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PREMIER KALLAY ON ENORMOUS SOCIAL DEVELOPMENT IN HUNGARY

M. Nicholas de Kállay, Prime Minister of Hungary, in the speech with which he closed the debate on the Estimates, *inter alia* made the following statements of more than passing interest:—

"I have not submitted any programme; but ever since I took office as Premier, I have been continually stating in clear and definite terms my attitude, my opinion and my resolve. *I have enunciated an attitude more definite than any previously proclaimed on all fundamental questions relating to the war, to our obligations to our Allies and to our internal problems.* I can do no more on the present occasion either. I have shown my cards openly in the questions of today. I see and note everything that determines the interests of our nation; I am on the defensive and prepared; in the interest of the nation I waive all personal claims and exercise caution to prevent imagination, belief or fanaticism loosening my grasp of realities. *Scientists and scholars may experiment, children may play; new countries may even allow themselves the luxury of experiment and play; but the tendency to be followed by Hungary must be determined, not by me or any other individual, not by any mortal liable to error, but by the miraculous power and indestructible force of Hungarian perpetuity.* This must be felt and known. Oh, certainly; *the nation must be guided, of course, but not directed or any particular tendency foisted upon it: and, above all, it must be served.*"

"During the course of the debate speakers on both sides of the House have stressed the importance of the social question. *The development of the future lies exclusively in social development, in the adjustment of social differences.* That is the direction which the world will follow; and there can be no doubt that, even if that were not the universal tendency, we must nevertheless take that path; for we have very special reasons for doing so. Not that we are particularly

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backward; for in this field too we are far ahead of the neighbouring States: the reason why we must take that path is that that is *the only way to make the Hungarian people the leading people of Central Europe* — a position held by that people for ten centuries — and to ensure the Hungarian people being able to maintain and develop its leading role.

"Today the demands of a modern State cannot be satisfied except by the united efforts of the whole people; and it will not suffice to merely cling to the historical Hungarian idea — under the influence of which the leading classes of Hungary gladly welcomed and embraced persons voluntarily applying for admission to their ranks; an effort must be made to discover and train — to recruit from all quarters — the more valuable, the good and useful elements, the vital energy originating from the whole Hungarian people. There must be — and there certainly are — also material conditions essential to national regeneration; but *no nation can be made great except by its own sons and by their eminence.*"

Hungary ahead of many other States in social development.

"When preparing today's speech, I recapitulated as shortly as possibly what Hungary has achieved during the last twenty years in the field of social policy. *By social work I mean, not only public welfare, but also cultural activity. This work — the work of these twenty years — has been gigantic.* Maybe that work has not reached the level attained by *Finland*, whose work in this field was begun at an earlier period under quite different given conditions, or that attained by *Switzerland*, the *Scandinavian* countries and *Germany*, not attaining the level of *Italy* either in every respect; but *we have far exceeded the achievements of the countries lying to the east of our frontiers and of those lying to the west of the Rhine, Great Britain included.* I would note as a matter of considerable interest — and a point which may one day be well worth considering — that in the States which were victorious in the first Great War, during the same period everything else outside the affluence originating from the given conditions that may be described as institutional social development came to a complete standstill; *all the greater*

is the credit due to our achievements in this field — to the achievements of the Hungarian people which had been robbed and tortured and doomed to destruction.

"I am proud to be able to state that *in the history of the peoples there is hardly a trace of any people or nation having made such gigantic efforts in this and every other field as those made by us during recent years.*

"At the close of 1919 the country was full of demobilized soldiers, refugees, unemployed and existences which had lost their balance and their means of earning a living. The victorious, hostile Europe surrounding us inflicted upon us the paralysing effects of a boycott, while the Treaty of Trianon crippled our activity by the imposition of manifold economic restrictions that all stood in the way of an improvement of the social situation. That was indeed the object in view; and yet, it nevertheless proved the starting-point of development. *And the level attained since then is shown by the fact that in the 1942 war Estimates there figures a sum of 280 million pengő appropriated for the purposes of social provision.*

"Though our social progress during the past twenty years has indeed been a considerable one, the line of advance has not been a straight or uninterrupted one, — a circumstance due for the most part equally to outside factors. At the outset *the anti-Hungarian boycott to which I have already referred, the provisions of the Treaty of Trianon and the struggle for consolidation* engrossed the resources and energies of the nation. However, the moment conditions became normal, a gigantic advance was made in the field of social progress by the introduction of obligatory social insurance, as also by the passing and promulgation of many other acts of legislation of a similar character. To quote one example by way of illustration: — *obligatory social insurance had become an accomplished fact in Hungary already in 1927 and 1928, in anticipation of several of our neighbours and of other foreign States.*

"Hungarian social policy was compelled for the second time to play second fiddle during the period of the economic world crisis; but as soon as the danger of a financial and

economic collapse was over, the Christian popular policy of the country betrayed a determined resolve — on an unparalleled scale — *to make its prime, most important object at all times the furtherance of social progress.* This period of our social policy did not at first reveal so intensive a development as we should have wished; for in the years immediately following the economic world crisis we were not yet in full possession of our financial sovereignty, the result being that we were often driven to make unwilling concessions that had been forced upon us.

"A point of peculiar interest is that our alleged social backwardness is the favourite theme of the press of those very countries whose financial policy — for purely capitalistic considerations — compelled us to slacken our efforts. Nevertheless, *in 1935 the system of minimum industrial wages became an accomplished fact in Hungary, while after 1937 or rather 1938 — i. e. after the introduction in industry of the system of family allowances — the scale of progress in evidence right down to our entry into the war, was so gigantic that in many respects we actually succeeded in anticipating even the States of Western Europe.*

"Here are a few figures. In the last budgetary year of Rumanian occupation the town of Nagyvárad appropriated the sum of 25,000 pengő for social purposes. The amount appropriated for the same purpose in the Estimates in the first budgetary year of Hungarian rule was 370,000 pengő. To this amount must be added the sum of 260,000 pengő figuring in the independent Estimates of the Hungarian adjustment fund, the sum of 643,000 pengő appropriated for emergency works and the 600,000 pengő contributed by the Hungarian People's and Family Protection Fund. These sums aggregated altogether 1,873,000 pengő, — *seventy-four times the amount appropriated for public welfare purposes in the days of Rumanian rule, which were moreover days of peace.*

"At Kolozsvár, the amount appropriated for public welfare purposes in the last budgetary year of Rumanian occupation was 31,833 pengő; while the amount figuring under the same head in the 1942 Hungarian Estimates is 613,346 pengő. In rather more than a year — down to the close of last year — the Transylvanian social organization

and the urban public welfare co-operative society respectively spent sums aggregating more than a million pengő; and the sums included in the 1942 Estimates of the Kolozsvár branch of the People's and Family Protection Fund aggregate almost 500,000 pengő.

"In the re-incorporated districts of Southern Hungary *a comparison of the respective situations reveals a state of things in many respects actually far more favourable to Hungary*; for in most of the places situated in these districts there were no items of expenditure of the kind in the days of Yugoslav occupation. I must frankly confess that in the Czecho-Slovakia of former days the prevailing conditions undoubtedly showed a greater degree of progress than that in evidence in the other Succession States; but it must not be forgotten that both in that country and in the other Succession (Successor) States the social policy of the Government did not concentrate on the service of universal human welfare, but — *ignoring completely the interests of the Magyars — aimed deliberately at prejudicing the position of the nationals of Magyar race.*

"And in any case the question as to whether our country is advanced or not in social respects is perhaps best judged on the basis of a comparison of *our road policy* with that of the Successor States; for, as is well known, it is the building of roads that provides the greatest volume of labour and may be regarded as a factor of social activity. At the period when the reincorporated districts of Hungary were restored, only 7% of the townships and villages in the territory of Dismembered Hungary were not connected with the main highways by a network of well-built roads; whereas *in the previously occupied districts of Upper Hungary 23%, in Subcarpathia 14%, in Transylvania 25%, and in the previously occupied districts of Southern Hungary 59%, of the townships and villages lacked the sine qua non of economic progress and social improvement — a system of properly macadamized metal roads open to traffic at all seasons of the year, not to speak of the differences in the quality of the roads in existence.*

"Another moment of importance for a comparison of the social situation prevailing in Hungary and the Successor

States respectively is that the Rumanian State allotted retired employees — particularly those pensioned prior to 1930 — only very trifling pension allowances; whereas the pension allowances allotted by the Hungarian Government after the re-incorporation of the districts affected — allowances determined under the provisions of the relevant Hungarian legal enactments — in many cases *exceeded* by 200% those provided by the Rumanians. Moreover, the Rumanian Pension Law did not grant pensioners any additional allowances for wife and children; whereas such allowances are naturally allotted in Hungary.

"A circumstance revealing the tempo and development of Hungarian social policy is that between 1918 and the completion of the work of consolidation the Government — for wellknown reasons — was practically prevented from effecting a solution except in certain questions of detail. Between 1935 and the outbreak of war, however, measures of a comprehensive and fundamental character were taken.

"The third stage in the process is that ensuing after the outbreak of the war; since then we have been compelled to take measures postulated primarily by the war conditions; but we have always borne in mind the socio-political bearing of these measures. The Hungarian State re-organized in the twenties of the century has so far *brought into being a whole series of important socio-political institutions*; e. g. in the field of social insurance, — and that in a period when in certain other States, for instance, hardly any attempt has been made in this direction. Apart from numerous other socio-political institutions, special mention is due to one of the most recent of the more important institutions, — the Hungarian People's and Family Protection Fund, which we may claim to be *practically unique in its kind and without a parallel in any other European or even in any overseas State*.

"I would note that one of the peculiar and characteristic phenomena in evidence in the country as dismembered by the Treaty of Trianon was the destitution of the university students. In the school-year 1924/25 the Minister of Education appropriated the sum of 149,500 pengő for *student social welfare purposes*, while the amount figuring in the 1943

Public Estimates under the head of student social welfare is 3,500,000 pengő. The sums spent by the Ministry of Education since 1930 for student social welfare purposes aggregate altogether some 30,000,000 pengő.

"The material which I am unable on the present occasion to put before the House will shortly be made public both abroad and at home. Not that I would suggest for a moment that what I have enumerated is in any way sufficient. Nor should the degree of employment resulting from the war conditions or the well-being in evidence in certain quarters mislead us. The work of preparing for the days of peace is in full swing.

"Many schemes and suggestions have been put before me, — some of them already in an advanced stage. I do not intend on the present occasion to deal with these plans and suggestions; but I must not fail to speak of another important socio-political question, — that relating to *the problems of the Hungarian soil and of the sons of the Hungarian soil.* Hungary is in general regarded as the home of *latifundia.* This is an egregious mistake. Whatever criteria we may apply in determining the ratio of *latifundia* and medium-sized estates to small holdings — when making the comparison we naturally refer on all occasions to arable land —, *the proportion of the territory in the possession of smallholders is larger in Hungary than, for instance, in Germany or in Italy.*

"And, when we take the real estate in private possession and deduct that in the hands of towns and villages, church or other authorities of the kind, we shall find that this proportion changes even more materially. And if we add the arable land owned by Jews (some 800,000 cadastral yokes), about one half of which has already been parcelled out, as well as *the considerably more extensive areas still to be distributed in terms of the Land Reform Act,* we shall find that *the ratio of smallholdings and large estates respectively shows a considerable deviation in favour of Hungary as contrasted, we may venture to say, with most of the States of Western Europe.*

"We may conscientiously and proudly affirm that *during the present year we have distributed a far greater number of*

house-sites — perhaps twice as many — than the number originally contemplated.

"The question next in importance to that of house-sites as a factor in the furtherance of social welfare is that of satisfactorily *adjusting agrarian labour wages* (a prime factor of agrarian production); that adjustment to be accompanied by the establishment of a policy of agrarian prices inseparably connected therewith enabling agriculture to afford the wages ensuring an adequate standard of life and to meet the expenses involved by the introduction of a system of insurance of agrarian labourers similar to that in force in industry too.

"In any case it is imperative that there should be an increase in the intensity of the production of both large estates and smallholdings, not only for general considerations of production, but also as a means of finding employment for our surplus population. The Hungarian method of farming is not that extensive agriculture which ensures large revenues, but the intensive agriculture which waives all claim to excessive earnings, produces on a large scale and gives employment to a large number of individuals. It is to support this method of agriculture — which is a Hungarian duty — that the Development of Agriculture Act was framed.

"And for that very reason it is in the interest of agriculture that *Hungarian industry should be developed*, — that industry the magnificent achievements of which still contribute very largely, not only to enable us to continue to live our national life independently even in these days of storm and stress (for Hungarian industry certainly can claim a share in that result), but also to provide possibilities of employment for our surplus agrarian labour. And we need these opportunities of employment at all costs; for — including in our survey the most densely inhabited countries of Europe too —, when we investigate the density of population in agrarian districts and leave out of account urban districts, we ascertain that the most densely inhabited agrarian districts are to be found in Hungary.

"From the same sources which are continually launching attacks against the latifundia and voicing pity for the situation of our rural population, we keep hearing *the terrible*

indictment of Hungarian leudalism. Though to talk of agrarian feudalism in the age of capitalistic dominance is in any case very strange. What is — or has been — the influence of Hungarian *latifundia*, their power and leading role in Hungary compared with the influence and the power represented in the plutocratic countries by the owners of capital? Or was the reason for this one-sided view of the situation — and for the attitude in evidence in our country too in the past — perhaps the feeling that the landed classes also representing economic power were rather in the way of the hegemony of capital? Here in Hungary there was already a smallholders' party prior to the outbreak of the first Great War; and since then this party has been playing a dominant role in the Lower House of our Parliament. There are also a considerable number of smallholders in our Upper House.

"I would ask: where in foreign countries — even and more particularly in France — has the peasantry, the people of the soil, had its representatives in Parliament? Who has defended the land-tilling small existences in those countries? For, had there been anyone to defend the interests of that class, there would never have been more than 10,000,000 yokes of uncultivated land lying fallow prior to the outbreak of the present war.

"Oh, of course I know where this indictment comes from, and why it has just been thrust artificially into the limelight. The refugees from Hungary now in foreign countries who are the ringleaders in this action, together with their friends, are deeply incensed that we should be better than others and that we are living (a fact beyond dispute) under better conditions of life than other nations. We are arrogant too, — not only the big landowners, but every Magyar countryman too. Those are greatly mistaken who believe that, if we put the leading classes of Hungary out of the way, the proletarianized masses here in Central Europe will understand one another, — the only obstacle to such understanding today being, our accusers assert, Hungarian feudalism, the rule of the privileged classes. I deny the charge — deny it most emphatically; for these accusers know nothing of the Hungarian people or Hungarian villages. I would warn them

that *this inborn air of distinction is not only a feature of the Hungarian character, but constitutes also the value, meaning and substance of the Hungarian nation.*

"In Hungary the smallholder class is in process of development and is gaining ground. That is the direction followed by every intervention on the part of the State, by every scheme and decision of the Government. In the countries where we are being subjected to criticism, *the peasantry has fallen into decay*, the artisan and craftsman class has been ruined, and everything has been ruthlessly suppressed by the system of free competition."

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