submitted to the League of Nations a complaint together with an application requesting the fulfilment of the terms of the contracts or the restoration of the buildings and the payment of compensation respectively.*

The complaint was referred to the Rumanian Ministry for Minorities; but no effective steps to redress the grievance were ever taken either in Geneva or in Bucharest.

The Ordinance issued by Dr. Hóman — as contrasted with the state of things in force prior to the Treaty of Trianon — endeavours in every respect to maintain and develop the system of denominational schools which has proved so efficient in alleviating the lot of the minorities. § 1. declares that "schools in the re-incorporated territories of Eastern Hungary and Transylvania which in the school-year 1939—40 functioned as State schools shall continue their activity in the school-year 1940—41 as Royal Hungarian State schools", whereas the denominational schools shall continue to retain their character as denominational schools. In villages, however, in which there are both denominational and State schools, the latter shall not begin activity unless the denominational school (schools) is (are) unable to cope with local requirements. Indeed, where the building of the denominational school is not suitable, that school may without charge make use of the building of the State school, while the latter may move to the premises of the denominational school. This measure is particularly justifiable in view of the fact that the Rumanian Minister of Education, *M. Angelescu*, compelled the inhabitants of the villages to build hundreds of up-to-date State schools, appointing to these schools — chiefly in the Székely counties belonging to the "culture zone" — teachers from Old Rumania who received supplementary allowances in addition to their salaries and were entrusted with the work of bleeding the denominational schools and denationalising the pupils. *Schools of this kind thus became nurseries of illite-*

racy, the Rumanian teachers — who were quite ignorant of Hungarian — being unable to teach the pupils to read and write either in their mother-tongue or in Rumanian. The Magyar villagers will now be in a position to provide for the teaching of their children in their mother tongue and for their receiving ethical training in their own faith in schools built out of the sorely-missed contributions exacted from them.

What is likely to be the result of this measure from the point of view of the nationalities? During the days of Rumanian rule the Saxons struggled shoulder to shoulder with the Magyars in the cause of the denominational schools; and in most places they displayed an exemplary generosity in creating their own Evangelical schools. Thus, the Saxons too may also obtain the privilege of being able to move to the State schools in villages of mixed Saxon-Rumanian nationality in which those schools are in better repair than the denominational schools. The situation is more acute in the Swabian villages, where the Rumanian State left no stone unturned to re-Germanise the Hungarians of Swabian origin, thereby disrupting the ethnic unity of the Magyars, in the Counties of Szatmár and Szilágy in the Trianon frontier region. We shall see, however, that the Ordinance will bring about an atmosphere of conciliation in respect also of the question of the mother tongue.

After Trianon Rumanian liberalism made the mistake of handing over to the State the majority of the denominational schools; and, just as the Hungarian State schools after the end of the first Great War passed into the possession of the Rumanian State, today the Rumanian State schools are being taken over by the Hungarian State. This does not mean, however, that the Hungarian Government will now import from Trans-Danubia into these re-incorporated territories teachers to be employed for the purpose of making the Rumanian pupils forget their mother-tongue. § 7. of the Ordinance provides that the language of instruction in public elementary schools shall in general be Hungarian, but that where the inhabitants are not Magyars by mother tongue, the teaching in the elementary schools shall be carried on in the language of the inhabitants and in villages with mixed populations in parallel classes or sections or — as the

number of pupils of schooling age may require — in separate schools, in both Hungarian and the non-Hungarian local language respectively. *In public elementary schools where the language of instruction is not Hungarian, the Hungarian language must be taught in an adequate number of hours as an ordinary subject. In public elementary schools of a denominational character the language of instruction shall be appointed by the Church authority maintaining the school in question, though the Hungarian language must be taught here too.*

As we have seen, the Ordinance does not differentiate between denominational and State schools, — that being very different from the tenor of the Rumanian Private Education Law of December 22nd., 1925, which degraded the ancient denominational schools of the Hungarian Churches to the status of private schools, placing them on a level with schools maintained by private individuals which were mere business undertakings and prescribing a lengthy and difficult procedure as a *sine qua non* of the procural of certificates authorising the teachers to function and of the granting of "public school" status. The Rumanian denominational schools already in existence or to be established will therefore be on a footing of equality with the Hungarian schools; and the language of instruction will be determined by the Church responsible for maintaining them. The Hungarian language will be taught in these schools only as an ordinary subject; whereas according to § 29. of the aforementioned Private Education Law, whatever the language of instruction in any given private school, the Rumanian language, the history of the Rumanians and the geography of Rumania are to be taught in Rumanian, while in practice constitutional law was also taught in Rumanian — a circumstance that converted the Hungarian denominational schools into bilingual institutions, although the Minority Treaty concluded in Paris on December 19th., 1919, did not even prescribe the teaching of the Rumanian language in these schools.

§ 7. of the Rumanian State Elementary Education Law of May 27th., 1939, provided that teaching should be carried on in Rumanian in all schools belonging to the State. However, in villages where there are large numbers of minority

citizens and at least 20 pupils of schooling age belonging to the respective minority, minority schools or sections may be established; but in these schools or sections too Rumanian literature, history and geography and elementary law must be taught in Rumanian, although the Minority Treaty made compulsory in minority State schools only the teaching of the Rumanian language. In practice, however, even bilingual State schools in which some Hungarian was taught *in 1936 existed in only 44 places in the country, the Magyar children in other places being taught exclusively in Rumanian from schoolbooks which speak of the Magyars as "mad dogs"*.

The question of the right of selecting schools to be attended is adjusted in § 5. of the Ordinance, in terms of which pupils will in the school-year 1940—41 in general continue their studies in the same schools which they attended in the school-year 1939—40. In villages in which there are both denominational and State schools, pupils must be admitted to the I. class in proportionate ratios. The author of the Ordinance has no desire whatsoever to exact retaliation for the past, and for that reason he has not reversed the measure contained in § 8. of the 1924 Rumanian State Elementary Education Law, which provides that Rumanian parents who have lost their Rumanian mother-tongue may only send their children to Rumanian schools; and the system of "name analysis" of unhallowed memory is now a thing of the past.

§ 8. of the Ordinance ensures non-Magyar pupils of secondary and professional schools and of teachers' training colleges separate schools or parallel sections respectively, the only obligation imposed in return being that the Hungarian language must be taught in seven hours weekly. § 11. of the Rumanian Theoretical Secondary Education Law of November 4th., 1939, also provided that minority secondary schools or sections may be established in places where not less than 30 pupils apply for admission to each class of the lower grade and not less than 25 pupils for admission to each class of the higher grade: but there is only one "gymnasium" of the kind in the country. The teaching of the five Rumanian subjects, however, always required a number of hours weekly in excess of the six foreseen. The

Rumanian authorities abolished the "city" type of school everywhere in the country; but the Hungarian Churches were also allowed to maintain professional schools — agricultural and apprentice schools — subject to the restrictions and on the scale as described above.

In terms of § 13. of the Ordinance the schools are to continue to function on the basis of the syllabuses for the school-year 1939—40, though the Hungarian language and the national Hungarian subjects must be taught in all schools on the basis of a syllabus to be determined at a later date. Though the point is not made in the Ordinance, we know from statements made by the Prime Minister and the Minister of Education that the syllabus has allotted a place to the Rumanian language too. *During the days of Rumanian rule, in the field of public education ignorance of the Hungarian language was regarded as redounding to one's credit. Teachers possessing this distinctive qualification were enticed to the "culture zone" of Széklerland by offers of special "premiums" and grants of land; while the pupils were not allowed to converse in Hungarian even in the ten minutes' intervals between the lessons. The Ministry of Education is now introducing the teaching of the Rumanian language also in the denominational and State schools in which Hungarian is the language of instruction, the reason for that step being that in particular the young men intending to enter the administrative, judicatory and medical professions will not be able to establish immediate contact with the Rumanians under their control in nationality districts unless they are able to speak to them in their mother tongue.*

Ordinance No. 24.024/VKM. ex 1940 of the Minister of Public Worship and Education already foreshadows the outlines of the new Hungarian nationality educational policy. *This educational policy — passing beyond even the principle of reciprocity of the Vienna Award — is not inspired by any desire to retaliate for past injuries, but by the consciousness of the mission defined by St. Stephen, the first King of Hungary, which — apart from ensuring the cultural superiority of the Magyars — aims at making our polyglot country the mother country of all nationalities alike.*

SITUATION OF MAGYARS IN RUMANIA

BY

LADISLAS FRITZ

The number of the nearly two million Magyars living in Rumania before the Vienna Award of 30th August 1940 has decreased very considerably since the recent territorial readjustments. According to a rough estimate made by Dr. Elemér Gyárfás, leader of the Magyars of Rumania, that number is now between six and seven hundred thousand. (To this must be added the 300.000 Magyars in the "Regat", so that the total number of Magyars in Rumania is about one million.) The Magyars living in the parts of Transylvania left in Rumania have been — as was emphatically pointed out in the Hungarian Government's statement issued about the beginning of October — and are still being subjected to cruel persecution. The steadily growing number of Magyars driven out of Transylvania by this persecution, which is contrary to the provisions of the Vienna Award and to all standards of humane behaviour, has — as the Hungarian Premier announced in Parliament on 9th October — compelled the Hungarian Government to have recourse to reprisals. Our readers will remember that the Rumanian delegation sent to Budapest under the leadership of M. Valerian Pop broke off negotiations, so that in terms of the Vienna Award the Hungarian Government has been forced to draw the attention of the two arbitrating Powers to this increasingly acute situation and to request them to appoint a mixed German and Italian commission to inquire into it. *In his exposé delivered on 13th November during the debate on the Budget, Count*

Stephen Csáky, Hungarian Minister for Foreign Affairs, said that "as soon as negotiations are re-opened and we see that the attitude of the Rumanians is favourable, we shall conclude a minority treaty with them, not merely a paper treaty but one that will also be respected."

General Antonescu, Premier and Leader of the Rumanian State, saw the leaders of the Magyar minority on 24th October, and in reply to a petition submitted in writing gave his consent to a meeting of the heads of the Magyar ecclesiastical, economic and local organizations being convened at Nagyenyed on 4th November. He also gave the Magyars permission to fill the posts in the central organization of the Magyar Racial Community left vacant in consequence of the territorial readjustment, and promised to supply them with information concerning his own views of the relations between Rumania and Hungary and his intentions in respect of the Magyars left in Rumania. At the Nagyenyed meeting, held with General Antonescu's consent, a Central Executive Committee of the Magyar Racial Community was formed with full powers to act until it proves possible to convene a general meeting. The vacant posts were also filled, with Dr. Elemér Gyárfás as President. At this meeting it was established with profound regret — as we read in the November 13th issue of the Arad "Déli Hírlap" — that no Hungarian daily newspaper belonging to the Magyars of Transylvania is allowed to appear in that country. For on 9th October the Rumanian Government forbade the publication of any Hungarian newspaper, and it was not till 10th November that the Arad "Déli Hírlap" was allowed to appear again. After appearing for three days, however, it was once more suppressed, so that at present the Magyars of Rumania have no newspaper in their own tongue. Special mention is due to that part of the resolution adopted at the Nagyenyed meeting which charges the Committee to

employ every means at their disposal to secure an abatement of the crushing taxes imposed on the Magyar co-operative societies, on the local branches of the Magyar banks now cut off from their central institutions and on all Magyar public institutions.

According to the Order in Council issued by the Rumanian Government on 15th November, it is forbidden to attend political meetings or express opinions directed against the present régime under pain of a sentence of from 5 to 12 years' hard labour. Should the offender be of non-Rumanian ethnic origin the sentence will be doubled. In other words, non-Rumanians are liable to suffer double punishment in Rumania.

After the meeting of the Magyar Racial Community held on 4th November, Baron Edward Aczél, leader of the Magyar youth left in Rumania, was arrested, severely maltreated and dragged away to the military gaol at Nagyszében. In Déva (Count Hunyad), on 15th November, Rumanian Iron Guards smashed with hammers a memorial tablet placed in a recess in the upper part of the Déva Fortress. This tablet, with an inscription in English and Hungarian, was erected to the memory of Francis David, the founder of the Unitarian Church in Transylvania, who had been walled in alive in that same recess.

In general the Rumanian authorities are doing their level best to force the Magyars to flee the country. The town of Brassó alone has lost 15 or 20 thousand Magyar inhabitants. In Rumania the Magyars are only third-rate citizens who cannot use their own mother-tongue in the streets and other public places without the risk of being maltreated.

LATEST DEVELOPMENTS IN RUMANIA'S INTERNAL AND FOREIGN POLICY

BY

JOHN ERDELYI

Rumania's political and social life today is characterized by an atmosphere of the greatest tension. The Rumanian people, who have a strain of mysticism in their nature, regard the calamitous earthquake as the direct continuation of the political tragedy of 1940, its natural curtain, and a miraculous and inscrutable dispensation of blind fate.

In the third month of its rule the Antonescu Government is still struggling with internal difficulties. Behind the scenes the Party is split by differences, which in part owe their origin to the deterioration of the economic situation and soaring prices. Fresh embargoes have been placed on the export of foodstuffs. From 16th November on, for instance, a special ban was pronounced on the exportation of butter and cheese. In the latter half of November the Bucharest Exchange was closed for 4 days because of the great slump, particularly in oil and industrial shares and State bonds. *The members of the Legionist movement are dissatisfied with Antonescu's Government, because in their opinion the enemies of the Iron Guard are being too leniently dealt with, and this although the Government is making every effort to discover all the irregularities and illegalities committed in the past years, and is bringing to trial and holding in arrest former politicians and Ministers.* Within the Iron Guard movement three trends are striving to get the upper hand. The middle trend is represented by Sima Horia, deputy Premier. The extreme Left wing's programme consists of social aims, while the extreme Right has taken

revision for its slogan. This disunion first manifested itself *in an attempt at a coup d'Etat* the object of which on the part of malcontents was, by exploiting the great popularity of the murdered Codreanu's father, to have Sima Horia set aside and acquire control themselves. *This attempt led to a pitched battle in front of the Green House in Bucharest,* and ended in the unruly leaders of the malcontents, amongst others a priest named Dumitrescu Borsa and two others named George Ciorocar and Dumitrescu Zada being thrown out of the Iron Guard and placed under arrest.

These preliminaries were followed by the bloody events that have shocked the world, in the course of which a former Prime Minister, another Minister, and several men who had played prominent roles in the past became the victims of the reprisals instituted by the Iron Guards. The most characteristic incident was certainly the assassination of M. Jorga, *of that Jorga whose name was the best known in foreign countries, who, setting aside historical truths and deliberately falsifying scientific data, devoted his great erudition and his whole life to preaching the false theory of the Daco-Roman origin of the Rumanian nation and glorifying its historical mission and "cultural superiority", only to fall a victim to that "cultural superiority" in the end.* No one can foretell where this chaotic situation, which with a little exaggeration might be described as a state of *bellum omnium contra omnes*, is likely to end. From Hungary's point of view the most important side of it is that at the celebrations held after the assassinations at Gyulafehérvár on 1st December, *Antonescu and Sima Horia made statements in their speeches that were wholly incompatible with the commitments given by Rumania in the Vienna Agreement.*

Hungary, namely, takes her obligations very seriously. She has made and is making sacrifices for peace, and has joined the Three Power Pact with great enthusiasm, convinced that by doing so she is contributing towards the establishment of lasting peace in South Eastern Europe. As in the past, so today Hungary considers it a task of the

greatest importance to maintain peace and develop good, neighbourly relations with the surrounding States, and she takes her duties in this respect very seriously. Rumania does not: Rumania also joined the Three Power Pact on 23rd November, but we see no signs of any attempt to muzzle the offensive anti-Hungarian propaganda in the Press and in public statements. On 24th November, for instance, at the annual meeting of the Astra, a Rumanian cultural association, held in Negyszeben, at which the Chancellor of the University, priests and other distinguished men were present, Préda, the vice-president of the association, took the opportunity to mention in his speech the atrocities said to have been perpetrated by the Hungarian troops in Transylvania, laying particular stress on the bad way the Hungarian officers treated the Rumanian priests, etc. Préda went so far as to criticise openly the Vienna Award, saying that thanks to it "part of Transylvania has come under the rule of a deadly enemy."

The Holy Synod has also expressed its condemnation of the new frontiers between Rumania and Hungary, and has done so in a tone so provocative as to be wholly unworthy of the highest ecclesiastical body in the Rumanian Church. Antonescu's and Sima Horia's speeches at Gyulafehérvár were even more incendiary in tone. Speaking of them in the Hungarian Parliament on 3rd December, M. Francis Rajniss (Opposition) said: —

"In essence the central point of the Gyulafehérvár Rumanian celebrations was an act calculated to arouse hatred, not only of Hungary, but also of the Central Powers united by the war, and suggest the idea of reprisals. *The leader of the National Guard declared that the old frontiers recovered 22 years ago with blood and sacrifices had been violated.* Everything would have to be done over again" — he said — "to ensure victory in the struggle for territorial integrity." This speech was delivered according to arrangement to responsible Rumanian statesmen at an official gathering *at a time when the ink was scarcely dry on the documents*

of the Vienna Award demanded and accepted by Rumania. One commander of the legionaries has made a vow on behalf of the Rumanians that they will never forget their sacred frontiers. He has announced Rumania's intention to enter into a historical struggle against Hungary, instead of honestly observing the spirit of the Vienna Award. Sima Horia prated about how the old guard had demolished an unjust frontier in 1918. Transylvania — he cried — was the cradle of their race. *It may undoubtedly be established that his speech was a violation of the promises given by Rumania in the Vienna Award and an overt invitation to flout the decision of the Axis Powers.*

We are ready to live and die for our rights, and Rumania must learn this truth. Hungary's disciplined renunciation and Rumania's greed are incompatible. If Rumania cannot understand this she will find herself confronted by the whole Hungarian nation, and then Heaven help her!

At the same meeting of Parliament the Hungarian Premier stated that he wished to speak about the Gyulafehérvár speeches, because *at an official meeting the most responsible Rumanian statesmen had publicly made revendicative statements and vows that were an open repudiation of the provisions of the Vienna Award.* And they had done so although in Hungary, where there were many who felt sore about certain things affecting themselves, their relatives, the tombs of their forefathers and the whole of our historical past, not a single word had been said on the subject at public gatherings." I do not even speak of the fact" — continued the Premier — "that no word of complaint was spoken in the presence of official persons. But in Rumania opposition to the Vienna Award has been officially proclaimed. Because of our friendship with the Axis Powers, to whom we owe the Award, our respect for that work, which was not easy or undertaken lightly by them, our sympathy for their present efforts in a struggle for their existence, and above all *because of our given word*, we cannot act in a similar manner. It would go against the

grain to do so. Seeing, however, that the Rumanian Premier, the Leader, that is to say, of the Rumanian State, has clearly said that only his position prevents him from saying certain things openly, we raise our voices in protest. We do so calmly but firmly, for we cannot be silent when Rumania tries to find a way out of her internal chaos by stirring up hatred against Hungary.

"There are many signs to show that the Rumanian minority in Hungary is contented with its lot. How well-contented may be gathered from the fact that in a Rumanian village the people kissed the hand of the Hungarian military commander out of gratitude for his just behaviour. This is more than mere contentedness. The day after the Hungarian army took possession of the restored areas the Rumanian bishops and other Rumanian gentlemen were asked to meet the Prime Minister of Hungary. Ten or twelve days later they were requested to assist in nominating the Transylvanian members of the Hungarian Parliament. *Nothing like that ever happened to the Magyars in Rumania.* At Kolozsvár I solemnly testified in the presence of the Regent that the Rumanian people were capable of being good and loyal subjects and of living on friendly terms with the Magyars. No such testimony had ever been given about the Magyars in Rumania. *Special attention must be paid to the events that took place in Gyulafehérvár, that ancient Magyar Episcopal City situated in an area inhabited by Magyars.*"

PROBLEMS OF INDUSTRIAL PRODUCTION IN SLOVAKIA

BY

LEWIS JOCSIK

Slovakia still continues to feel the effects of the cut-throat industrial policy pursued by the Czechs. As the whole world knows, that policy completely disorganized economic order and upset equilibrium in the areas wrested from Hungary. The sole object of this policy was to ruin industry in Upper Hungary wherever that could be done. No consideration was had for natural exigencies or traditional development. The question now is: will Slovakia be able to recover from the havoc wrought by the Czech industrial policy?

After the first Vienna Award, the restoration of a part of Upper Hungary had a curious effect on Slovak industry. For the first moment all that was thought of was that territories rich in raw materials had returned to the mother-country. Soon, however, the astonishing fact was revealed that in consequence of the restoration of agricultural areas, the part of Slovakia's national income contributed by the heavy industries had suffered a decline of 30%. In old Slovakia (i. e. in the entire area detached from Hungary), the receipts of the agricultural industries had totalled 79.070.000 crowns. The net receipts of the heavy industries (factories) were 1.837.800.000 crowns. *Together the two sums contributed 1.970.000.000 crowns to the national income. With the restoration of part of the Magyar areas this total has decreased by 760.000.000.* At the same time the net receipts derived from the crafts show a decline of 170.000.000. Industrial production, big and small together, must thus reckon with a loss of about 1.000.000.000 crowns. This figure represents the importance of the southern areas from the point of view of industrial production. Let us examine a few details. From the report for the year 1939

issued by the Board of Mines it appears that in that year Slovakia's mining industry showed the following decrease:

<i>Minerals and ores:</i>	<i>Decrease</i>
Pyrites	159.2 tons
Iron ore	2671.5 tons
Precious metals	764.2 tons
Auriferous ore	97 kilogrammes
Natural gas	33.167 cubic metres
Raw iron	7227.8 tons
Salt	3901.3 tons
Antimony	599.35 tons

This report of the Board of Mines gives the following explanation of the decline. In consequence of the territorial changes iron production has fallen by 27%. The boom caused by the war has been instrumental in increasing production in the mines still left, but even so it has not been possible to bring the decrease caused by the loss of mines down below 20%. In the case of antimony the loss is greater still, amounting to 70%. The decline in the output of pyrites and precious metals, as well as auriferous ore, is stated to be due to the slump caused by unsettled conditions, while the Board of Mines accounts for the decrease in salt production by throwing the blame on the Vienna Award.

In numerous branches of industry the loss of territory has caused a shortage of raw materials, which has led to serious crises. In this respect the textile industry is in a particularly critical situation. With the southern, Magyar territories large flax- and hemp-producing areas returned to the mothercountry. The silk industry has also lost nearly 50% of its raw material. Before the Vienna Award there were 140.000 mulberry-trees in Slovakia, 65.000 of which now belong to Hungary. Now, one of the Slovak Administration's greatest problems is how to replace these raw materials by domestic production. The cultivation of hemp in particular is encouraged, subsidies being granted to growers. The glass-making industry is also struggling with a shortage of raw materials; this, however, is primarily due to the switching over to the production of war materials. But the

terrible shortage of raw materials that confronts the two most important Slovak branches of industry, the sugar and the leather industries, with insuperable difficulties, is entirely due to the restoration to Hungary of the Magyar areas. The first year of independence, 1939, proved that the sugar-beet produced in the Slovak territories does not cover the requirements of the refineries, either as to quantity or quality. The refineries counted on 4.800.000 quintals of sugar-beet, but the farmers would not sign contracts for more than 3.900.000 quintals. As a matter of fact however, only 3.400.000 quintals were delivered, so that the refineries received 1.400.000 quintals less than the quantity they had expected.

The situation of the leather industry is even worse. Now that the southern areas have been restored to Hungary this industry must import 5.240.000 quintals of raw hides and 82.000 kilogrammes of sole leather. Slovakia herself produces only 2.260.000 quintals of raw hides and 17.200 pairs of soles, whereas she needs 37.500 pairs. The most important raw materials needed for tanning must also be imported, as must the necessary fats, oils and chemicals. The cement factories have decreased their production by 50%, and the brickworks are in great difficulties. The tragic situation of the latter industry was described by the official newspaper, the "Slovak" of 31st December 1939 in the following words: — "With the detached areas our loss in markets is bigger than the decline in the production of bricks caused by the detachment of the brickworks in those areas. This circumstance has plunged the brick-making industry into an extremely awkward situation. It is obvious that this branch of industry is over-dimensioned. Even should building reach the highest peak that can be expected, smaller Slovakia will not be in the position to make full use of her brick-manufacturing capacity." What a bitter acknowledgement of Slovakia's economic plight!

The restoration to Hungary of the Magyar areas also made its effect felt on the branches of industry that to begin with were not expected to suffer. *The manufacture of chemicals feels the restoration sorely.* In the first place the factories producing vinegar and table-oil have lost part of

their markets with the Magyar areas. The Slovak Manufacturers' Central Alliance puts the loss of markets after the restoration at 40% for the oil refineries and 30% for the manufacturers of matches. It is not only as regards production and markets that changes have been caused in industry by the territorial readjustment. Great difficulties have also arisen in connection with the procural of raw materials and the necessary auxiliaries.

If now, after examining these phenomena and the statistical data at our disposal, we think of Slovakia's policy, things will appear in a peculiar light. The Slovak politicians would like to force reality in the direction of their own desires; they would like to do away with the settled forms of economic gravitation and solve problems of interdependence without having the necessary means to do so. Politicians believe that to have a will is enough in the sphere of economy too. The economist, on the other hand, is compelled to recognize interdependences that have been raised to the force of laws, not only by the centuries, but also by the present-day, modern division of labour between nations and territories as determined by the geo-political factors. It is an interesting thing that the Slovak word "*Sobestacnost*", which means self-sufficiency in the most literal sense — or in other words Slovakia's ability to fend for herself in the sphere of economy — is used primarily by politicians. *Slovak politicians seem to regard the country as a cow that nourishes herself by sucking her own udders.* But economists are prevented by irrefutable facts and the immutable laws of interdependence from engaging in adventures either in theory or in practice.

For the sake of order and completeness we shall now enumerate a few deductions that follow from what has been said above. In consequence of her territorial losses Slovakia is now in a situation causing many branches of industry to be over-dimensioned. This is a semi-tragic, semi-comic situation, if we think of the great reductions effected by the Czechs in the industries of the areas wrested from Hungary. Their industrial policy spelt ruin to the industries developed by the Hungarian State, because it limited their productive activity. A comparatively overgrown population

was the result, which was canalized by emigration. Now that Slovakia has escaped from the de-industrializing policy of the Czechs and has become independent on a larger area than her ethnic strength would warrant, it appears that what industry was left by the Czechs is too large for the present size of the country and its capacity of consumption. In connection with the manufacture of chemicals this has been complained of by the Slovak Manufacturers' Central Alliance, but it manifests itself most tragically in the textile industry. *The textile works at Rybárpól, which used to employ 2400 hands, has reduced that number by half, which probably means a similar decrease in its capacity of production.* The same fate has befallen the *Utekács* and *Pozsony* glass factories. Many factories are not in a position to send their wares to the markets, since there are no suitable roads running from east to west and west to east. All the lines of communication run in a southerly direction towards the areas of consumption. In the case of the cement factories and brickworks we also find the danger of over-production.

Although over-dimensioned, Slovak industry also shows a great decline in production in consequence of the territorial readjustment. Slovakia is dependent on imports for very important articles. Thus over-dimensioned industry on the one hand and inadequate industrial production on the other, together present the greatest problem with which Slovak economy has to cope. Both symptoms show that the so-called "*Sobestacnost*" of which the Slovak politicians dream, is likely to remain a dream for a long time to come.

The youthful State would like to establish the branches of industry lacking, in order to be less dependent on imports. This, however, would require capital, the dearth of which in Slovakia is very great. On 17th December the "Slovak" sadly confessed that the State did not possess the capital needed to develop the branches of industry still required. The newspaper consoled its readers with the reflection that the organization of a capital market would enable the State to solve this problem. For the present, however, we see little chance of any undertaking being established in Slovakia in which foreign capital does not play a role, and a prominent role too. In July 1939, for in-

stance, it was decided to establish a cellulose (woodpulp) factory at Homonna with the help of *German* capital. Within the framework of the Slovak industrial five years' plan it is proposed to establish shingle and parquetry works at Pezinok, Bánóc and Zsarnoca with *German* and *Swiss* capital. On 10th May of the current year the new Franck chicory mill in Slovakia began to manufacture. A fruit preserving factory is being established at Zohora by a *Yugoslav* concern. The petroleum wells at Gbel have been leased by the Government to a *German* firm for a lengthy period. The ironworks at Zolyombrézó belong to a *Czech* concern. On 1st August 1939 the Apollo petroleum refinery at Pozsony passed into the hands of the German Dynamite Nobel Co. Czech capital largely controls the shoemaking industry, and in September 1939 the Czech Bata firm established a new factory for making lasts in Eastern Slovakia.

The above does not pretend to be a full list, but it will serve to indicate how matters stand. Brief though it is, it clearly shows that Slovakia is scarcely viable from an industrial point of view. She cannot amass sufficient capital. Her economy is incapable of saving new capital for the purpose of extending her productive activities to new spheres of industry. Her politicians are on their guard to prevent that little State occupying its due place quietly in the natural economic system of the Basin of the Carpathians, because they are misled by imaginary fears. At the same time they run after far-distant interests in a haphazard fashion according to the needs of the moment, which the rulers of Slovakia are hard pressed to satisfy. And this although the experience of the past and an economic adjustment that has stood the test of time, suggest a solution for every problem and difficulty with which Slovak economy has to contend.

ERRONEOUS STATEMENTS OF SZABADKA NEWSPAPERS

BY

IMRE PROKOPY

One of the October issues of the "Suboticke Novine", a paper appearing at Szabadka (Subotica), contained a biased article from the pen of Blaško Rajic, Papal Chamberlain. The writer bases his arguments upon statistical data which are all alike erroneous. And this strange article was written to deal with the fact that at the General Meeting of the *Hungarian (Magyar) Cultural Community* of the Banate of Croatia held at Zagreb on September 22nd. in his opening speech the Chairman, Alexander *Molnár*, spoke in terms of gratitude of M. *Maček*, Deputy Prime Minister, and of the leaders of the Peasant Party, for having by their measures betraying perfect understanding "largely contributed to improve the life of the Magyars of the Banate of Croatia". As against this statement on the part of the Hungarians *Rajic* refers to what he alleges to be the bad situation of the "Croatians" of Hungary. The number of "Croatians" in Hungary — and this is the first sign of the writer's bias — *Rajic*, referring to Hungarian statistical reports, estimates at 70.000, adding that — as contrasted with the Hungarians (Magyars) of the Banate of Croatia living in scattered groups (whose number is estimated even by Croatian statistics at 67—68.000) — the "Croatians" of Hungary are living in "compact masses". The number of Croatians living in the town of *Baja*, for instance, is computed at more than 10.000. Now — we are told — this group of "Croatians" living, according to the writer, in a compact settlement lacks the most elementary minority rights. They have no elementary school or teacher and are at the same time compelled to tolerate the Magyarisation of the Croatian names. The writer regards as a further monstrously serious grievance the fact that at Gara in County Bácsbodrog — which he describes as a "Croatian" village — the Bu-

nyevatz youth had the invitations to a theatrical performance given by them printed in Hungarian and Croatian.

The weight attaching to this really inimportant article is due to the fact that it was reproduced — with suitable additions — by three Zagreb papers — the "Obzor" (in the October 13th. and 15th. issues), the "Hrvatska Straza", the organ of the Catholic Church of Croatia, and the "Novosti" (October 16th.) All three papers stated that the number of persons in Hungary speaking Bunyevatz-Shokatz (i. e., according to Croatian opinion, Croatian) shown by the Hungarian statistics, which at the time of the 1920 Census had been 179.298, was only 150.000 at the time of the 1930 Census

This matter must be dealt with, if only because for some time past the various Slav, Rumanian and other minority papers too have been more and more frequently finding fault with *the Hungarian statistical statements drafted with such care and with quite exemplary objectivity*. The facts are briefly as follows. The 1920 Hungarian Census showed the presence in the Hungary dismembered by Trianon of 17.132 Serbs (0.2%), 36.864 Croatians (0.5%) and 23.228 Bunyevatz, Shokatz and Vends (0.3%) — i. e. of altogether 77.224 Southern Slavs (1⁰/₀); whereas the Census of 1930 includes 7031 Serbs (0.1%), 27.683 Croatians (0.3%), and 20.564 Bunyevatz, Shokatz and Vends (0.2%) — i. e. altogether 55.279 Southern Slavs (v. „Magyar Statisztikai Közlemények” — Hungarian Statistical Report — Vol. 83. 1932, "The 1930 Census", Part I., pp. 23, 25 and 27).

The decrease of 22.000 souls ensuing in ten years and the lack of a certain natural increase was due to the fact that some of the Southern Slav elements of Hungary, availing themselves of the opportunity to opt, had in the meantime moved over into Yugoslavia.

The Hungarian method employed in elaborating the Censuses makes the mother tongue the criterion of nationality and in a separate column records the languages outside his mother tongue with which the person registered is familiar. *Therefore, if we are arbitrarily to regard as Croatians all persons familiar with Croatian, Serbian or Vend — no matter how slight the knowledge of the language in question —*

our procedure cannot be described as anything but crass falsification or gross misrepresentation.

According to the relevant authentic data of the Hungarian Statistical Report the great majority of the Croatians, Bunyevatz, Shokatz and Vends in Hungary (altogether not more than 42.274) are living in the territories of 10 Hungarian counties, in no fewer than 95 different villages and towns — i. e. in sporadic enclaves of varying size —, forming in all of these counties alike only a very trifling proportion of the total population.

And now, as for the statement to the effect that the "Croats" living in Hungary — or, to be more precise, the Croatians, Bunyevatz, Shokatz and Vends living here — "have no schools or newspapers" and "are compelled to do without all the rights belonging to minorities", the best answer is that given by the official data, the correctness of which can be checked on the spot. *In the 95 villages and towns inhabited by Southern Slavs there are functioning 94 schools, in 43 of which — i. e. in the schools of such villages (townships) as contain the prescribed proportion of Southern Slav elements — instruction in the mother tongue is ensured.* In terms of Order in Council No. 11.000 ex 1935 — which prescribes mixed language instruction in the minority elementary schools — in 24 Croat—Bunyevatz—Shokatz and Vend schools, partly as a consequence of the relevant resolution of the local authorities, partly by agreement between the Church authorities and the Ministry of Public Worship and Education, the introduction of this uniform system of instruction has been rendered possible, whereas in the 17 Greek Oriental Serbian elementary schools instruction is still being carried on according to the "A" type — i. e. exclusively in the mother tongue of the pupils — as provided in Ordinance No. 110.429 ex 1923 of the Ministry of Public Worship and Education. *These 94 schools are distributed as follows: — State schools, 12; parish schools, 7; Roman Catholic schools, 58; Greek Oriental (Orthodox) schools, 17.*

The complaint relating to educational matters is particularly unjustifiable in view of the fact that Act XLIV. of 1868 (§ 26.), as also Order in Council No. 4800 ex 1923

(§ 17.), ensures every national minority an unassailable right to establish private schools of every type and grade at its own expense — possibly with eventual support by the State —, there being no similar legal measure to be found anywhere in the Yugoslav statute book or collections of Yugoslav ordinances. The national minorities possess also practically unlimited possibilities in respect of association and press matters; the Nationality Act of 1868 and the Order in Council referred to above (§§. 2. and 19.) both afford an opportunity for the various ethnic groups to establish associations and newspaper undertakings so long as they observe the legal formalities.

It is a lucky thing that in Croatian circles too people are in any case beginning to see straight; *this is made evident, among other things, by the fact that in its October 30th. issue the "Obzor", the organ of the educated classes of Croatia, established the fact that "the objective answer of the Hungarian Press is in keeping with the friendly atmosphere that must be established between Hungary and Yugoslavia in general, though more particularly in the relations between Croats and Hungarians."* That the relations between the two States have really — especially recently — shown a growing tendency to improve and to bring about reciprocal understanding, is proved by the visits of leading personalities of Yugoslav public life — Predrag Miloyevic, Press Chief, Vojin Djurisic, President of the Yugoslav-Magyar Society, accompanied by 27 Members of the Society, Rudolph Bircanic, Director of the Yugoslav Foreign Trade Institute, Nikola Beslic, Minister for Communications, and Jevre Tomic, Lord Mayor of Belgrade, who were in Budapest in the second half of November and while there made several statements of a similar tenor. It is shown also most emphatically by the speech made by Count *Stephen Csáky*, Hungarian Foreign Minister, in the Hungarian Lower House on November 13th., in which *inter alia* the Foreign Minister noted that "the friendly relations between the two neighbour States are still being maintained, the Hungarian people in everything reciprocating with equal sincerity the feelings of the Yugoslav people."

HUNGARIAN FOREIGN MINISTER'S IMPRESSIVE EXPOSÉ

On 13th November, during the debate on the Budget in the Hungarian Parliament, Count Stephen Csáky, Hungarian Minister for Foreign Affairs, in an impressive speech outlined the fundamental principles of Hungary's foreign policy. He laid particular stress on the point that *for a thousand years Hungary had fulfilled a European mission on the ridges of the Carpathians and in the Danube Valley. She would be able to fulfil that mission to better purpose now that certain parts of St. Stephen's Realm had been restored to the mother-country.* Count Csáky then continued as follows: —

"Much has been said about *the Hungarian nation's priority rights in the Danube Valley.* It is not, however, enough to speak about them; we must also be prepared to act. When I announce the nation's claim to be "*primus inter pares*", I am fully aware that I am not calling on the inhabitants of Hungary to undertake a representative task likely to enhance our prestige. What I expect of them is self-sacrificing, arduous efforts, *the fulfilment of a mission the stony path to which has been opened to us perhaps for the last time by Hungarian perseverance and Hungarian insistence.* I need not say that the most important sine qua non is that we maintain and cherish unimpaired the idea of our Hungarian existence as it has been crystallized by our history. A nation is not merely a State. A nation possesses a soul as does an individual. The strength of a nation is not always commensurate with the momentary strength of the State. And, vice versa, it cannot always be said that the strength of the State is the same as the strength of the nation maintaining it. The frontiers of a nation extend as far as does the radius of its moral forces and spiritual assets. The most striking illustration of this thesis was afforded by Dismembered Hungary, whose amputated limbs were kept alive only by this impalpable moral force until they were re-grafted and circulation was restored.

"The political balance-sheet of the past few years clearly

shows that *the soul of a nation is immortal*. States may disappear, partly or wholly, for a lengthy period of time, but so long as the nation refuses to surrender in spirit, so long as its soul radiates magnetic power, it lives and is indestructible. The more the nation is represented by the whole mass of the people, the truer this is; and the less defeatism we find, the more united and earnest is the patriotism of the whole nation. When I speak of our historical value I mean primarily our ability to survive even if abandoned by others."

The Minister for Foreign Affairs stated that our relations with Germany and Italy were well known to all. The policy of friendship with the Axis Powers was Hungary's national policy; it was in conformance with Hungary's interests and with those of Europe as a whole. The fruit of this friendship was the restoration of a strip of Upper Hungary, Subcarpathia, Eastern Hungary and parts of Transylvania. *Their restoration was also due in part to the circumspect, firm and unwavering foreign policy pursued by Hungary*. Count Csáky said that the expression "living space" (Lebensraum) was erroneously used by many. *It was often mistaken for political sovereignty, whereas it only meant the establishment for a given period of certain economic contacts and the marking out of a certain path of development*.

Speaking of Hungary's relations with Rumania, Count Csáky said: —

"It is well known that the recent unusually virulent Press campaign in Rumania was launched, and irresponsible statements about Hungary were made by responsible Rumanian statesmen, in order to force a revision of the Vienna Award. We did not take the matter too tragically. In due time the Rumanians will come to realize that those were bad tactics and that *their behaviour was certainly not calculated to add to the number of their friends*. They would have done better to accept the hand of friendship stretched out to them by Hungary and to cooperate in trying to heal painful wounds. Despite what has occurred, *we are ready to believe in the good faith of a Rumania seeking new paths, and again renew our offer of co-operation*. *The time for machinations and intrigue is past*; the sufferings of the nations cry for constructive work, and it would be a pity were Rumania to delude herself with the vain hope that the Hungarian army regards the restored parts of Hungary

as a temporary abode to be left if given notice to quit. *It is a peculiar trait of the Hungarian soldier that, once established in a place, he will never leave it unless law and justice demand it.* Enough land has been left to Rumania; she is perhaps one of the richest medium-sized States in Europe, and I am sure that if the Rumanians are sincerely wishful to work honestly, she will find friends willing to help her to occupy the place in South-Eastern Europe to which she is entitled. It would not serve Hungary's purpose to have dissatisfied, struggling neighbours around her especially when there are still large numbers of Magyars in those countries and when our economic and political interests are bound up with the prosperity of those States.

"As soon as developments in this direction are observable, as soon as negotiations are re-opened between Rumania and Hungary and we see that the attitude of the Rumanians towards Hungary is favourable, *we shall conclude a minority treaty with them, not merely a paper treaty, but one that will also be respected.* In the past Rumania repeatedly refused Hungary's offer to conclude such a treaty. New Rumania may — thanks mainly to changed circumstances — show more understanding for our aims than did Greater Rumania some ten months ago.

"As regards our other neighbours, I may establish the fact that *our relations with Yugoslavia continue to be sincere and cordial.* Reinforced Hungary watches with great interest the steady progress of her southern neighbour's work of state-building. Yugoslavia will have the opportunity of seeing that the friendship shown by the Hungarian nation during the past months was not insincere — a wily effort aimed perhaps at isolating Rumania —, but that it was rooted in an honest appreciation of Yugoslavia's qualities. Our relations with that country may perhaps be best described by saying that the Hungarian nation on every point reciprocates the feelings of the Yugoslav nation. In consequence of the recent amnesty agreement and the more understanding attitude towards the Hungarian minority exhibited by the Slovak Government, our relations with Slovakia show a satisfactory improvement. I sincerely hope that this improvement, which will primarily benefit the minorities in both countries, will continue. The approaching Slovak Census will be a reliable indication of how matters stand. I do believe that we shall not awaken to the fact that a considerable number of the

Magyars of Slovakia have disappeared in the columns devoted to "foreigners".

Count Csáky then proceeded as follows: —

"Our relations with Soviet Russia are correct and normal. At the time of the economic negotiations Moscow fully realized that the Hungarian Government is sincerely endeavouring to strengthen the economic ties between Hungary and Russia. The Hungarian Government is fully aware of the economic and political importance of the Soviet.

"Bulgaria's great political success was welcomed with unreserved sympathy by Hungary. All and sundry in this country felt the greatest satisfaction when Bulgaria reaped the fruit of a long and hard struggle, and we all wish her joy. We hope that this kindred nation will succeed in obtaining the position in the Balkan Peninsula to which it is entitled. *Hungary devotes much attention to France. It is to be hoped that the harsh tone used now and again even today by the French Press when writing about Hungary is merely a mannerism left over from the old way of thinking and will soon cease along with many other bitter memories.*

"Apparently we are in the fortunate position of being surrounded by a whole chain of States with the same aims as ourselves: viz. the establishment as quickly as possible of an equitable and lasting peace and the avoidance of any act that would add fresh fuel to the European conflagration."

POLITICAL MOSAIC

HUNGARY SIGNS GERMAN—ITALIAN—JAPANESE PACT

In Vienna, on 20th November, the Hungarian Premier and Minister for Foreign Affairs signed the Pact concluded by Germany, Italy and Japan on 27th September.

Present at the ceremony were Herr Hitler, Herr von Ribbentrop, German Foreign Minister, Count Ciano, Italian Foreign Minister and the Berlin Japanese Ambassador. This diplomatic step was the logical consequence of the fact that co-operation with the Axis Powers has resulted in Hungary's reaping the firstfruits of her revisionist policy, or, as the statement made by the Hungarian Government said: *it has secured possibilities of existence to those whose strength was sapped by the Peace Treaties.*

The unabridged text of the Protocol runs as follows:

"By way of their duly accredited representatives the Governments of Japan, Germany and Italy of the one part and the Government of Hungary of the other have resolved:

Article I.

That Hungary shall adhere to the Three Power Pact signed in Berlin on 27th September 1940 by Japan, Germany and Italy;

Article II.

That should the Joint Committees mentioned in Article IV of the Three Power Pact have to deal with questions affecting Hungary's interests, representatives of Hungary shall take part in the deliberations of the said Committees;

Article III.

That the exact text of the Three Power Pact shall be appended to this Protocoll as an Annex thereof.

This present Protocol shall be drawn up in Hungarian, as well as in Japanese, German and Italian, each of these texts to be regarded as original. This Protocol comes into force on the date of signature.

In witness whereof the undersigned, being duly and properly authorized by their respective Governments, do sign this said Protocol and set their seals thereto.

Done in four original copies in Vienna on 20th November 1940, the nineteenth year of Fascism and on the 20th day of the 11th month of the Syowa era."

This Protocol was signed by the representatives of Japan, Germany, Italy and Hungary.

When the Protocol had been signed Count Stephen Csáky, Hungarian Minister for Foreign Affairs, read out, first in Hungarian and afterwards in German, the Hungarian Government's statement made on the occasion of Hungary's adhering to the Three Power Pact. That statement ran as follows: —

"Germany, Italy and Japan have concluded an alliance, in order to prevent the spread of this war which weighs so heavily on mankind and to restore as quickly as possible lasting and equitable peace to the world.

"These Great Powers are striving to effect a reorganization calculated to promote the progress of the nations, each in its own due sphere, and further their welfare.

"Hungary, brought low by the unjust and demoralizing Paris Peace Edicts, had for two decades sought assistance from those Powers who, afflicted in the same way by the same injustices, were struggling to obtain a revision of the Treaties. Those Powers alone were seriously inclined and able to assist their struggling fellow-sufferers, whose strength had been sapped, to secure possibilities of existence.

"During the past two years, with the help of the German Reich and Italy, Hungary has been successful in obtaining a territorial modification of the Trianon Peace Edict in a peaceful manner and without bloodshed.

"With this the two Great Powers have not only placed Hungary under an unparalleled obligation, but have also demonstrated by actions that, wherever the slightest possibility offers, they endeavour to effect revision by peaceful means. This has introduced a new era in the history of the nations, an era in which the policy of understanding takes the place of the old war-born policy of hatred.

"During the past two decades Italy and Germany have represented this policy of understanding. This has led to their concluding with Japan a pact the aim of which is to establish world peace based on equity. *This alliance is therefore not directed against anyone. Identical aims and a common past determine Hungary's attitude.*

"Hungary is desirous of maintaining amicable relations with all her neighbours who recognize her rights as inherent in her historical development. Viewed from this angle, Hungary is particularly satisfied with Article V of the Three Power Pact, which runs as follows: *Germany, Italy and Japan declare that the foregoing agreements do not in any way affect the political relations that at present obtain between either of the three Contracting Parties and Soviet Russia.*

"True to her unchanged attitude towards international politics and her peaceful aims, strengthened by the results already

achieved and filled with confidence as regards the future, Hungary herewith adheres to the Berlin Three Power Pact, firmly determined, now as well as when the war accounts are being settled, to contribute all that lies in her power towards a better and happier political and economic reorganization of South Eastern Europe."

THE DEVELOPMENT OF HUNGARIAN LIFE AS REFLECTED IN THE DEBATE ON THE BUDGET

One of the most important and most extensive debates recurring every year in the Hungarian Parliament is that carried on when, after the presentation of the Estimates for the following year, the several Ministers submit their representations one by one and the several Parties express their opinions on the respective budgets. This year the debate in the House of Deputies on the Estimates lasted from November 12th. to November 25th., the Estimates being then passed.

The first separate budget to be discussed was that of the *Ministry of Justice*, the *rapporteur*, M. Kálmán Petrő, stressing that Hungarian political maturity was too advanced to allow the various Parties to exploit the difficulties inherent in the exceptional conditions to their own advantage. The Minister of Justice, M. Ladislas Radocsay, promised that *the judicatory organisation of the Transylvanian territories re-incorporated in the mother country should be effected as rapidly as possible*, at the same time announcing the drafting in the immediate future of a new penal novel and of the reform of the laws dealing with company shares and the privileges of Deputies, and informing the House that *the obligation of medical examination prior to marriage would be incorporated in law*.

During the discussion of the budget of the National Defence Ministry the principal speakers of all Parties alike expressed their appreciation of the praiseworthy rapidity and efficiency of the re-organisation of the "Honvéd" army, of its splendid equipment and of its excellent spirit. The Minister for National Defence, General Charles Bartha, established the fact that the gratifying events of recent months *could not have become facts without a strong and well-prepared army — without a reinforcement of the National Defence system.* Thanks to the intervention of Providence, the recovery of the territories so far re-incorporated had been effected without bloodshed; but *the National Defence army, in keeping with its traditions, would have been ready to make the greatest sacrifices to achieve that end by victory.* The Minister announced that a new Army Corps had been formed in Transylvania, and also that the army was being motorised and developed. The armaments programme had consi-

derably furthered the cause of industry; however, *all illegitimate or excessive profiteering had been precluded*. The spirit of the National Defence army was excellent, a circumstance particularly gratifying in view of the fact that for the army to take any part in politics was bound to be destructive to the foundations of every State. *The Hungarian army was a compact unit possessing great intrinsic values and fully conscious of its power, on which the nation could safely reckon.*

During the debate on the budget of the Ministry of Commerce the Minister, Dr. *Joseph Varga*, established the fact that *the Christian elements were making rapid headway in the field of commerce*. Trade had been considerably paralysed by the war, particularly since Italy joined in. *Our foreign trade during the first year of the war now closed shows an advance of 25% on the imports and a decrease of 3% on the exports side*. There had been an improvement in Hungary's foreign trade in particular with *Germany and Italy*. Our trade with the West and with overseas countries had since been reduced to a minimum; but *our trade with the Balkans and with Russia had increased*. Very shortly the construction of a bridge over the Tisza would be completed; and next year a bridge over the Danube was to be ready. There was considerably increased activity in respect of the building of new bridges and the re-construction of old ones. During the current year we were building six cargo barges and 1 motor-tug; and the firms concerned had been commissioned to build 2 ships of 2300 and 2 ships of 1200 tons each. There has been a considerable increase also in the number of motor-cars and commercial aeroplanes. *In 1941 35 new engines, 753 new railway cars and 83 new cold storage vans will be ready for use*. There has been a constant increase in the turn-over of the postal, telephone and telegraph services. The question of Sunday rest-days is to be adjusted and considerable social facilities are to be introduced for the benefit of the working classes.

During the debate on the budget of the Ministry for Industry M. *Francis Ronkay* expressed his delight at hearing that *next year a Bill relating to workers' chambers is to be introduced and that the borings for oil had produced great results and promised to produce still greater ones*. M. *Joseph Horvát de Köz* (Christian Party) announced that the corporation system was shortly to be realised in Hungary. Dr. *Joseph Varga*, in his capacity as acting Minister for Industry, announced that *Hungary's industrial output had reached a peak point*; in the heavy industries, for instance, the number of workers had advanced during a single year by 25%. There had been a great improvement, not only in the production of oil, but also in the output of aluminium. *In one year the electrification of 132 villages had been completed; and new power stations involving an investment of 50 million pengő were being built*. The Government had lightened the cares of the

workers; and in 53 branches of industry representing 75% of the total number of industrial workers, as also in 8 mining branches, the system of minimum wages had been introduced. The Minister announced further that *no form of re-adjustment need give the slightest reason for fear, seeing that such readjustment could only prove to the advantage of Hungary, particularly since the territories re-incorporated in the country had augmented the volume of raw materials and the sources of energy by the addition of sources the exploitation of which bid fair to completely change the economic structure of Hungary.* The development of the Christian crafts and retail trade had during the past year shown an impressive advance.

During the debate on the budget of the Ministry of the Interior M. Victor *Mátéffy* expressed his approval of the decentralisation of the public administration. The Minister, Dr. Francis *Keresztes-Fischer*, stated that he was *in favour of a reform of the Constitution and of the public administration, though such reform could only be based upon the historical traditions of the Hungarian nation and must in that spirit dovetail the Hungarian State into the life of the modern world.* The cause of public hygiene was being developed at the cost of considerable sacrifices; however, — in Transylvania, for instance — that was imposing extremely difficult tasks on the Hungarian State, for *in that province, with one single exception, all the hospitals were in a far worse condition than they had been 20 years ago.*

During the debate on the budget of the *Ministry of Agriculture* the Minister, Count *Michael Teleki*, announced that 2000 brood mares and many other animals for breeding purposes had already been distributed among the farmers of Transylvania, and 11 stud-farms had been established. In the same province he was also organising 1000 popular libraries. It had become necessary, as a consequence of the changed conditions, to effect a certain re-organisation of agriculture. The production of oilseeds is being encouraged, as is also the cultivation of gardening and the production of fodder plants. *The agreement made with the Axis Powers ensures an adequate price-level.* Decisions have been taken already for the taking over of 129.000 yokes out of the 515.000 yokes of land in the possession of Jewish owners. Wages are to be raised and preparations made for the introduction of the system of "family wages" in agriculture too.

During the debate on the budget of the Ministry of Education the Minister, Dr. *Valentine Hóman*, announced that a reform of higher education was in preparation and that *he proposed to re-adjust the Hungarian system of education in keeping with the new spirit, though without prejudice to the existing traditions.* He laid great stress upon an opportunity being given to talented sons of the lower classes to be admitted to higher education

institutes (colleges and universities). That was one reason why of the 11.000 students attending the universities 2400 are given exemption from the payment of fees, a further 6000 enjoying other benefits of varying extent. *He assured the non-Magyar nationalities that they would be able to develop their languages and their culture. There was no desire to compel anyone to become Magyar and abandon his own nationality against his will.* Great efforts were being made to organise anew the education of the occupied territories — in particular of Transylvania — which had been wickedly de-Magyarised and appallingly neglected.

In the debate on the budget of the Prime Minister's Department, the Prime Minister, *Count Paul Teleki*, declared that he was in favour of rapid reform, but that important legislation could not be passed in precipitate haste. As for the nationality question, it was his opinion that the non-Magyar nationalities should be *enabled to safeguard their rights and to cling to their traditions, culture and customs*, while it was the duty of the State to provide that instruction in their mother tongues should be made possible in every field. *In a polyglot country the public administration must show tact. He considered it a mistake to insist forcibly upon the Magyarisation of names. In Hungary every one could thrive irrespective of his nationality; and the minority agreement concluded with Germany merely confirmed principles laid down in older Hungarian laws too which had been fixed in writing in the form of a protocol merely for completeness' sake. Men could only be kept in union by affectionate treatment and not by laws.*

During the debate on the budget of the *Ministry of Finance* *M. Béla Imrédy* suggested that *greater consideration should be shown for the interests of corporations*. He further proposed that the bank of issue should be made completely subject to the direction of the State. Real results could not however be achieved *if we ceased thinking in terms of money and made our calculations instead in materials, values and labour*. The Minister of Finance, *M. Louis Reményi-Schneller*, announced that he intended to realise the scheme of "conjuncture tax" and to provide new agrarian credits. *The re-valuation of the war loan bonds was to be effected in a manner precluding every form of illegitimate speculation. The framework of the thousand-million investments programme had already expanded to 2800 million pengő, of which amount 1650 millions had already been paid out.* The nation had made enormous sacrifices, for the quota of the amount required for investments which had been paid in in the form of taxes alone was 775 millions pengő.

A separate article deals with the exposé of the Foreign Minister.

HUNGARY'S GREAT FRIEND

Great is the Hungarian nation's bereavement. We shall never cease to revere the memory of Hungary's great friend, Lord Rothermere, who championed the cause of Hungarian revision openly and boldly at a time when the friends of the oppressed little nations were but few and there were not nearly so many who had any understanding for Hungary's just claims as there were later on, when the veil of falsehoods and calumnies had worn thin and an increasing number of prominent people, even in the countries separated from Hungary by the Great War, began to realize the importance of Hungarian revision for the tranquillity and peace of Europe. *The Hungarian nation will never forget that Lord Rothermere raised his voice in protest against the cruel and barbarous extermination of Magyars that ran riot in the territories wrested from Hungary in defiance of all postulates of Divine and human justice.*

It was not only in his newspapers with their circulation of many million copies that Lord Rothermere demanded a "place in the sun" for Hungary; he made the struggle for revision veritably the aim of his life, besides generously supporting any efforts that appealed to his humane instincts. The Hungarian nation was happy to rejoice with the noble Lord when, on the occasion of the restoration of part of Upper Hungary, he visited Budapest and took part in the re-occupation of Kassa, an ancient town in the restored territories that were the first milestones marking the triumphal progress of our revisionist movement.

It is not our intention to give Lord Rothermere's biography here; that has been done in the international Press. All we would do is to describe briefly how he came to take part in Hungary's struggle for justice.

Lord Rothermere lost two of his sons in the Great War, and this great bereavement awoke in him the realization of *how wrong it was that they had been sacrificed in a war that had not brought justice in its wake and had not served to establish peace and reconciliation.* Travelling through Europe, he came to Hungary in the June of 1927. He was much moved by the bitter grief of the Hungarians over the

serious injustice done to them, and realized that it would be necessary to revise the Treaty of Trianon, not only in Hungary's interests, but also in those of Europe as a whole, *in fact in the interests of world peace, which was threatened by the unreasonable arrangements that had upset the balance of the political and economic forces in Eastern Europe.*

What Lord Rothermere saw and experienced made such an impression on him that he could not wait until his arrival in England, but from Vienna telegraphed a long article to his newspaper. *This article entitled "Hungary's Place in the Sun — the Security of Central Europe" appeared with maps on a prominent page of the "Daily Mail" on 21st June 1927.*

"Hungary's Place in the Sun."

In that article he explained how by breaking up the Austro-Hungarian Monarchy the Peace Treaties had created a number of new Alsace-Lorraines, each of which might be the starting-point of a new world conflagration. Of all the Treaties *that of Trianon, which had been forced upon Hungary, was the most unfortunate, for it had increased the hatred of the nationalities and fostered dissatisfaction everywhere by establishing arbitrary and economically impossible frontiers, the injustice of which was a standing menace to the peace of Europe.*

Lord Rothermere said that the Entente statesmen who had drafted the new map of Europe had listened to the advice of the inferior races of the Dual Monarchy without knowing their bitter hatred and lust of spoil. *In the Treaties justice had been sacrificed to insatiable greed, in consequence of which Europe had become completely Balkanized and had lost its stability.* The instability of the Peace Treaties had forced Czecho-Slovakia and Rumania to conclude a military alliance with France as sponsor for the maintenance of Trianon. Seven years had elapsed since Trianon, and those who know conditions in Central Europe were beginning to wonder whether it would not be wise to revise the Peace Treaties. *Transylvania, for instance, had been attached to Rumania purely for strategic reason.*

In his article Lord Rothermere came to the conclusion

that with a comparatively simple readjustment of the frontiers two of the three and a half million Magyars subjected to alien rule might be restored to their racial kindred. Then peace would reign in Central Europe instead of incessant friction. The Entente would have to realize that the experience of the past seven years demanded *a readjustment of the arbitrarily drawn frontiers.*

Peace in Central Europe was of immediate and extremely great importance for Britain — said Lord Rothermere. *The Treaty of Trianon was a hotbed of war-danger.* It would therefore have to be revised as soon as possible. Hungary deserved. Britain's confidence. It would be well for the British Foreign Office to emulate Italy's example and lend a helping hand to Hungary, a country that could not be held responsible for the Great War. A wise frontier readjustment would strengthen world peace.

Very few newspaper articles written in the past few decades made such a deep impression as this one of Lord Rothermere's. Coming like a clap of thunder, it warned people of the dangers into which Europe had been plunged by the irrational Peace Treaties. Hungarian public opinion awoke from its torpor and lethargy, and was happy to see that so powerful a champion of our just cause had arisen to do battle for it. Lord Rothermere's action suddenly put new life into the Hungarian revisionist movement. At the instance of M. Francis Herczeg the Hungarian public rallied to join it; and on 11th August 1927 the *Hungarian Frontier Readjustment League* was formed. The Hungarian nation turned with infinite gratitude and affection towards Lord Rothermere, to whose activity it looked for the dawn of a happier era. In a short time over two million signatures to an address had been collected in an album comprising 25 volumes which were taken to London by a large deputation.

The loud echoes following his first article merely served to spur Lord Rothermere on to further effort. One after another he wrote articles, each more masterly than its predecessor, championing Hungary's cause. He also launched a great political campaign for the revision of the Peace Treaties. The result of his activity was that revision became a topic of the day and one of the most burninglly urgent

problems of international politics. His movement began to make an increasingly great commotion throughout the whole of Europe.

Lord Rothermere Visits Hungary.

In view of these developments in the international situation, Lord Rothermere from that time on always kept the Hungarian question on the carpet, and for eleven years fought a persevering fight to obtain justice for Hungary. He wrote the history of that struggle in a book entitled "My Campaign for Hungary", which was published in London in the autumn of 1939.

When in the autumn of 1938, thanks to the first Vienna Award, part of Upper Hungary was restored to the mother-country, Lord Rothermere, by invitation of the Hungarian Government gladly came here and took part in the triumphant celebrations attending the Regent's entry into Kassa. After the present war broke out he retired from public life, handing over the management of his newspapers to his son, the Hon. Esmond Harmsworth, who in 1928 visited Hungary as his father's representative.

On 26th November, amidst outward signs of general mourning the Deputy Speaker of the Hungarian Parliament, M. Szinnyey-Merse, announced the death of Lord Rothermere in the following words: —

"The Honorable Members will already have learned the sad tidings that Lord Rothermere, the great champion of our sacred cause, has passed away at the age of 72. It is now 13 years since, in the heyday of Beneš's hegemony and in an atmosphere utterly hostile to Hungary, *Lord Rothermere, in defiance of international opinion, raised his voice on behalf of this sorely mutilated country.*"

All the Hungarian newspapers contained articles expressing warm appreciation of Lord Rothermere's services to Hungary.

GENEROSITY OF HUNGARIAN PUBLIC

When in spring this year large sections of the country were flooded in consequence of the bad weather, the Regent of Hungary visited the flood-area by plane and, on his return, appealed

to the nation for help. No one, he said, should be allowed to suffer irretrievable losses; the demolished houses must be built up again, and those that have been badly damaged must be repaired. Many thousands of houses suffered from the floods, and many hundreds of thousands lost their homes. The Hungarian nation, however, responded unanimously to the Regent's appeal and opened its heart to those who had been visited by Fate. *Within a few weeks the Hungarian public contributed a considerable sum, 3.5 million pengő, towards the relief fund, whereby it has become possible to rebuild every demolished house and to repair the damaged ones.*

Within a short time no fewer than 3.464 new houses have been built and 92256 damaged ones repaired; the new houses have been built on modern principles and in such a way as to make their extension possible if required. A further sum of 329.680 pengő has been spent on indemnifying people for other losses they may have suffered from the floods. Soon after the floods the Government appointed M. *Bonczos*, Under-Secretary of State, Commissar for the Distressed Area. Thanks to the Commissar's effective work, the whole nation was roused to rush to the help of those who suffered most. Every class of society has shown itself equally conscious of its duty towards these sufferers, and the splendid result of the collection within such a short time furnishes a striking proof of the solidarity of the entire Hungarian people, and its readiness to help wherever social help is needed. Summing up the main phases of action, M. *Bonczos*, the Commissar, made the following statement on November 19th:

"The newly-built houses in the flood-area serve as a token of the nation's generosity and readiness to help; they also show the sense of justice and fair play which is an outstanding feature of the Hungarian soul: *for it must be remembered that help was offered to every sufferer, whether he was a Magyar, a German or a Slovak.* Everyone was looked upon as brother, provided he was a faithful son of the country. The havoc wrought by the elements may teach us a great lesson. The floods have taught us that the sense of community is a uniting force which will help us to stand by one another whenever the country is visited by an unexpected catastrophe".

BOOKS

Gustave Kővér: "L'erreur initiale de la société des nations."

This is the title of the book published some time ago by M. Gustave Kővér, the well-known *Transylvanian* writer who is now member of the Hungarian Parliament. The author was imprisoned by the Rumanians as the result of political persecution; subsequently he went to Geneva to work for the cause of suffering Magyar minorities. The work in question is the continuation of his book published in 1938 under the title "Non! Genève ne protège pas les minorités nationales" which was a great success in the book market. His works are characterized by profound knowledge and great care; his historical studies will serve as documentary records of the wanton carelessness with which the lords of Geneva treated the problems of millions of minority nationals. The present volume deals with the petitions submitted to the *League of Nations* since 1929, which the *League* handled with such ill-will and unscrupulousness.

After his release from prison M. Kővér was expelled from Rumania (*County Bihar*) in 1933; after this he went to Geneva, where he undertook the management of the *Central Bureau for Minorities*. There is no authority more qualified to disclose the methods pursued in the treatment of these petitions. At first M. Kővér devoted himself with great enthusiasm to legal and political work for the minorities, but later on he realized that Geneva could never help the minorities, because the League refused to acknowledge the grievances of the minorities even in principle.

M. Kővér deserves the greatest credit for describing in a volume of 700 pages the activity — or rather the impotence — of the League of Nations concerning the minority problem; he has also published a number of documents which would otherwise have lain forgotten in the *archives of Geneva*. M. Kővér was present in recent years on all occasions when minority problems were being discussed. The *Stockholm Minority Congress* expressed its thanks to him for his work, and it he was who had an opportunity given him to explain the minority problem before the British Parliament.

In March 1938 M. Kővér had a literary debate on the Czech question in the columns of the "*Daily Telegraph*" and the "*Morning Post*", his opponent being *General Spears, M. P.* Articles published in the contemporary German press — particularly the "*Kölnische Zeitung*" — show what an importance the

Germans themselves attached to *M. Kövér's* opinion on the Sudeten-problem.

All that has so far been said of *M. Kövér's* work may be traced in his book, recently published in *Geneva*. In the preface the author points out that the root of the troubles lay in the very primitive character of the League. From the very outset the League was a mere instrument in the hands of the victorious Powers, who used it for the achievement of their own ends. The smaller States, even though they belonged to the victorious group, were obliged to bow to the will of the greater ones. The League never had the least intention of enforcing the rights of the minorities. A number of treaties were made in order to serve the interests of the victorious Powers and, no matter how obsolete they had in time become, everyone had to respect them, in spite of their inhuman and nonsensical character; other treaties were made to serve the interests of humanity in general, but no one paid any attention to these.

Before going into particulars, *M. Kövér* once more points out the importance of the minority problem and declares that such problems can never be solved by mere force. Every war is followed by a peace, but that peace cannot possibly be lasting unless it eliminates the causes which led to the war. The minority problem, the author says, is among the principal, and its solution must be sought by all those who wish for a lasting peace and seriously intend to avoid the frequent repetition of that massacre which we call war.

POLITICAL ECONOMY

HUNGARY

23 MILLIONS FOR ROAD BUILDING IN HUNGARIAN TRANSYLVANIA

The Rumanian régime has unmistakably put its stamp on the 800 kilometres of roads in the recently reannexed regions of Transylvania. Vehicles have to struggle along on roads full of holes and ruts, shaky bridges and destroyed viaducts. It is hardly fair to call these roads at all. With respect to the road-system the Rumanianizing policy of the conquerors seems to have followed in absolutely the same lines as in every respect in Transylvania's public life. The problems of transport apparently played a minor part in comparison with the other great aims of this Rumanianizing policy. Let us just select one example: the main road between Debrecen—Ermihályfalva—Nagykároly—Szatmárnémeti crossing the old Trianon frontier was turned into a "parish" road; in other words, 80 kilometres of this road were put of action for a number of years, whereby the connection between Transylvania and the old mother country was cut off in this direction altogether.

Nor is the condition of the roads "kept in order" by the Rumanians much better. Most of the State and County roads too were "kept in order" by the parishes, which means that, in practice, they were not kept in order at all.

The Hungarian Government has now worked out a far-reaching and comprehensive scheme for the solution of the road problem in Transylvania. The roads will — almost without exception — be placed under the care of the Government authorities entrusted with the maintenance of roads in the whole country. This applies first of all to the roads already in use. Those roads which the Rumanian régime left to the care of the parishes will now be placed under the control of experts. As regards the roads not yet developed sufficiently, the State proposes to take over a minimum length, because even the roads now being used represent enormous responsibilities and additional expense to the State.

The first object of the new Government scheme is to raise these so called "developed roads" to the same level as the roads in Trianon Hungary. The Hungarian authorities have already done great and serious work even in the comparatively short time since the re-annexation. The Ministry of Commerce knew

what lamentable condition the Rumanian roads were in, so that simultaneously with the troops of occupation a whole host of road engineers, experts and a fully equipped technical staff arrived in Transylvania to start work at once. Even in the first hours, so to say, of the occupation the branches of the State Department of Roads started their work of repair. The Government has already appropriated 21 million pengő for road building in the reannexed regions, while an additional sum of 2 millions has been allotted for the repair of parish roads. This sum will — among other things — serve for the completion of the main road Budapest—Nagyvárad—Kolozsvár, the latter section of which was left uncompleted by the Rumanians. Out of this, a stretch of about 8—9 kilometres is to be built by a private firm. The same scheme will comprise the repair of the extremely bad road between Beszterce—Szeretfalva—Szászrégen which is to take the place of the lost railway line; the road is to be completed by June, 1941. — At present freight-goods are being loaded on lorries to be conveyed from Szeretfalva to Szászrégen, where they are unloaded, and via the "Szekler Circular Railway". By the latter date most of the main arteries of communication of Transylvania are expected to be in good order. But a long number of years will have to elapse before the whole road-system can be completely repaired. This, of course, is not solely a State problem. The counties will have to undertake the repair of a stretch of 5500 kilometres of the road-system, though even the repair of these parish roads can only be carried out with the help of the State, because the Transylvanian counties are too poor now to undertake such responsibilities.

The quarries from which the material for road building is being taken, are in a hopeless state, as the Rumanians dismounted and carried off the machinery of all quarries, whether they belonged to the State or to private individuals. Until the quarries can be re-equipped, the work of road building has to be continued with hand-picked stones.

RUMANIA

PROBLEMS OF RUMANIA'S OIL PRODUCTION

Rumania has recently introduced all sorts of measures to prevent foreign companies from the full exploitation of Rumanian oil; in fact she proposes to eliminate foreign exploitation altogether. In the first place, she has decided that the production price of petrol must not be changed during the present war. The production price is still the same as it was: 2 Lei, but the inland taxes on it are 5—600% higher, and the export duties are higher still. Thus the producer must inevitably plunge to his ruin in view of the constant advance of wages. For some time

SLOVAKIA

HUNGARY TO PURCHASE SLOVAKIA'S SURPLUS
OF RAW HIDES

According to official statistics, *Slovakia* imports 5.240.000 q. of hides and 812.000 kilograms of sole leather. It is interesting to note, however, that *Slovakia* herself exports a part of her own production of hide to *Hungary*. *Slovakia's* shoe and boot industry is now in a critical state and cannot give sufficient work to its labourers to exploit its full capacity. It is therefore necessary to export the surplus of hides from *Slovakia*; this refers primarily to calf skin. *Slovakia's* exports of hides at present find their way exclusively to *Hungary*, but she is also intending to export some of her surplus to *Turkey* and *Bulgaria*.

YUGOSLAVIA

BUDGET PROBLEMS OF BANATE OF CROATIA

Commenting on the budget of the Banate of Croatia for the next year, the Croat press demands a reform of the present financial system in the Banate. Among other things these comments point out that the Banate has received those branches of State revenue which wield the smallest profit or no profit at all. While the general budget of the Yugoslav State showed a surplus of 800 million dinars (16%) in the first five months of this year, the budget of the Banate shows a deficit of 200 millions (25%) in the same period. The items of revenue were the following: *direct taxes, 215 millions (instead of 312 mil.,) super tax of the Banate 22 mil. (instead of 34.5 mil.,) turn-over tax, 61 mil. (instead of 95 mil.) the previous year's arrears 1.5 mil. (instead of 36.5 millions).* The only branch where the actual revenue exceeded the budget estimate was dues, where 172.5 millions were paid in instead of 145.5 mil. as had been expected. On the whole, out of the 714.5 million dinars estimated in the budget for the first half of this year, only 518 millions were actually paid in. At the same time the State taxes paid in by the population of the Banate amounted to a total of 289 million dinars, out of which sum 162 millions represented direct taxes, 120 millions turn-over taxes, and 4 millions dues. This state of affairs, the press goes on to say, cannot go on. The Banate must receive all the direct and turn-over taxes paid in by the population of the Banate; at present, a considerable proportion of the latter taxes, such as the turn-over tax on electric current, cement etc., are now being paid into the State Treasury. (*Jugoslavenski Lloy*, Oct. 22nd).

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