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CAROL I OF RUMANIA (II*)

BY

ZSOMBOR DE SZÁSZ

fter taking the oath to observe the Constitution Prince Carol had declared that "having been spontaneously elected Prince of Rumania by the entire nation", he had unhesitatingly left his family and former fatherland to respond to the call of the people which had wished to lay its future in his hands.

These were fine words, and the legislative assembly cheered enthusiastically on hearing them. But there was a slight drawback connected with them. The Hohenzollern Prince could not be elected "Prince of Rumania", for the simple reason that there was as yet no State bearing the name of Rumania. In 1886, when the election occurred, there was a State composed of two loosely connected provinces, the "United Principalities of Moldavia and Wallachia" created ten years before by the Congress of Paris and subjected to the suzerainty of the Turkish Sultan, a suzerainty which the Congress of Paris left intact. Prince Carol became the ruler, not of a Rumania which had no existence in the community of nations, but of the two semi-independent Principalities under Turkish control, Moldavia and Wallachia.

This was an intolerable situation, not so much for the Rumanian people, "who naturally had no understanding for the complexities inherent in the international status of their country", as for their Prince, who, coming as he did from one of the mightiest dynasties of the Continent, keenly felt the weakness engendered by the want of unity and the indignity of being subjected to the control of a non-Christian Power. In a conversation he had soon after his election with Wilhelm, King of Prussia and head of the Hohenzollern

^{*} See the previous article under the same title in the January 1942 issue of this review.

family, Prince Charles declared that this acceptance of Turkish overlordship was only temporary and accompanied with ,, the tacit reservation that he would free himself from it as soon as possible, by the force of arms if necessary." These too were brave words more easily spoken than carried out. A war between two Great Powers, Russia and Turkey, had to intervene before Rumanian independence could be realised.

Neither of the two questions, the union of the Principalities and the independence of a future Rumania, was of general European concern. As we endeavoured to show in a previous article, the attitude of the Great Powers was divided on the subject. But even France and England, the Powers in favour of a union, took so little interest in the Rumanian question that there were times when they were prepared to sacrifice even the existence of the Principalities in order to further the solution of other European problems.

In the early sixties the Piemontese Government conceived the idea that Austria might be induced to surrender Venetia, if she were to be compensated with the two Danubian Principalities. The plan was favoured by the British Government and was laid by Lord Russell before the French and Turkish Governments. His proposal did not meet with success, nor did, later on, after the fall of Cuza, Napoleon's similar endeavour to settle the Austro-Piemontese question by ceding the two Principalities to Austria in compensation for Venetia and Lombardy, although the Grand Vizier, Ali Pasha, declared that if they were to be lost to Turkey, the Porte would rather see them in Austrian hands than independent. Thiers was inclined to cede them to Austria independently of the Italian question. The plan was wrecked on Austria's reluctance. The Rumanians had never been genuinely liked in Western Europe. "The Moldo-Wallachians", - wrote Professor T. Riker, the historian who wrote "The Making of Rumania" - "were not looked upon as having any of the charm with which the romantic spirit of the nineteenth century had clothed the revolting Greeks, and, west of Vienna, Europe was not greatly interested in the Danubian Principalities." "It was rather" - he went on, - "because the question presented, as somewhat remote questions often do, a test of strength between opposing parties among the Powers."

The consequence of this European attitude was that Prince Carol was left to fight out his battle with his suzerain single-handed.

His first endeavour was to secure the Sultan's recognition, which proved no easy task; in fact, it was a long time before an agreement could be reached. The Sultan was bent on maintaining intact his right of suzerainty, secured to him by treaty; the Prince was just as anxious to deliver his new country from the brutal bonds of vassalage. The first clause of the draft firman sent by the Grand Vizier declared that 'Prince Carol pledges himself and the Principalities to acknowledge the suzerainty of His Imperial Majesty the Sultan and never to try to loosen the ties of vassalage which unite them with the Ottoman Empire." Clause 2 stipulated that "the Principalities shall be called 'United Principalites of Moldavia and Wallachia". Clause 4 excluded from the succession to the throne "those members of the Prince's family who lived in Germany". In addition, the draft stressed the unity of the Ottoman Empire, of which the Principalities were only a part; the latter were not to be allowed to send representatives to foreign countries, but were to be represented abroad by Turkish diplomats. The creation of Rumanian decorations and a separate coinage was also forbidden. And provision was made for the presence of a Turkish Government Agent in Bucharest.

The Rumanian Government naturally rejected the Turkish draft.

In their counter-proposal they agreed to maintain the ancient tie which bound the Principalities to the Turkish Empire, but declared their intention of assuming for their country the name of "Rumania" or "United Rumanian Principalities". The other clauses were either rejected outright or accepted in an altered form. The phrase to which Prince Carol objected most strongly, refusing absolutely to accept it, was that declaring that the Principalities formed "une partie integrante de l'Empire Ottomane".

A prolonged period of haggling followed, in a gradually changing atmosphere. After an incredibly short campaign

Austria was defeated by Prussia, which therewith became one of the most important factors in European politics, her ruling dynasty heading the most formidable army on the Continent. The Porte could not avoid being influenced by these events. It became increasingly tractable, so that at the end of October 1866 an agreement was finally reached. The idea of a firman was abandoned, and the Porte's stipulations were embodied in a letter addressed by the Grand Vizier, Mehemed Rushdi Pasha, to Prince Carol and dated October 18; the latter replied in a letter to the Pasha the day after.

Neither letter contained any provision in regard to the country's future name, but in the Grand Vizier's letter it was alluded to throughout as "the United Principalities" or "Moldo-Wallachia", the people being mentioned as "Moldo-Wallachians". Carol was recognised as hereditary Prince and empowered to maintain an army of 30,000 men; this number was not to be increased without the permission of the Sultan. The State was to be allowed to mint its own coins, though with the emblems of the Empire stamped on one side; but it was not permitted to create orders or confer decorations. The annual tribute to be paid to Turkey was to be increased, but the time and manner were not specified.

The Grand Vizier's letter concluded with an invitation to Prince Carol to "come to Constantinople and hear from the Sultan's own lips His sincere wishes for the good fortune and prosperity of the Moldo-Wallachian population."

Prince Carol accepted the invitation with pleasure. He had, as a matter of fact, intended to present himself to his suzerain lord some time before, but it had been intimated to him that his visit would not be acceptable in Constantinople so long as the conditions of his recognition were not settled. This difficulty being now removed, there was no longer any obstacle to the visit.

Soon after the exchange of the letters which regulated the recognition, the Prince started for Constantinople, where he was received with special honours and extreme cordiality by the Sultan.

The Memoirs of Prince Carol give us an interesting and picturesque account of this visit.

Carol arrived in the Turkish capital in the morning of October 24, and was at once captivated by the magnificent situation of the town, which reminded him of that of Lisbon. He was received by high officials of the Sultan and by the dragomans of all the foreign Embassies.

At half past two in the afternoon, attired in the uniform of a Rumanian general, he boarded the Imperial Yacht, which took him to the Sultan's palace, the Dolma Baghtse. He was met at the entrance by the Grand Vizier, who conducted him to a comparatively small room, where the Sultan already awaited him and greeted him in the most friendly manner, shaking him by the hand.

The Sultan seated himself on a large sofa, by the side of which a chair had been placed for the Prince. The latter, however, took no notice of this arrangement and, relying on the privilege accorded by equal dynastic rank, sat down on the sofa beside his suzerain lord.

The Sultan was a young man of thirty-one, short and corpulent, with a sinister expression. As he spoke neither French nor German, the services of a dragoman had to be called in.

The conversation started on neutral subjects, such as the weather and the Prince's journey. But soon the visitor turned the talk to political questions and took the opportunity to assure the Sultan that he was honestly determined to respect the existing treaties. The Sultan graciously accepted his protestations, then went on to discuss the internal situation of the Principalities, more especially as regarded their finances.

After the conclusion of the conversation the Sultan, not without embarrassment, handed the Prince a "paper", that is, the firman of investiture, which the latter placed on the table before him unread, while he asked the Sultan for permission to introduce to him his Ministers, who were waiting in the adjoining room. Before even the requested permission was granted, he opened the door, bade the waiting men enter, and introduced them one by one to the Sultan. After the introduction he took the "paper" from the table and gave it to his Minister for Foreign Affairs, Prince Stirbey, to take home with him.

Prince Carol spent some days in Constantinople, receiving and returning the visits of the Turkish Ministers and high officials, of the members of the diplomatic corps, the Orthodox Patriarch and the Primate of the Uniate Church. At the last minute of his sojourn he received the Sultan's permission to create a special Rumanian military order.

At midnight on the 30th of October he left Constantinople, not only de facto but also de jure Prince of the United Principalities. In the course of the following months he was recognised also by the European Powers, and "instead of the half-baked status inaugurated by the events of 1859 the State now enjoyed a new and regularised position".

In connection with the recognition of the Porte, we may perhaps be allowed to quote some remarks of the late Professor Iorga, one of the most eminent historians of modern Rumania.

According to Professor Iorga, the long-drawn-out negotiations and bargaining could have been easily avoided by means well-known to Rumanian statesmen but unknown to a Prince brought up in the West, and inexplicably not divulged to him. All that was needed was to address themselves, not to the diplomatist or official, but to the man. During the Prince's journey 250,000 lei were expended in backsheesh; had four times that sum been laid out judiciously, the desired goal would have been reached more completely and with much greater dispatch than by negotiation. All the world knows, — wrote Professor Iorga in 1923, — that Constantinople, for all its thin layer of constitutionalism, adheres to the old law that it is better to pay and spare one's words than to talk with empty hands.

During the next few years the new ruler was fully occupied in reforming every branch of political, social and financial life.

His first care was the creation of a modern army. The existing army was a dirty and badly equipped rabble, its arms a heterogeneous assortment of rifles of various makes, its ammunition far below the requisite quantity. Professor lorga tells us that the *morale* of the soldiers, and especially of the officers, was not "extraordinary", meaning thereby that it was extraordinarily bad. They accepted bribes

from the Turks, and desertions from the frontier regiments were of daily occurrence.

The country's finances were in a ruinous state, its means of communication deplorable. In 1866 there was not so much as a mile of railroad in the two Principalities, and the high-roads were simply awful — deserts of dust in summer and oceans of mud in the autumn. It was, as Prince Carol expressed it in German, "ein unfertiges Land", an unfinished country. In his first Speech from the Throne he demanded more honesty, more industry and more economy.

Such speeches were little relished by the masses, nor did the Prince's reforming zeal appeal to a people whose life had been ruled for centuries by oriental quietism, traditional indifference and religious orthodoxy, and who, far removed from the centres of European thought, had been left almost untouched by the revolutionary movements and currents of the nineteenth century. The Prince was not popular.

His unpopularity was enhanced by the fact that he was one of the most ardent champions, in fact the embodiment, of the union of the two Principalities. The Moldavians had never looked on the union as a desirable goal — in fact they detested the idea. For centuries the two provinces had had a separate existence, each being ruled by its own Prince and government, and having its own capital. For Moldavia the union meant relegation to the background, Wallachian preponderance, the elevation of Bucharest as the sole capital, and the decline of Iassy to the level of a provincial town. It was not to be wondered at, therefore, that there was a strong anti-unionist movement in Moldavia. At the first general elections one third of the elected members were separatists.

A detailed description of the country's internal politics and their development would lie outside the scope of this article. It would take more space than we have at our disposal to tell the story of the dynastic crisis of 1870 and 1871. In 1870 an oper rebellion broke out, and a republic was declared in Ploesti, but the movement was quelled without difficulty. In March 1871 the Bucharest mob broke the windows of a house in which the German colony was celebrating the Prussian victories over the French. Carol promptly

abdicated, but reconsidered his decision on being assured that he could place full reliance on the Conservatives, and by degrees the crisis subsided. But he never became a really popular ruler, and suffered under the knowledge to the end of his long and laborious life.

The Prince's investiture brought no change in regard to the international status of the Principalities. They were more closely united than they had been under Cuza, but their official name was, as before, "The United Principalities of Moldavia and Wallachia", and, far from being an independent State, they were still subjected to the suzerainty of the Porte.

On January 1, 1867, the representative of France used the name "Rumania" when tendering his New Year's greetings; but his example was not followed, and the Porte never recognised the name. In the draft of the Turkish Constitution of 1877 the territory of Rumania is alluded to as "the privileged Provinces".

From January 1873, when Prince Carol first discussed the subject of the country's independence with his Ministers, he never for an instant lost sight of this objective, notwithstanding the fact that he received no encouragement in the matter. When, in June of that year, he mentioned the subject to Count Andrassy, the latter dissuaded him from taking individual action. His father, Prince Anthony, also advised him to wait and see what turn Balkan affairs were going to take.

Space forbids our enlarging on the development of the Eastern question. The Rumanian problem formed part of it and could not be solved independently, If a peaceful solution could be reached on the larger issue, then Rumania's problem would also be solved peacefully; if not, then it would have to be decided by war. By 1876 it became increasingly evident that the latter was the only possibility left open; that summer war was already imminent between Russia and Turkey; and Rumania had to make up her mind whether she should participate in it, and if so, to what extent.

In October the Rumanian Prime Minister, I. Bratianu, visited the Tsar in Livadia, and later in April 1877, a treaty was concluded settling the conditions under which the

Russian forces would be permitted to cross Rumanian territory. The supposition was that Rumania would remain neutral; Russian statesmen were convinced that their country could dispense with the military assistance of the Rumanians. "Russia does not need the aid of the Rumanian army", Prince Gortshakov had haughtily declared. Under the treaty Russia guaranteed the territorial integrity of Rumania; but the Rumanians distrusted the Russians, and were convinced that they would eventually seize Bessarabia. "The Russians", wrote Cretulescu from Berlin, "will violate the Paris Convention and take Bessarabia. We have no power to prevent this, but in return for our compliance we must have independence, and Rumania must become a kingdom."

At the end of April the Russian forces began to cross the Rumanian frontiers, and a few days later, on May 10, the Rumanian Parliament announced Rumania's rupture with Turkey and declared her independence.

The Russians, meanwhile, progressed but slowly; they crossed the Danube and seized the Balkan passes, but were met at Plevna by the invincible resistance of Osman Pasha. They suffered such heavy losses that they were forced to appeal for assistance to Prince Carol, who, hastily appointed Commander of the united Russian and Rumanian troops, came to their aid with 50,000 men. After a prolonged siege Osman Pasha was forced to surrender, and it transpired that the Turkish army was practically broken. In January 1878 armistice negotiations commeced which led to the Treaty of San Stefano, which caused keen disappointment among the Rumanians. They had not been allowed to participate in the negotiations, on the ground that, pending recognition by the Powers, Rumania was not yet an independent State. The Treaty restored to Russia the three southern districts of Bessarabia which the Treaty of Paris had given to Rumania. After coming to Russia's succour and saving her from defeat, holding in their hands a treaty which guaranteed the territorial integrity of their country, the Rumanians were rewarded for their assistance by losing half of Bessarabia.

They were, naturally, shocked and indignant. Prince and Parliament, Ministers and public opinion protested, but

protested in vain. "You cannot alter our decision", said Gortshakov to General Ghica, — "it is unchangeable. You are faced by a political necessity." It was rumoured that the Tsar had declared that he would disarm the Rumanian forces and occupy the entire country if the Rumanians persisted in their protests. Which alleged threat Prince Carol countered by remarking that he did not believe the Tsar could have uttered those words, but if he had, the Rumanian army, which had fought side by side with the Russians, "would let itself be annihilated but never disarmed."

The Russian decision was "unchangeable". Prince Carol and his Government centred their hopes, as a last resort, on the Congress of Berlin, but were once again disappointed. The Russian standpoint was that Rumania was not an independent State, but part of the Turkish Empire. Russia had guaranteed the territorial integrity of Rumania only against Turkey, and the retrocession of the Bessarabian territories was demanded from Turkey, not from Rumania, which country still formed part of the Ottoman Empire. If the Rumanians refused to comply, Russia would take Bessarabia by force.

On July 1, 1878, the two Rumanian Ministers, Bratianu and Kogalniceanu — they were not members of the Congress — were given permission to read to the assembly a memorandum on the Bessarabian question. No one listened; Rumania was a quantité négligeable in European politics, and the Powers had other and more important problems to consider than the grievances of the Rumanians. Not a single voice was raised in their favour, and Bessarabia was lost to them. Lord Beaconsfield remarked to Bratianu by way of consolation: "in politics ingratitude is often the price of the best services".

Nevertheless Rumania did not return from the Congress quite emptyhanded. As compensation for the lost Bessarabian districts she was given a strip of land in the Dobrudja, and, what was even more important for her, her independence was recognised. The recognition was, however, made dependent on two conditions: that she put no hindrance in the wey of the cession of Bessarabia, and that the removal of all religious disabilities would be enacted in her Constitution.

Having no friends at the Congress nor any other support to fall back upon, she had perforce to yield.

Writing to his father in August, Prince Carol said:

"It is sad that Europe should have forced a young and virile State, which has shown its strength and vitality in the course of a murderous war, to acquiesce in the cession of a province. It may have been all right for the Berlin Congress to restore to Russia what the Treaty of Paris had taken from her; but it is deeply insulting to make our independence, won by us on the battle-field, dependent on the cession of Bessarabia; much patience and moderation are required to suffer such an affront with calm. But we will show the Powers that we can bear even the worst that can befall us without losing our honour."

Soon another obstacle arose to impede the realisation of the cherished dream of independence. The removal of all religious disabilities involved the emancipation of the Jews, and this the Rumanians would not grant. Repeated drafts of the clause in question were made and submitted to the Powers, only to be rejected again and again, until, after two years of haggling, a formula was devised which they found acceptable. At last, in February 1880, the Powers intimated their readiness to recognise the independent Rumanian State.

There was only one step more towards complete state-hood: Rumania had to be made a kingdom.

This, too, was accomplished. Although the idea was not popular among the Liberals, the proposal to proclaim the country a kingdom was made and accepted in Parliament on March 26, 1881. On May 10, (Old Calendar), Prince Carol and Princess Elizabeth were crowned King and Queen of Rumania. The King's crown was forged from the steel of a cannon captured at Plevna.

It was sixty years last May since Rumania as an independent kingdom first took her place in the community of European States.

RUMANIA'S INTERNAL AND FOREIGN POLITICAL SITUATION

BY

LADISLAS FRITZ

In certain circles dissatisfaction with the Antonescu Government is in evidence. This explains the Law published on 5th November in No. 3052 of the "Monitorul Oficial", the Rumanian Official Gazette. This Law, which bears General Antonescu's signature, invited the Rumanian people to a plebiscite on 9th November last that they should "express their approval or disapproval of Leader Antonescu's regime of liberation inaugurated on 6th September 1940 and express their confidence in him, so that he should be able to begin his national reform of the State and the protection of the nation's rights." With the exception of the Jews, who were debarred from the plebiscite, every Rumanian citizen over 21 years of age was compelled to vote "yes" or "no". Meetings and speeches of a propaganda nature for or against Antonescu were forbidden on pain of a sentence not to exceed five year's imprisonment. This ban, however, applied in practice only to anti-Antonescu propaganda, for no attempt was made to muzzle even the most vociferous propaganda in his favour. The plebiscite was namely preceded by a campaign of propaganda in the press and the radio; nor must we forget General Antonescu's own appeal containing the following statements deserving special attention. In it General Antonescu referred to the problems of the year that had elapsed since 6th September 1940 and the work that had been accomplished in that time. He emphasized that Rumania had linked her fate to that of the Axis Powers and pointed out the historical significance of the war of liberation. He laid particular stress on the real Rumanianization of economic life and urged the necessity of creating Rumanian elements to take the place of foreigners who had filtered into the country. His idea of the organization of the Rumanian State was a corporate system. The appeal ended with the words "Long live the 'King, long live Rumania!"

On 23rd November the final result of the plebiscite, which lasted from 9th to 15th November, was handed amidst impressive ceremonies to General Antonescu by the President of the Central People's Organizing Committee. The result was 3.446.889 for and 68 against Antonescu. The Bucharest daily papers published in an official form the names and particulars of the 68 persons who dared to refuse Antonescu the vote of confidence ordered. The newspapers established the fact that their names had been made public because many people had asked General Antonescu to publish them, adding that apart from this no proceedings would be taken against them.

This was the second so-called "plebiscite" during the one year of Antonescu's rule. The first obligatory plebiscite took place on 2nd March, on which occasion 2,900.000 persons voted for and 2996 against Antonescu's person and policy. At the time this result was made much of by Rumanian propaganda in foreign countries, as was previously the similar result of the plebiscite ordered by King Carol II, when 95 per cent of the voters expressed their confidence in the king whom they later on drove out of the country.

A great change has taken place in the composition of the Rumanian Cabinet. M. Losetti, Minister of Education, handed in his resignation and for a time General Antonescu himself took over his office. Later Professor Petrovici became Minister of Public Education. The Propaganda Ministry also received a new head in the person of Professor Marcu Alexandru, while Professor Dragos Titu is now at the head of the Rumanianizing Department. It would appear that General Antonescu is gradually getting rid of generals and appointing professors in their stead. Hitherto General Radu-Rosetti was his Minister of Education and General Zwidenek was at the head of the Rumanianizing Department. A Cabinet held on 17th November decided that the administration of public supplies should be taken over by the army. The former Public Supplies Department was therefore wound up and a new military and civil one created under General Constantin. According to the opinions entertained by Bucharest circles there is no political significance in these Cabinet changes.

The latest development in Rumania's foreign policy is that the Government, in the belief that internal equilibrium has been reestablished by military successes, is striving to consolidate the country's position abroad, and for this purpose is contemplating the creation of a new Little-Entente-like alliance. With Slovakia the plan is in full development, and attempts are being made to enlist Croatia and even Bulgaria. The new formation is naturally directed against Hungary. Rumania has been encouraged in this respect by the turn of international affairs that was responsible for the restoration of Bukovina and Bessarabia.

Speaking of Bessarabia, mention should be made of the Language Ordinance issued by General Voiculescu, Governor of that province (see "Bukarester Tageblatt" XII. 2.). In terms of this Ordinance public servants in public offices may not speak in any language but Rumanian and, with the exception of the cases specified in the Ordinance may not use any foreign language whatever. Similarly the Ordinance prescribes that as a matter of public interest the personnel of private firms may not use any language but Rumanian in business life. In the secondary schools the pupils may not speak to each other except in Rumanian. In the markets it is forbidden to label goods in a foreign language. Shop signs in any other language than Rumanian are also forbidden. A breach of these provisions is punishable with two years' imprisonment and a fine of 20.000 lei.

For the rest, Rumania's dreams again begin to circle round Northern Transylvania, and there is no limit to the unbridled propaganda against Hungary and the Magyars in the Rumanian Press.

In December 1941 the Rumanian Government established a "Minority Directorate". This institution functions in Bucharest within the framework of the Secretariate of State for "Rumanianization, colonization and registration". According to the official statement issued by the Government, "all appeals and petitions dealing with questions affecting minority life and action must be filed with the Directorate.

RUMANIA'S POLITICAL SITUATION

All requests addressed to the State authorities by minority persons or racial groups must be sent to it."

Strange as it may sound, it is a fact that the affairs of the national minorities in Rumania are to be dealt with by a State Secretariate established — as its name reveals — for the purpose of "Rumanianization". Law No. 1219 promulgated on 3rd May last year provided that the "Minority Directorate" to be established should be organized within the framework of the Rumanianizing Department.

INTERESTING PASTORAL ISSUED BY SERBIAN BISHOP OF "BACSKA" REGION

BY IMRE PROKOPY

The re-incorporation in the mother-country (Hungary) of four-fifths of the "Bácska" region (a territory 8669 sq. kilometres in area) has resulted in some 140.000 -145.000 Serbian inhabitants being placed once more under Hungarian rule. These Serbians represent only 18% of the total population of the whole "Bácska" region, - a circumstance which in itself suffices to prove the crying injustice perpetrated against Hungary when the Trianon Peace Edict wrested this territory from that country and annexed it to the Yugoslav Kingdom. Now that this territory - which until the rout at Mohacs (August 29th., 1526) had been inhabited exclusively by Magyars and was only later (particularly in the seventeenth and eighteenth centuries) populated in parts by the settlement of various foreign elements - has once more taken its place in the ancient Hungarian Kingdom of St. Stephen, the Serbs living there, who at the "Great National Assembly" held at Ujvidék on November 25th., 1918, declared themselves in favour of separation from Hungary, would like to recover with as little delay as possible the church and educational self-government guaranteed the Serbian nationality living in the mothercountry. This is the desire expressed in the Christmas Pastoral from the pen of Dr. Irinej Tchiritch, Serbian Bishop of the "Bácska" region, published in the columns of the "Nova Posta", a paper appearing at Ujvidek, in which Pastoral, inter alia, we find the following extremely interesting statements, declarations and wishes: -

"The stormy times through which we are now passing have brought about great and momentous changes also in the life of the Serbians belonging to the Serbian diocese of the "Bácska" region. Our diocese has been transferred to a new State unit and is today subject to the sovereignty of

the Hungarian State. The territory included in that diocese is an organic part of the Kingdom of Hungary. In the new situation we all ask what the days in store for us are likely to bring? When I investigate the conditions of the immediate and more distant past and future, I feel encouraged to hope that our holy Orthodox Serbian Church and its Members will be able in the future too to live in peace, to develop intellectually and materially, — our religion, our culture, our material assets and our national peculiarities being respected and appreciated, while we are to enjoy the same rights and undertake the same obligations as all other citizens of the country. We are encouraged to entertain this hope also by the fact that until little more than twenty years ago we were subjects of the Kingdom of Hungary, to which we had belonged, not for a short period, but for centuries.

"During these centuries our saints were respected — a fact shown by the beautiful churches and school buildings to be found everywhere in the territory of my bishopric, as also by the crosses to be seen in the towns and villages, in public squares and at street-crossings, which have always been regarded by our fellow-citizens of other faiths and other nationalities as symbols of religious faith. Another circumstance encouraging us to cherish these hopes is that it was the Hungarian laws still in force today that adjusted the situation of the Serbian Orthodox Church too within the territory of the Kingdom of Hungary. And under these laws the Serbian Orthodox sister-bishopric in Buda is living today also in peace: and it was with the help of these laws that - just over twenty years ago - this Serbian bishopric of ours too was enabled (apart from administering the spiritual affairs of our Church) to manage its schools and monasteries and administer its Church property.

"What is particularly calculated to encourage our hopes is the friendly interest in us shown in the highest quarters. Vitéz Nicholas Horthy de Nagybanya, Regent of the Kingdom of Hungary, has publicly expressed his friendly feelings for the Serbian people, — doing so, not in the most recent past, but several years ago, when that was no easy task. We offer His august person the tribute of our profound respect, homage and gratitude, and value greatly the friend-

ship of His noble heart, which acts as a balm in these days of trial. We believe that in these peaceless days too the God of Peace will ensure peace to us who for centuries lived in peace with the other citizens of the country."

This Pastoral issued by the Serbian Bishop will undoubtedly create a widespread sensation; for the facts established by him fully and completely vindicate the policy of understanding and generosity in fulfilment pursued towards the Serbs living in Hungary by the Hungarian Governments. But there is one point which is a sine qua non of a compliance with the desire expressed in the Bishop's Pastoral. I refer to the question of loyalty to the State and of trustworthiness, evidence of which should — in the light of certain well-known antecedents — be forthcoming, not only in words, but in actions too. Once that is done, we have no doubt that the competent Hungarian factors will, once the war is over, not hesitate to restore the Church autonomy referred to in the Pastoral, the chief points of which we herewith detail for the information of our readers.

The Church and educational autonomy of the Serbian nationality was adjusted anew and definitively by Act IX. of 1868 drafted with due consideration for the resolutions passed at the Serbian Orthodox Church Congress held at Sremski-Karlovitz in 1864 and 1865.

The Serbian Orthodox Church Constitution incorporated in Act IX. of 1868 established three organs (the secular elements being given a considerable voice in these matters) for the conduct of Church affairs, - the local vestries, the diocesan assemblies and (as supreme organ) the Church Congress. The Serbian National Church Congress, which was delegated to represent all the Members of the Orthodox Serbian Church in the management of their church and educational affairs and of all material questions connected therewith, consisted of the Patriarch, the 6 Serbian bishops, 25 priests and 50 secular Members. The ecclesiastical Members were elected by their Curia, the secular Members by the persons entitled to vote at the elections of Members of the church representative assembly, by open ballot (show of hands). Just as in the case of vestry and diocesan assembly elections, in that of the election of the Members

of the Church Congress too all interference on the part of the political authorities was precluded. This principle was so strictly observed that no political officials could be Members even of the committees of scrutineers responsible for conducting the elections. The Members of the Church Congress could not be called to account for any statements made by them in the exercise of their functions as such. In this respect, therefore, the Members of the Congress enjoyed privileges similar to those of Members of Parliament. The Church Congress met every three years at Karlovitz under the presidency of the Patriarch or, in the event of his being prevented from attending, of the oldest bishop, each session lasting usually six weeks. The convening of extraordinary sessions had to be notified in advance - by way of the Hungarian Government — to the King of Hungary, who sent a royal commissioner to represent him at the meetings of the Congress and to exercise his prerogative of supreme control. But the royal commissioners were not entitled to take part in the discussions or to influence the passing of resolutions. The prerogatives of the king included the right of adjourning and dissolving the "Sabor"; in the latter case fresh elections had to be ordained to elect a new Church Congress. The right of control of the Hungarian Government was reflected in the fact that the minutes of the Congress had to be submitted to the Hungarian Prime Minister, that Government at the same time reserving to itself the right to receive and definitively adjust appeals against the resolutions of the Congress. The Church Congress was not empowered to deal with political questions. The jurisdiction of the Congress included the regulation of all church matters (with the exception of all purely dogmatic, liturgical and similar questions), the election of the Patriarch, the election of the Metropolitan Church Council, of the Members of the Supreme School Board, of the principal rapporteur on educational matters and finally of the Executive Committee of the "Sabor", an organ responsible for preparing (drafting) motions to be submitted to the Congress, for making public the resolutions passed by the Congress and for the management of the financial administration of the whole patriarchate.

The great value attached to this church autonomy by the Serbs themselves is shown, for example, also by the following statements made by Dr. Radivoj Simonovitch, a doctor residing in Zombor who prior to the first Great War was one of the foremost champions of the pan-Serbian idea:

— "In Hungary the Serbian national Church enjoyed an ideal autonomy which made it possible for the Serbian nationality to decide freely and without let or hindrance—at its meetings at Karlovitz, the seat of the Patriarch—in all questions connected with church and school affairs and in respect of the appropriation of the church funds."

However, quite apart from the rights ensured it under the Hungarian laws, the Serbian National Orthodox Church was enabled by its exceptionally favourable material situation to act as a veritable stronghold of the Serbs living in Hungary. The extent of its material resources may be gathered from the following data taken from Serbian sources:—

Dr. Vlastoje Aleksijevitz, in his biography of Jasha Tomitch, leader of the radical Serbs of Southern Hungary (published at Belgrade in 1938) estimates the value of the property possessed by the autonomous national Serbian Church of Hungary as follows: "in 1906 that Church still owned 34.000 cadastral vokes of land in the form of property attached to its monasteries; the Patriarch himself was the usufructuary of landed property of an area of 25.000 cadastral yokes: the value of this property - which, inclusive of the other estates, amounted to altogether 108.000 cadastral vokes — was appraised at 23 million gold crowns. The value of the 813 churches and several thousand other church buildings situated within the jurisdiction of the Serbian National Patriarchate represented a further 40 million gold crowns, the result being that the total value of the assets of the National Church (real estate, cash and securities) amounted to more than 90 million gold crowns. In the whole territory under the jurisdiction of the autonomous Church - i. e. in Croatia-Slavonia and in Southern Hungary — there were 666 parishes, 715 rectories, 27 monasteries, 7 bishoprics, 7 cultural institutes and 859 schools and a similar number of teachers . . ." These institutions and institutes were the most precious treasure owing

its origin to the well-known generosity of the Serbs which had to be preserved at all costs."

This exceptionally favourable material situation explains why the Serbian nationality and its Church flatly retused to avail themselves of the subsidies offered by the Hungarian State. For, whereas of the sums appropriated in the 1913—14 Estimates of the Hungarian Ministry of Education for the support of the Churches the amount of 8.762.231 gold crowns was allotted to the Greek Catholic (Uniate) Church and the amount of 9.283.598 gold crowns to the Rumanian Greek Oriental Church, the extremely wealthy Serbian Orthodox Church only accepted subsidies amounting to altogether 493.742 gold crowns, though it was entitled by the number of its Members to claim a sum many times in excess of the said amount.

It was to this church autonomy that the Serbians of Hungary owed the development within the territory of that country in the second half of the nineteenth century (particularly after the Compromise of 1867) of a flourishing Serbian culture which fostered the spiritual and intellectual development also of the Serbian people of the Serbian principality which was not finally liberated from the Turkish yoke until the last quarter of the previous century.

M. DE BARDOSSY'S ARTICLE: THE MAGYARS AND THE NON-MAGYAR NATIONALITIES

hen on New Year's Day the first number of Vol. X of "Lathatár" was published, it contained an article by M. Ladislas de Bardossy, Prime Minister of Hungary. Amongst other things that article contained the following passages:

"The political conceptions of the Magyars took shape on the broad, immense plains whence more than a thousand years ago our warlike horsemen came to the valley of the Danube. These broad and rich plains were inhabited by a self-reliant and courageous people unaffected by the hatred of strangers that always comes from weakness and fear. Mistrust, suspicion and fear of other races have always been foreign to the Magyars. Strangers who approached them during their migrations were treated as guests: they enjoyed and were protected by the usages of hospitality.

"Strong and enduring were the roots of that natural law which the Magyars brought with them from their ancient home. And from those roots sprang the advice given to his son concerning "strangers and newcomers" by our great state-building king St. Stephen: — "I enjoin thee, my son, to give them nurture with good will and proper sustenance, that they may be happier to sojourn with thee than to live elsewhere."

"In St. Stephen's advice the self-reliant calm of a strong man accustomed to broad expanses of territory threw open the door to those who arrived as welcome workers, but also to those who were swept to the frontiers of the country by the tide of misfortune, peril and destruction. In the course of history the number of forcigners and newcomers who fled to and took refuge in the areas protected by the military strength of the Magyars where life was easier, grew ever larger. That they were welcomed with kindness, that we gave them a share of our bread and extended our protection

to them, was the natural outcome of the racial traits that have always shaped the political ideas of the Magyars.

"But the task thus undertaken was no light one. Historical events brought to this country many diverse racial elements of different mentalities and dispositions; and it was often very difficult to bring their forms of life into harmony with those of the Magyars. But there is always some method of reconciling the varying forms of life of different peoples by means of sincere words and sincere deeds.

"The Magyars — as we see from the teachings of all our great spiritual leaders — have always recognized the right of every nationality to cherish and develop freely its own language, its own racial character and racial traits. The work done by "Lathatar" for the past ten years is proof of this.

"In keeping with the political traditions of a thousand years, we are guided by a spirit of understanding and not by one of hatred. Today hatred is still foreign to us, although during the past twenty years we have learnt what it is to be a minority under alien rule. The bitter experiences of the past twenty-two years have taught us to judge the difference between the minority lot unjustly forced upon the Magyars and the conditions based on the law of hospitality in which the non-Magyar nationalities living by their own choice in Hungary dwell. Even this has not changed our point of view or our conduct. All that we insist on is that the possessions, profits and privileges illegally acquired — often with resort to violence — under an alien rule can never be the objects of minority protection.

"We are working to establish justice in Europe. For this we made such great sacrifices in the past. We shall continue on this path, and with Szechenyi we say:—Let all the patriotic inhabitants of our country whom destiny, time and historical events have welded into one body, join hands in triendship... Let us settle the question of our natural rights as becomes men, with justice and moderation."

POLITICAL MOSAIC

M. ANDREW NAGY DE TASNAD'S LECTURE. SPEAKER OF HUNGARIAN LOWER HOUSE ON HUNGARIAN CONSTITUTION

M. Andrew Nagy de Tasnad delivered a lecture in the assembly hall of the Berlin University on "The spirit of the Hungarian Constitution." In his introductory remarks M. Nagy de Tasnad stressed the point that the new legal order in Europe could not fail to affect the internal legal systems of the free nations composing the great community of European peoples. Healthy development, however, was conceivable only if each of the several peoples, while preserving its own valuable traits, found its niche in that community. He referred to the lecture delivered in Budapest by State Secretary Freisler, who, too, declared that the characteristics of the various nations should be preserved and that they must endevour to develop them. This by implication meant that the development should not be mechanical and standardized, for that would kill the spiritual individuality of the nations concerned.

M. Nagy de Tasnad then went on to speak of the Hungarian Constitution. "I do not mean to say" — he declared — "that we must cling to every detail of our Constitution as to some inviolable Sacrament, but it would also be a mistake to make changes that are contrary to the centuries-old spirit of that Constitution and deny its fundamental principles. Our Constitution is a historical Constitution which has grown in the soil of legal continuity and which, besides regulating the State's exercise of executive power, has also always protected the rights of the citizens and, somehow or other, ensured them a share in the management of the country's affairs. In the past nothing of importance affecting the nation could take place unless the nation willed it, nor is it to be supposed that there will be any change in this respect in the future."

Speaking of historical aspects M. Nagy de Tasnad pointed out that the principle of national liberty runs like a thread through the whole course of Hungary's history from the time the Magyars occupied the country to the present day. It is present in the code embodying the laws framed during the past nine hundred years. The same note is struck over and over again: "we insist on our ancient rights, on our liberties; we insist on our voice being heard on every matter, and we demand that the nation's will be done."

"Too much freedom for the individual" - continued M. Nagy de Tasnad - "is a disintegrating force harmful to the community, and were there no central authority to prevent its destructive influence, the nation would suffer. When the equilibrium between liberty and order was perfect, we were strong. Unfortunately it sometimes happened that this equilibrium was disturbed, and it was just when there was the most need for strength and self-disciplined co-operation that the liberty of the individual was greatest and the power of the central authorities weakest. Sometimes this was a source of trouble and led to the country's finding itself in a dangerous position. But after all we were able to hold fast because we were capable of regeneration. What was of real national value we have preserved and shall preserve, but we shall not close our eyes to the needs of the moment. We cling to our traditions, but we are not tradition-bound. The Hungarian Constitution is not merely a historical Constitution, it is also one that is capable of adapting itself to the requirements of the times."

GERMAN FOREIGN MINISTER IN HUNGARY

On 5th January Herr Joachim von Ribbentrop arrived in Budapest, on the invitation of the Regent and the Hungarian Government, for a four days' visit. This visit was another eloquent demonstration of the friendship and alliance between Germany and Hungary. The teachings of history show that Hungary is imperatively linked to the German Reich by her geographical and economic position, and this co-operation, born of historical necessity, has been strengthened by long and turbulent centuries of warfare. Together with Germany, Hungary languished under the terrible sufferings inflicted by the Paris Peace Treaties, and a common sense of the injustices borne merely served to throw into relief the community of interests of those comrades-in-arms. Hungary was the first to raise her voice against the injustices of the Peace Edicts and to preach revision and an unshakable belief in the revival of the downtrodden countries. Neither nation ever despaired; and when the new National Socialist Germany set out on the path of rational and equitable reparation, she found a natural ally, not only in Mussolini's Italy, but also in Hungary.

After spending two days in the country as the guest of the Regent, the German Foreign Minister returned to Budapest on 8th January. He was welcomed with special ceremony at the railway station, which was gaily decorated for the occasion, by the Members of the Hungarian Government, civilian and military persons of high rank, and the diplomatic representatives of the countries that joined the Anti-Commintern Pact — headed by the Members of the German diplomatic corps. The inhabitants of the Hungarian capital turned out in impressive numbers to give

a warm and enthusiastic welcome to the distinguished visitor. From the station to the 'Dunapalota' Hotel the streets were lined

with cheering masses of people.

The German Minister sent his card to the Regent, paid a visit to the Hungarian Prime Minister, was received in private audience by the Regent and dined with him and Madame de Horthy. The Hungarian Premier returned his visit, the Speakers of both Houses of Parliament arranged a reception in his honour and the Premier and Madame de Bardossy gave a dinner at which speeches were made. Herr von Ribbentrop placed a wreath on the Tomb of the Unknown Warrior, visited the graves of German soldiers killed in the last Great War in the Rakoskeresztur cemetry, visited the Hungarian Museum of Fine Arts, and gave a lunch at the German Legation. On the occasion of his departure the leave-taking was extremely warm and cordial.

The following toasts were proposed at the dinner given by

the Premier and Madame de Bárdossy.

"It is with heartfelt pleasure that I welcome Your Excellency on the occasion of your first visit to Budapest. I greet you, the eminent collaborator of the Führer and Chancellor of the great German Reich, who have always been able, with wisdom, prudence and deliberation, in your task of shaping Germany's foreign policy, to find ways and means of raising Germany to her present position of might and greatness. I also greet in Your Excellency's person the just arbiter who with the Vienna Award helped to right the wrongs done to Hungary. For that we shall always owe Your Excellency a debt of gratitude.

"I consider it a special honour that you have found time to pay this visit at a period when the German people are fighting the greatest and most heroic battle of their history. A struggle waged in unity by the German people for the position to which their ancient culture, vital and constructive economic life, just social order and surpassing military prowess entitle them, always ensuring them a dominant role in the history of European development. The attitude of the German people towards European development is rooted in far-off centuries. Germany's virtues and energies were a decisive factor in the ages when the idea of a European community of interests began to emerge.

"Ever since the establishment of the Hungarian State we Magyars have always recognized and rightly estimated the rôle of the German people in the European family of nations. The friendly links between our people and the Germans are therefore nothing new; they are as old as our history itself. Our great State-building King St. Stephen took the step which once and for all decided whether we were to choose the Christianity of Eastern Byzantium or that of Western Rome, a choice between the East constantly trying to encroach on Europe and the stable forms of life of the Germans who had settled in the West. It was

St. Stephen who wellnigh a thousand years ago guided the eyes of the Magyars away from the East and fixed them upon the West.

"It was not by accident, but thanks to the wise, deliberate and consistent policy of the great King's successors, that we always fought to defend the West against the enchroachment of the East. The same idea, the same aim, inspires us now when together with the German people, our comrades-in-arms in the Great War of 1914-1918, we have taken up arms and are fighting shoulder to shoulder with them against the menace of Bolshevism and for a just reorganization of Europe.

"The Magyars have always been fully aware of their historical mission in Central Europe. It its fulfilment they undertook tasks that demanded sacrifices of blood, almost selfsacrifice, in order to ensure peace, tranquillity and order here. Their racial strength and national independence made them

capable of accomplishing those tasks.

"This spirit and these sentiments are what inspire the Magyars today and nourish in us the belief that Hungary will continue to play her traditional rôle in the community of European nations. Relying on our national strength and our independence, we are ready for the duties that a new and just order in Europe demands of us. We are fighting for the Europe which, in the memorable words addressed to me by the Führer and Chancellor of the great German Reich, will be a friendly and peaceful co-operation of free nations.

"It is a special privilege for me to be able, here in the capital of Hungary, to extend a warm and hearty welcome to Your Excellency, as to one of the most ardent advocates of the new European order and the idea of European solidarity. It is a good omen for the year 1942 that the first visit of the German Foreign Minister was paid to Hungary, and we are all happy to greet in Your Excellency's person a real friend of this nation. I firmly believe that the Almighty will not fail to bless our struggle for a just cause.

"In this belief I propose the health of the Führer and Chancellor of the German Reich and drink to the prosperity of the German nation and Your Excellency's own happiness."

M. RIBBENTROP'S REPLY:

"I cordially thank Your Excellency for the extremely warm words of welcome addressed to me, and the people of Budapest for the unforgettable reception accorded to me as the Führer's Foreign Minister this morning in your beautiful capital.

"It has indeed been a great pleasure for me to be given the opportunity, thanks to His Highness the Regent's invitation, of returning the visits. Your Excellency have paid to Germany since taking office, visits which enabled me to establish a contact of a most confidential nature with Your Excellency. I have long wished to make the ties of friendship that have developed from those meetings closer by a personal visit to your country. To my deepest regret the events of the war prevented me from carrying out this intention earlier; the more gratifying is it therefore that I can now be here in Hungary, which is linked to Germany with strong and traditional ties of friendship. As the Regent's guest I have gathered the most favourable impressions during the past few days.

"The confidential relations between our nations have taken on a new and added significance of late. The war forced upon Germany and her allies has reached a decisive stage. The world is divided into two camps: the young nations who are fighting for their rights are confronted by the old, selfish Powers, who for two decades have opposed any rational and peaceful revision, and who now wish to deny those younger nations the right

of mere existence.

"Britain and the United States of North America, in their unparalleled conceit, which is at variance with all the sober judgment expected of statesmen, and conscious that their own unaided strength is inadequate, made an alliance with Russian Bolshevism, the greatest enemy of the human race, in order to force their destructive laws upon the rest of the world. It is said that in their blind recklessness the men in power today in Britain and America have gone so far as to promise Bolshevism a free hand in Europe, in order to persuade the Soviet to make fresh sacrifices for the maintenance of their own capitalistic interests.

"But the community of interests, the unity and the determination of the States allied in the Three Power Pact will utterly frustrate every plan and attempt of that nature. The courage of our soldiers has worked wonders already. Soviet Russia has suffered crushing blows which no power on earth can ever undo. Europe rallies increasingly round the Axis and its friends. In Eastern Asia our brave Japanese allies are proceeding from victory to victory, and this has caused an important shifting of international policy in favour of our present coalition. This is how we begin the year 1942. It will confront us with new and important tasks, for our aim is still the same: to seize and beat the enemy wherever we find him and force him to understand that he has no business in the sphere of interests of the countries belonging to the Three Power Pact.

"In this struggle which Germany under the leadership of Adolf Hitler is waging together with her allies and upon which the fate of Europe hangs, the old comradeship-in-arms that existed between the German and Hungarian peoples in the last war has stood the test again. The common action of which I

spoke to Your Excellency on the occasion of your visit to Munich has materialized. In the fight against Bolshevism the Hungarian detachments fighting along with the German troops have won a good many victories. And as it was in the past, so it will be in the future. Germany and her allies will not lay down their arms until the dreadful menace threatening Europe from the East has been averted and until we have deprived Britain and America of the power to incite peaceful nations to war.

"Gentlemen, we have hard war tasks to perform; but it is the conviction of us all that the present struggle will end in

victory for the countries allied in the Three Power Pact.

"I drink to the health of His Highness the Regent of Hungary, to the prosperity of the Hungarian nation and to Your Excellency's and Madame de Bardossy's private welfare."

COUNT CIANO WELCOMED WITH GREAT ENTHUSIASM AND OFFICIAL POMP BY HUNGARY

This was the second time that Count Ciano, Italy's Foreign Minister visited Hungary. His present visit marks another important stage in the friendship of more than a thousand years' duration between Hungary and Italy. Today the Hungarian and Italian nations are linked together, not only by a friendship, but also by an armed alliance. Italian and Hungarian soldiers are again fighting side by side, as they so often fought in the course of history.

The friendship between Hungary and Italy is coupled chiefly with the name of Hunyadi. King Matthias not only threw open the doors of his splendid palace to admit the Italian Renaissance; he also turned the branches of the tree of Hungarian civilization towards the rays of the Italian sun. Italian culture, the Latin education of the Hungarian nobility and the attraction of Roma aeterna spun indestructible ties between Pannonia and Italia. The Italian risorgimento political ideas, too, struck root deep down in our soil. Nowhere in Europe were the ideas of Mazzini, Garibaldi and Cavour so eagerly accepted as in Hungary. The names of Garibaldi, Kossuth, Türr, Tüköry, Mazzini. Monti and Ihasz were like one flame that inspired and filled with longing the souls of the two nations thirsting for liberty. Monti's legion left 500 dead on the field of the battle fought for Hungarian Independence. The memory treasured in legend of the battles fought by Garibaldi, Türr, Tüköry and the Magyar legion in Italy thrills the hearts of the Magyars even today. Along with Kossuth's name the name of Garibaldi has found a place in the heart of the Magyar people, which shows that above all else they admire the heroes who fight for freedom and that more fanatically than anything else they love liberty and independence. This was why the whole Hungarian nation enthusiastically welcomed Count Ciano, the representative of the nation that gave the world a Cavour, a Mazzini, a Garibaldi and a Victor Emanuel II, the representative of that Fascist Italy that first among the Great Powers adopted Hungarian revision as part of its official programme when the great Duce, speaking of the Trianon Edict, said: — "Un trattato non più sara una tomba."

When on 15th January Count Ciano arrived in Budapest invitation of the Regent and the Hungarian Government, he was met at the railway station, gaily decorated for the occasion, by the members of the Hungarian Government, civilians and officiers of high rank, the diplomatic representatives of the countries allied with or friendly towards the Axis and the entire staffs of the Italian Legation and Consulate-General. M. de Bardossy, Premier and Foreign Minister, welcomed the distinguished visitor, who, after passing through the ranks of a guard of honour, drove to his hotel along streets lined with crowds of cheering spectators. Count Ciano sent cards to the Regent and Mme Horthy, had a conversation with M. de Bardossy, was received in audience by the Regent, and attended a reception given in the Houses of Parliament. He placed a wreath on the Tomb of the Unknown Soldier, and as the guest of the Regent took part in a shooting party at Mezohegyes. His departure on 18th January took place with appropriate ceremony.

At the dinner given by the Premier and Madame de Bardossy in honour of Count Ciano the Premier proposed the follow-

ing toast

"I am particularly delighted to have the pleasure of warmly welcoming Your Excellency as the Foreign Minister of the Kingdom of Italy. I welcome you as one who has returned to us, for this is not the first time Your Excellency has visited Budapest. You know our country and its people well, and have had more than one oportunity of judging the sincere friendship towards, and great appreciation of, Your Excellency's person entertained by all Magyars. This sincere friendship and respect are tributes to the loyal and distinguished collaborator of the great statesman who for twenty years has shaped Italy's course.

"Your Excellency's present visit recalls memories of the historical links between Italy and Hungary. It was priests from Italy who first brought the Christian faith to Hungary, thereby drawing our people into the sphere of western Christian civilization. It was Italy that gave us the Angevin kings, worthy successors to the Arpadian dynasty. The blood of the Hungarian queen, Maria, flowed in their veins and in the XIV. century their rule forged numerous cultural links between the two countries. The Quattrocento was particularly rich in ties of that nature. Italian scholars, artists and masters visited Hungary, who

in collaboration with Magyar scholars, artists and masters created that specially Magyar variety of humanistic culture which though typically Magyar bore so many Latin characteristics. That this humanistic spirit lived on is best proved by the fact that until the middle of the XIX. century Latin was used as the official language in Hungarian public life.

"But it was not cultural ties alone that for centuries had an inspiring influence on the two nations; in their ardent love of national liberty and independence Italy and Hungary also found

points of contact.

"When Buda was stormed and relieved numerous Italians were among the heroes who set Hungary free from the Turkish yoke, Italians shed their blood for us, and later on Italians took an active part in the arduous work of reconstruction. Thus in 1848, when the Magyars took up arms to fight for independence and in defence of the sacred soil of their fatherland and their ancient rights, the Italian nation took sides with them. Italian legionaries under Alessandro Monti fought the good fight for a common ideal shoulder to shoulder with the Magyars. And when in the glorious era of the Risorgimento the eternal Italian spirit achieved the ideal of a united Italy, the Magyars offered their help, and we can proudly say that they were not lacking among the ranks of the "Marsala Thousand".

"To this very day the ties between the two countries bear the stamp of a love of liberty. It was this spirit that induced the great leader of Fascism, the Duce, to proclaim his immortal thesis: — "A peace treaty cannot be a tomb". These words of historical import were heard with deep emotion and gratitude by the Magyars, who will always cherish them in their hearts.

"This spirit has helped us to obtain redress by means of the decisions arrived at by the Vienna Court of Arbitration which have restored to Hungary a great part of the alienated areas that for a thousand years had always been Hungarian territory.

"Your Excellency took part in those Vienna discussions, and your sure judgment and loyal attitude have imposed a debt of eternal gratitude on the Hungarian nation which I should now

like to acknowledge.

"The traditional, centuries-old friendship between our countries is at the same time the pledge of a happier future, and we are strong in the firm conviction that nothing can ever adversely affect the intimate friendly relations between Italy

and Hungary.

"Hungary has taken up arms again and entered into the fray. She is fighting side by side with her great allies Italy and Germany in defence of European civilization and to oppose—as she so often did in the course of our history—the forces of destruction and Godlessness threatening Europe from the east. Today we are again fighting with our old military valour for a

common victory. We are fighting a defensive campaign of historical importance, confident that the Almighty will crown our standards with victory, and that as a symbol of that victory we shall be able to create a new world — a world of peaceful co-operation among the free nations — in the establishment of which we firmly believe God will not refuse His aid, but will bless our effort to achieve this lofty aim.

"In this belief I again greet Your Excellency and drink to the health of His Glorious and Imperial Majesty King Victor Emmanuel III, to the health of the Duce, the prosperity of the friendly Italian nation and to Your Excellency's own health."

The Italian Foreign Minister replied as follows:

"Your Excellency, I sincerely thank you for the cordial words addressed to me and the evidence of friendly feelings they contain. Needless to say, I value these sentiments highly and sincerely reciprocate them. It has been a great pleasure to meet Your Excellency here in Hungary, where once before I enjoyed so spontaneous and touching a welcome that I shall never forget the impression it made on me. In particular I should like to express my gratitude for what Your Excellency has said about Italy and the Duce. Your words will find a sincere echo in the hearts of the Italian people. The Italians know how faithfully those words reflect the sentiments of the generous Hungarian nation and how completely they are in keeping with the old and tried friendship between our countries.

"Your Excellency know that this friendship has always been a corner-stone of Italy's foreign policy. Years and events merely serve to strengthen that friendship, to make it closer, a proof that it has taken deep root in the souls of our peoples and that the policy pursued by our two Governments is one that is in accordance with the fundamental historical needs both of Italy and

Hungary.

"Your Excellency has eloquently recalled to mind the long history of the links between Hungary and Italy, and you have laid emphasis on the point that our friendship has arisen from ties that were close at the dawn of modern civilization, a civilization that is so permeated with the immortal spirit of Italian tradition. It was not the interests of the moment, it was the force of an ideal that for centuries repeatedly united the Magyars and the Italians, a force that is born only of work and struggle for the hightest ideals.

"It is for these ideals that we have taken up arms again. The war which we are fighting together with our great ally Germany recalls to mind the battles in which for centuries Hungary also took an active part. Those battles were fought to save our countries from the menacing pressure of destructive forces that were trying to attack and ruin the edifice of European

ethics.

"Now we are again at war to defend our liberty, save our traditions and restore the spiritual unity of Europe which was badly threatened when the sinister and evil elements of Bolshevism found their way into the bourgeoise community of the western nations.

"As regards its extent and virulence the war we are now waging has no precedent in the world's history. Nor has there ever been a war fought for such high and important aims. We are fighting in order to avert the sinister menace of a Red Army which has been ready for years on the watch to pounce upon Europe, and we are also fighting the Democracies and making preparation to destroy them. To further their own selfish interests the Democracies denied us the right to our ideals, closed all paths before the young nations of Europe, and thus inevitably brought about the present war.

"This war, in which Magyars and Italians are comrades-inarms and brethren in self-sacrifice, we shall continue to fight with unshakable determination, in order to perform the historical mission which together which Germany, Japan and the rest of our allies we have undertaken to accomplish. I am certain that the courage of our armies and the genius of their commanders

will bring victory to us and a just peace to the world.

"Confident in this hope and with feelings of the most profound friendship towards Hungary, I drink to His Highness, the Regent of Hungary, to the prosperity of the Hungarian nation and to Your Excellency's and Madame de Bardossy's health."

FIRST INAUGURATION OF LORD LIEUTENANT IN SOUTHERN HUNGARY SINCE RE-INCORPORATION TAKES PLACE AMID SCENES OF ENTHUSIASM AND IN SPIRIT OF NATIONAL UNITY

The inauguration of the first lord lieutenant taking office since the re-incorporation of the liberated regions of Southern Hungary has taken place amid scenes of enthusiasm, accompanied with ceremonies of ancient brilliance and splendour. The shouts of gladness of the people of those regions accompanied M. Leo Dedk when, in the presence of an enormous crowd, he took office as Lord Lieutenant of the restored County of Bacsbodrog and of the municipal town of Zombor.

After taking the solemn oath of office, M. Leo Deak made a long speech in his new capacity as Lord Lieutenant of County Bacsbodrog. In this speech he recalled the heroic struggles of the Magyars of Southern Hungary in the days of Yugoslav oppression. He expressed his thanks to those to whose efforts the restoration was due, — who had made it possible for the Hungarian flag to wave once more in this ancient Hungarian land. In respect to the nationality question M. Deak stressed

DANUBIAN REVIEW

that that question must be adjusted with the aid of sober reason and calm deliberation. He greeted with affection the German and Slav inhabitants of the county, and expressed the wish that they should use the friendly understanding of the Magyars to their advantage. He expressed his satisfaction at the fact that the Government, while on the one hand adopting as basis of its policy the equality of all nationalities, on the other hand demanded that all alike should fulfil their duties as citizens honestly and without fail. Today too, as he had done in the days of oppression, he could not stress sufficiently that during the days of Hungarian rule prior to the Treaty of Trianon the non-Magyar nationalities had also enjoyed equality; for, had that not been the case, the German and Slav ethnic groups would not today be any more in possession of their own languages and traditions.

The new lord lieutenant referred to the fact that the German ethnic group was entitled, in terms of an international agreement, to the exercise of rights over and above those specified in the general legal provisions. During the days of Yugoslav rule they - the Germans - had been deprived of the power of exercising even their most elementary rights; now they were in full possession of those rights; they had obtained a representation on the municipal committee in keeping with their quota of the inhabitants; they had themselves taken over the administration of the villages (parishes) inhabited by Germans; the officials of the said villages were appointed on the recommendation of their ethnic organisation; they were able freely to live their own national and cultural life; and their ethnic organisation was in direct official contact with the administrative forums. They should therefore document their loyalty to the State and acknowledge that they were living in the possession of ethnic privileges of which they had not even dared to dream in the days of Yugoslav rule.

The Serbians must surely have been agreeably surprised — said M. Deak — by the enormous difference in evidence between the treatment of the non-Serbian nationalities by the former Yugoslav Governments and the rational measures taken by the Hungarian Government. There would not have been any infringement of rights if the Hungarian Government had maintained the Yugoslav legal usage: the Hungarian Government had however preferred to adopt the attitude of equality and legal security in its treatment of the Serbians, carrying this principle into effect also in connection with public appointments. Instead of showing vindictiveness, that Government had offered the Serbians the right hand of friendship and forgiveness. In the past too the Hungarian State-idea had refused to sanction the application of arbitrary means in the field of nationality policy, and still insisted upon the practice which had been in force

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for a thousand years. However, should there be any signs of disloyalty or dissension, it would be impossible to tolerate such conduct; for, while on the one hand the Hungarian Government ensured equality of rights, on the other hand that Government demanded a fulfilment of the duties incumbent upon loyal citizens of the State It would not tolerate excesses, from whatever quarter those excesses might come: but it also refused to tolerate any menace to the unity of the State, from whatever quarter such menace might originate, whether with the support of foreign assistance or not. The lord lieutenant then dealt with questions of internal policy and other matters.

Similar scenes of solemn rejoicing accompanied the inauguration of M. Leo Deak also as Chairman of the Municipal Committee (Assembly) of the town of Zombor. At both installations alike many official addresses were presented, — e. g. that presented, on behalf of the Hungarian Frontier Re-adjustment League, by M. Imre Prokopy, former lord lieutenant. The leaders of the non-Magyar nationalities also expressed their loyalty in words of enthusiasm. M. Gregory Vukovitch, for instance, speaking in the name of the Bunyevatz people, stressed that that people had in the course of two centuries and a half become completely welded into one with the Magyars, and that even the 23 years which had intervened had failed to make the Bunyevatz people swerve from its loyalty to Magyardom. Speaking on behalf of the Serbians, M. Simon Tapavitch conveyed the good wishes of the Serbian bourgeoisie.

COUNT STEPHEN BETHLEN ON TRANSYLVANIA

Statements by Count Stephen Bethlen appeared in the New Year's issues of several newspapers. In one of these statements, amongst other things he said:

"The restoration of certain parts of Eastern Hungary and Transylvania has healed an open and painful wound that for two decades had been draining our life-blood. At the same time, the partition of Transylvania opened a new wound, created difficulties for both countries, and in our judgment of the situation, in all our political schemes and measures, this fundamental fact must always be kept in view.

"If any member of a living organism (the limb of a man, for instance) is broken, nature itself usually performs the work of healing, except when the organism no longer possesses regenerative power, or when the broken bones are either badly set or set so late after the accident that the severed parts have had time to grow accustomed to being separated, and the callus that serves to start the process of healing no longer forms on the broken surfaces when they are brought into contact again.

When Northern Transylvania was restored to the mother-country, nature's healing processes immediately set in and have continued without interruption ever since; that being evidence that the constitution of the nation is strong and capable of regeneration, also that neither part of the severed body had reconciled itself to the conditions forced upon it...

"The minorities in the restored part of Transylvania have been much slower to adapt themselves to the new situation, and do so with much greater difficulty. It might almost be said that they have scarcely recovered from the stunning effects of the unexpected change of regime. In this respect a distinction must be made between the Saxons and the Rumanians. The Hungarian State has granted both racial groups every privilege to which as minorities they are entitled. It has granted these privileges to the Saxons, who today are chiefly inspired by a desire to develop their own minority life, and we hope that they, who for centuries had been a contituent element of our political life, will soon realize again the great advantage to themselves that a deliberate, harmonious co-operation (I deliberately avoid using the word union) with the Magyars, a co-operation untinged by any mental reservations, would signify. It would naturally also be of great advantage to the country whose sons for eight centuries they were and from which they have only been separated for some twenty years.

"Although they are striving to build up the bastions of their own culture and are taking advantage of the help of the Hungarian State for this purpose, the Rumanians on the whole behave passively. Where no inflamatory propaganda from the other side of the frontier stirs up unrest, the masses of the Rumanian peasantry, whose economic difficulties are neither greater nor less than those that have to be faced by the Magyar peasants of Transylvania, accept the new situation quietly. In point of fact, they seem to be pleased with the order established by the honest Hungarian administration and the just Magyar judges, who mete out the same measure to all alike, be they Magyars or

"Having thrown a veil over the past twenty sad years, the Hungarian State and its Government are absolutely correct, humane and considerate in their dealings with the Rumanian minority. There has been no sign of any desire for revenge,—signal evidence of the tolerant nature of the Magyar race...

"The division of Transylvania into two parts has given rise to difficulties both in Hungary and in Rumania. These difficulties cannot be eliminated until a better understanding between the two States is reached. This would be to the interest of both. Conditions for the Magyars of Northern Transylvania, especially in Szeklerland, have been made more difficult for the time being by the fact that the railway line has been cut by the new frontier.

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In many places Magyar town have lost their hinterland and the working classes their labour markets.

"The Hungarian State is doing what it can to solve these problems. Railway communication will soon be restored, and the substantial financial support granted by the Government to Transylvania will undoubtedly help to soon ameliorate conditions.

"Rumania, too, feels the disadvantages caused by the partition of Transylvania. Brasso and its environs and, more or less, Szeben, too, suffer from a dearth of industrial workers and a lack of the internal markets that previously made industry, trade and mining profitable. In many places there is a scarcity of the raw materials that were produced in Transylvania. It cannot be denied that the Hungarian State and its Government are doing all in their power to eliminate these difficulties and to come to an agreement with the Rumanian Government. The correct attitude displayed by the Hungarian Government, its strict observance of the provisions of the Vienna Award, and the way it has granted every facility in cultural and other spheres to Hungary's Rumanian minority in Transylvania, witness to its willingness to find a modus vivendithat would make it possible for the two nations to live side by side in peace.

It would be possible, even in the present difficult circumstances, to find a modus vivendi satisfactory to both parties if only the Rumanian Government would give proof of similar good intentions. All that is needed is the will to find it."

YOUNG MAGYARS OF BOTH SEXES ARRESTED

A report received from Eperjes announces the arrest of young Magyars of Slovakia. According to this report Charlotte Lülei, the daughter of George Lülei, a bank manager of Löcse, has been arrested and conveyed to the gaol in Löcse. She is accused of having been a member of an unauthorised Magyar youth society. Ellen Szegö, a 17-year-old-girl of Kesmark, has also been arrested because, it is said, she recited a Hungarian poem in public. Francis Horvath, a leader of the Magyar youth in Kesmark, who was let out of gaol not long ago, has again been arrested.

HUNGARIAN EDUCATION IN SLOVAKIA

Count John Esterhazy, leader of the Magyars of Slovakia, recently made a speech in the Slovak Parliament. In it he described the education of the Magyars there as follows: The Education Act passed not long ago has taken the election of teachers out of the sphere of authority of the school-boards and transferred it to a new organization, the so-called "Personnel

Committee" (personalna komisia). The members of this Committee have been appointed by the Ministry, and there is not a single Magyar among them. Seeing that the Magyar elementary schools are in a difficult position in any case and that the Magyars themselves are best acquainted with their own educational problems, they would have been entitled to expect that one Magyar member at least should be appointed on the Committee. An Ordinance containing instructions re the establishment of school councils (skolsky vybor) has also been issued. These councils are to function in co-operation with the various schools. As there are several Magyar elementary schools that are parallel sections of the Slovak elementary schools, it would be reasonable to expect the Government to see that the former were adequately represented on these councils. Another ordinance issued provides for the supply of auxiliary equipment for the schools. More than once the minority Magyars asked the Government to make the same careful provision for the equipment of the Magyar as of the other schools. In the Magyar grammar-schools much is lacking in the way of laboratory equipment, and the premises used for storing them are also inadequate. The Magyars have been obliged to supply the greater part of these articles themselves. Under the new Elementary Education Act the schools are being reorganized. In future the State is to pay all the expenses connected with the personnel, and the parishes are to bear the material expenses. In more than one place the school budgets have been arbitrarily determined by the Government Commissioners, as, for instance, at Püspoki, Vereknye and Szunyogdi, Magyar villages in the Csallokoz area. At Püspöki the budget of the Roman Catholic school, which has 100 teachers, was 83.000 Slovak crowns. The Government Commissioner, who as member of the school-board approved this budget, later on cut it down to 23.000 crowns. At Vereknye the Government Commissioner passed a budget of 7000 crowns for the Slovak school (1 teacher) but only allowed one of 6000 for the Magyar school (3 teachers).

Count Esterhazy also spoke of the lack of classrooms. In many places the Magyar classes are overcrowded and incapable of seating all the Magyar school-children. The dearth of classrooms may result in pupils applying for registration being turned away from the Magyar schools. In this respect the danger is greatest in the case of the Magyar girls' grammar-school, the Magyar Commercial Academy and the Magyar boys' grammar-

school.

So far there is no Magyar elementary school at Nyitra, although over 100 Magyar children have presented themselves for registration. Another grievance is that the children wishing to attend a Magyar school have to pass a preliminary examination in that language. The law says that it is the sovereign

right of parents to choose which school their children are to attend, but at this preliminary examination questions are put to them - such, for instance, as "of what and how is paper made?" - which the children are unable to answer fluently, whereupon the examiners declare that they are not Magyars. § 3 of the Elementary Education Act stipulates that every racial group is entitled to establish a school in places where the number of pupils belonging to that group is at least 15, provided that it will cost the State nothing; but despite this no Magyar school has been allowed to be opened at Nyitra. In Eperjes a Magyar school with 1 teacher maintained by the Lutheran Church was closed on the pretext that it was attended also by children of other denominations. The pretext was unjustified, because the title "Lutheran" school is not meant to signify that its pupils are all Lutherans, but that it is a school maintained by the Lutheran Church. Although denationalization is prohibited by the Slovak Constitution, the practice of transferring Magyar children to Slovak schools on the basis of name-analysis still continues. At Alsobodok 15 children have been transferred from the Magyar to the Slovak schools, despite the fact that, although their names had a Slovak sound, neither they nor their parents could speak a word of Slovak and that hitherto they had always attended the Magyar school. Similar cases occurred at Kiralyi, Vicsakapati and Nyitraegerszeg. The Magyar children who live around Mocsonok are not allowed to attend the Magyar school at Kiralyi, which is quite near, but must go to the Slovak school at Mocsonok.

The Magyar Teachers' Training College has been closed and the filling of vacancies in the Magyar teaching staffs has become a problem. Pupils are lamentably ill-provided with school-books. The use of all the school-books licensed before Slovakia became independent has been forbidden by the Ministry. As none of the Magyar schools had licensed school-books of a later date, the pupils of those schools could not use

any books at all.

This summer Magyar university students were not allowed to visit Hungary. They were obliged to do compulsory labour service. The Magyars applied to the Central Labour Bureau, stating that Magyar farmers wished to have the services of the Magyar university students. Despite this the Magyar students were sent to Slovak areas.

The number of pupils attending the Magyar Apprentice School in Pozsony in 250, but the number of Magyar apprentices in the town is much larger. Yet only one single teacher of Magyar nationality has been appointed to teach them. Broadcasts in Hungarian have been considerably reduced in number, and there is none at all for Magyar school-children.

In conclusion Count Esterhazy spoke of grievances con-

nected with the care of orphans. In 1941, a new law (No. 243) was framed which promises the appointment of a separate guardian for orphans belonging to a national minority. Hitherto there have been instances of the Magyars having had to provide for orphan Magyar children themselves, either because the official apparatus was so slow to move, or because those orphans were of an age that removed them from its sphere of authority. In such cases the Magyar minority feels keenly the lack of an orphanage or a home. So far the Slovak authorities have not sanctioned the opening of the episcopal home for orphans.

COUNT JOHN ESTERHÁZY ON PEACEFUL ENDEAVOURS OF MAGYARS OF SLOVAKIA

With impressive solemnity the Hungarian House at Nyitra was opened on 14th January. At the opening ceremony were prsent very many members of the Hungarian Party, led by the Chairman, Count John Esterhazy, delegations from thirty organizations in the Nyitra district, the Magyars of the town and a large number of Magyars from the surrounding villages.

First mass was celebrated, then an enormous crowd of people marched to 15 Kaptalan-utca. The consecration of the building was done by the Rev. Gabriel Gerhardt, Prior of the Franciscan monastery at Nyitra. Following this a speech was made by M. Acusius, president of the Nyitra district. When he had finished Count Esterhazy spoke to the assembled crowd.

"This House" — said Count Esterhazy inter alia — "must be respected by every Magyar, for the work that will be done here will never be destructive; will always be law-abiding, always self-respecting, always Christian and Magyar. This Magyar work will be Christian and will be performed in the spirit of St. Stephen. We must respect the people living in the same country with us and seek to approach them in a friendly spirit. We must respect their language and cultural characteristics, but at the same time we shall expect them to respect our language and cultural characteristics. Only thus will it be possible for us to respect them.

"In this House we desire to foster this understanding and co-operation. Now, when a world war is raging all around us, we must be more careful than ever that every act of ours, every word we speak, be such as will promote internal peace."

POLITICAL ECONOMY

HUNGARY

WHAT HAVE THE RESTORED AREAS CONTRIBUTED TO HUNGARY'S NATIONAL WEALTH?

Through the restoration of the areas wrested from her Hungary has grown stronger, not only in territory and population, but also economically. In the sphere of economic politics she has risen from the rank of a minor State to that of a medium-sized one, and her national wealth has been considerably increased. It is, of course, impossible to give the exact figures of that increase, since the areas restored are on diverse levels of economic development. It would therefore be a mistake to think that the increase in Hungary's national wealth is commensurate with her increase in territory and population. As there are no official statistics at our disposal, we are forced to compute the value of Hungary's national wealth by a process of deduction.

The area of Dismembered Hungary was 93.000 square kilometres. Her present area is 170.000. Her population has grown from 9.000.000 to 14.500.000; the increase of population is therefore not so great relatively as that of territory. The area of Hungary has increased by 80%, but the increase of her population is only slightly more than 60%, this being due to the fact that the density of population per square kilometre was 100 persons in Trianon Hungary, 80 in Upper Hungary, 57 in Subcarpathia, 59 in Transylvania and 90 in Southern Hungary. On an average, therefore, the present density of population in Hungary as a whole is 90 persons per square kilometre, as

compared with 100 in post-war Hungary.

As regards the increase of her economic strength, the restoration of Upper Hungary, Subcarpathia and parts of Transylvania means chiefly an increase of raw materials and metals; in agricultural production those areas fall short of the quantities produced in the mother-country. The restoration of Southern Hungary, on the other hand, has greatly improved the balance of agricultural production, not only as regards the extent of the cultivated areas, but also as regards the yield per hectare. The increase of land under wheat is 21%, of that under rye 19%, of that under barley 28%, of that under oats 48%, of that under maize 32% and of that under potatoes 60%. This, as we see, means a great improvement, chiefly in the quantities of animal foods produced, even though it does not completely

restore the equilibrium of our balance in those commodities. There is also a considerable increase in live stock. Hungary's stock of horses has increased by 16%, while those of horned cattle, pigs and sheep have increased by 42%, 15% and 48% respectively. The strikingly small increase in the stock of pigs in explained by the fact that Transylvania is still rather backward in pig-breeding.

Hungary's increase of wealth is much greater in the field of forestry. Trianon Hungary had barely more than one and a half million yokes of forest-land; present-day Hungary has almost four and a half million, so that, whereas previously only 11% of the entire area of the country was afforested, the proportion is now 21%, and this is a great gain to her foreign trade

balance.

Her mining resources have also increased considerably. Apart from coal and bauxite Trianon Hungary had little or no metals. With Upper Hungary she obtained possession of valuable coal, magnesite, antimony and iron deposits, with Subcarpathia salt mines, and with Transylvania lead, coal, antimony and silver, besides waterpower of a practically incalculable value. Boring for oil has begun, but this has little to do with the increase of territory, as the vast majority of the oil wells are in Trianon Hungary (at Lispe and Bükkszek). On the other hand, there are promising prospects of finding natural gas in Transylvania. In Subcarpathia the dam in the valley of the Tarac is of great importance as a means of irrigating the Great Plain, where with methodical irrigation the present value of one million yokes of poor soil might be doubled. The hitherto unexploited water-power of Transylvania has been estimated at 200 million kilowatts, so that the prospects of increasing Hungary's available energy have vastly improved.

It is interesting and characteristic of the sad conditions that prevailed in the wrested areas during the periods of alien rule that, despite the richness of their natural resources, industrial development there is in an extremely backward state. Hungary's industries have increased by only 19%, labour by 11%, the amount of energy used by 8% and the value of industrial production may rise to double or even treble what it is at present. Means of communication show a greater increase, for the length of Hungary's railways has increased by 43%, that of her public roads by 41%. The roads in Transylvania, however, are in a very bad state of repair, and railway connections with

the mother-country leave much to be desired.

Taking all these factors into consideration, let us now attempt to express in figures what the increase in Hungary's national wealth represents.

At the end of 1940 Hungary's national wealth, computed on the basis of the statistics available, was estimated at

24.000.000.000 pengo. If we add 1.000.000.000 for unregistered items (furniture, jewels, works of art, clothes, etc.) it was a round 25.000.000.000. Of this sum 10.000.000.000 was the quota of agriculture. Taking into consideration the growth of the country and the rise in the price of land (though apart from the speculative rise that has taken place since the beginning of 1941), the total value of the agricultural land may be estimated at 15.000.000.000 pengo. Considering the present price of animals, the value of Hungary's live stock may be appraised at 3.000.000.000 pengo, as compared with 2.000.000.000 in Trianon Hungary. The value of her forests now is double what it was before the restoration, having risen from 1.000.000.000 pengo to 2.000.000.000. This figure also includes the value of the timber under manufacture.

In Trianon Hungary the value of houses and sites was 3.000.000.000 pengo, of which amount about two-thirds were the quota of Budapest, the remaining one-third being divided among the other parts of the country. Here we must also make allowance for the rise in value that has taken place since the beginning of 1941. That included, the value of houses may be estimated at 5.000.000.000 pengo, taking the average value of a flat of one room and a kitchen at 10.000 pengo. The value of factory buildings is of course not included, since they come under the heading of industrial wealth.

The value of Hungary's industrial wealth, including handicrafts, was estimated in 1940 at 6.000.000.000 pengo. This was about the value of the capital invested. If we add the increase in mines and the growth of industrial capital as represented by sinking funds, the total value of Hungary's industrial wealth may now be estimated at 10.000.000.000 pengo. Minor items were there estimated at 1.000.000.000; now that the price of all stocks has gone up, there items may be estimated at 2.000.000.000. In round figures, therefore, the entire value of Hungary's national wealth may be estimated at 40.000.000.000 pengo. This is an increase of 15.000.000.000, about 5.000.000.000 of which amount is accounted for by higher prices and investments, and 10.000.000.000 by the cuuntry's growth.

According to a report in the "Magyar Statisztikai Szemle" Trianon Hungary's national income in 1940 was as follows: from agriculture, including mining and smelting, 2.400.000.000 pengo, from manufacturing industries 1.500.000.000, from handicrafts 500.000.000, from commerce, including transport, 500.000.000. Thus the total national income in 1940 was 4,900.000.000 pengo, as compared with 3.900.000.000 in the previous year, an increase of exactly 1.000.000.000 pengo.

We should now like to see how much the return of the restored areas has contributed to the increase in the national income. According to the "Sudost Echo" the income from agriculture was 3.000.000.000 pengo in 1941. The income from manufacturing industries (at the present index figures of production and higher prices) was estimated at 2.000.000.000. From statistics published in the "Stud" it may be estimated that the value of industrial production in the restored areas, including the extremely valuable stocks of timber from Transylvania and Subcarpathia, amounts to a round 500.000.000 pengo. Accordingly, the total value of industrial production may be put at 2.500.000.000. The value of the goods produced by the handicrafts shows a larger increase compared with that of the goods produced by the manufacturing industries. This item, which last year was estimated at 500,000,000 pengo, may therefore be safely reckoned at 900.000.000 this year. The value of the stocks in the shops may be estimated at 800.000.000, seeing that several thousand new firms have been established since 1940. A scarcity of goods has, it is true, diminished the volume of the stocks in hand, but this has been offset by the greatly increased value of the remaining stocks. We can reckon a round 100.000.000 pengo for goods hidden away. Counting the value of mining production to be 200.000.000 pengo, and allowing 100.000.000 for minor unregistered items, the sum total of Hungary's national income may be put at 7.500.000.000 pengo.

RUMANIA

OIL EXPLOITATION IN RUMANIA

As reported by the "Statisztikai Tudosító", the "Moniteur Petrole Romain" has published an interesting statistical report relating to the development of Rumanian oil production between 1932 and 1941, a subject on which official statistics have for some time past offered only very deficient information. The Rumanian periodical establishes the fact that in recent years oil exploitation continuously retrograded, a circumstance due principally to a decline in the productive capacity of the oil wells.

The output of oil in Rumania in 1936 reached a record volume of 8.700.000 tons; but the following year the output decreased by 1.600.000 tons to 7.100.000 tons: while the process of decline continued to characterise the production also of the succeeding years, the volume of the output being 6.6 million tons in 1938, 6.2 million tons in 1939 and only 5.75 million tons in 1940.

Experts estimate the output of the current year at 5.2 million tons, that meaning that there has been a setback in production of more than $40^{\circ}/\circ$.

The length of the borings is also continously on the decline; and the oil output — particularly in oil-fields which have been less intensively exploited — depends chiefly on the adequacy of the boring activity. The number of boring metres, which in 1930 amounted to 394.500, in 1938 decreased to 288.000 and in 1940 to 239.261. There is no justification — says the "Moniteur" — for the assertion that the neglect of the boring activity must be attributed to the influence of the Western Powers; for that activity continued to decline even when those Powers had ceased to exercise any influence whatsoever. It is estimated that this year the number of boring metres will not exceed 232.000.

This set-back has extended to all the more important oiltields, and is most conspicuous in the Domobovica region, which in 1936 still produced 5.000.000 tons, though in the following year, as the result of a disastrous decline, the output tell to only 3.300.000 tons, while the volume of this year's production

is not very likely to exceed 1.700.000 tons.

In the most important *Prahova* area in the vicinity of Ploesti, the output has remained on the original level; and this year the production will probably amount to 2.7 million tons as against 3.6 million tons last year. A certain importance attaches also to the oil-fields in the vicinity of *Bacau* and *Buzau* respectively; while the new oil-fields put into operation in recent years do not play any significant role. But there has been a continuous decline in the volume of the output also of the Bacau and Buzau areas: Bacau, which in 1932 produced 60.570 tons, is estimated to have produced only 35.000 tons in 1941; while Buzau produced in the said years 64.487 and 40.000 tons respectively.

The bulk of the oil produced is refined in Rumania itself. The capacity of the refineries runs as high as 10.000.000 tons: but according to the data given by the "Moniteur" the refineries are not able to utilise even one-half of their capacity. In the period between 1934 and 1936 the average volume of oil refined annually in Rumania was 8.000.000 tons. In the year following the record output of 1936 the quantity refined was 1.5 million tons less; according to estimates made the volume of oil refined in Rumania in 1941 may be expected to amount to 4.800.000 tons.

The output of light and heavy benzine distillates — which play an important role among the refined oil products — is estimated to amount to 1.100.000 tons.

There has been a decline also in the volume of by-products; for instance, the quantity of asphalte produced, which in 1936 still amounted to 82.000 tons, will this year probably be only 51.000 tons.

The set-back in the production has naturally been accompanied by a considerable parallel decline in the volume of exports. In the opinion of experts that volume will this year amount to only roughly 3.1 million tons, as against 6.8 million tons in 1936 and 3.5 million tons last year. First in importance of the distillates exported is benzine (petrol). The quantity of this article exported during the current year is expected to amount to 1.200.000 tons, as against 2 million tons last year. There are certain shiftings in evidence also in respect of the geographical distribution of exports. Constanza, as being a Black Sea port, has lost its predominant importance. The quantity of oil exported from that port — which in 1936 was 3.500.000 tons — last year declined to only 1.400.000 tons; and this year's exports are expected actually to sink as low as 470.000 tons.

A greater importance from the point of view of oil export trade attaches to the Danube harbour town of Gyurgyava: last year 1.200.000 tons of oil were exported from there, whereas this year's exports are expected to aggregate 1.150.000 tons. The harbour of Gyurgyava is being exploited to the utmost limit of its capacity; and as a consequence certain smaller Danube harbours, which down to 1939 showed a continuous decrease in the volume of the goods shipped from there to foreign countries, in 1940 showed an export trade many times in excess of that previously recorded, — the volume of that trade having been 182.263 tons, as against an average annual volume of 35.000 tons in previous years. But the volume of the exports shipped from these harbours in 1941 is not expected to exceed 61.000 tons.

Rumania naturally secures the inland consumption out of her own output. This consumption has in recent years shown a rising tendency, — having in the period between 1932 and 1940 advanced from 1.48 to 1.85 million tons. The inland consumption for the year 1941 has been estimated to have amounted to 1.700.000 tons, — though this figure does not include the

supplies of oil required by the army.

The development of prices in the international market has resulted in the value of the oil exports — though quantitatively less — showing a material increase. After the relatively favourable export results obtained in the period from 1935 to 1937 — when the average annual value of oil exports amounted to 11.000.000.000 lei — in 1938 there ensued a noteworthy decline; but already in 1939 the value of the oil exports once more advanced, — to 11.900.000.000 lei, while in 1940, notwithstanding a material decrease in the volume of the exports, the value of this item actually advanced to 22.900.000.000 lei.

This year similar results are expected. In recent years, particularly in the period following the loss of Bessarabia, there was a considerable increase in the ratio of the oil exports to the aggregate volume of export trade; in the first six months of 1941

— with a value of 11.400.000.000 lei — those exports represented 72% of the total export trade. It is to her oil exports that Rumania owes the active character of her foreign trade balance; and it is to this fact that the country owes its ability to secure the imports required by it, despite the difficulties due to the war and the prevailing shortage of goods.

SERBIA

SERBIA'S FIRST ESTIMATES

The Serb Budget for 1942 foresees the outlay of 5.000.000.000 dinars and a similar amount of receipts. What is striking is that the Estimates of the State administration and those of the State undertakings have been separated. The sums appropriated for personnel and material expenses are 2.604.741.319 (52.09%) and 2.395.258.681 (47.91%) dinars respectively. It has been stated by the competent Serb authorities that for the present there will be no increase of salaries. On the receipts side taxes and dues figure at the sum of 2.246.322.455 dinars (44.92%), while the remaining 2.753.677.545 dinars (55.08%) are to be provided by the State undertakings. The old taxes have been raised and new ones introduced. The bulk of the inland revenue receipts — 1.197.100.000 dinars — is to come from direct taxation. Indirect taxation is expected to produce 974.959.000 dinars, dues to yield 448.000.000, whereas customs duties have been estimated at a low figure — 89.573.000 dinars.

The independent State undertakings are expected to provide 2.159.507.245 dinars. In this sum the State regies figure with 1.300.000.000 dinars. The receipts of the Ministry of Transport are estimated at 1.037.840.000 dinars, to produce which amount the railway tariff rates for passenger traffic are to be raised by 50% and those of goods traffic by 40%, with the exception of coal and metal, on which only an additional 20% will be charged. Authoritative Serb circles lay great emphasis on the point that the balance can be preserved only if it proves possible to increase production considerably, which in turn demands consolidated political conditions and much more work. If these are forthcoming, the results will help to stabilize the dinar. It is proposed to divide the burden of taxation in such a manner as to make those economic circles bear the largest share whose purchasing power has largely increased during the past few months.

NATIONAL BANK OF SERBIA EXTENDS NETWORK OF BRANCHES

The new division of Serbia into 14 administrative districts has made it advisable for the National Bank of Serbia to open at least one branch in each district. In this way the National Bank,

which regulates Serbia's foreign exchange policy and the internal circulation of money, hopes to ensure the undisturbed transaction of all financial business and make a further development of clearing payments possible. The Bank has its headquarters in Belgrade and branches in the following towns: Nagybecskerek, Sabac, Nis, Kragujevac, Usice, Pancsova and Versec. In the near future other branches will be established at Zajecar, Kosovska-Mitrovica, Valjevo, Kraljevo, Krusevac, Leskovac, Cupria and Pozserevac. This will bring the number of branches up to 16.

SLOVAKIA

SETTLEMENT SCHEME IN SLOVAKIA

In Slovakia the State has sequestered the landed estates of Jews; and — according to a report published in the November 16th, 1941, issue of the "Gardista" — the Government is making use of these estates for purpose of settlement in nationality districts. The population of the counties of Northern Slovakia is being transferred to the Jewish estates confiscated in nationality (non-Slovak) areas. The northern counties are poor in fertile soil; and the inhabitants have been engaged everywhere in those counties exclusively in the only two branches of occupation possible in those districts — Alpine herding and forestry. Now it is proposed to initiate these inhabitants into the secrets of agriculture in the plains.

The first settlers to be transferred to the flat country in the South are the inhabitants of the poorest counties — in particular of the County of Arva. Persons from Arva County have already been settled on two occasions in certain villages in the Zoboralja Magyar peninsula. Quite recently the Slovak Land Reform Office sequestered 1273 cadastral yokes of land in the Magyar village of Vicsapati. In another village also belonging to the said Magyar peninsula — Szalakuz — 343 cadastral yokes have been sequestered; while in a third village — Menyhe — 407 cadastral yokes have been seized for settlement purposes: In all three villages alike Slovaks from County Arva have been settled for the purpose of raising the proportion of the Slovak minority living there.

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