

# DANUBIAN REVIEW

## (DANUBIAN NEWS)

A REVIEW DEVOTED TO RESEARCH INTO PROBLEMS OF THE  
DANUBIAN BASIN

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# ON GUARD IN THE CARPATHIANS

BY

ELEMÉR SZUDY

**T**he creative genius of Nature, when forming the Danube Basin encircled by the Carpathian range of mountains, accomplished one of her most perfect works as an expression of her will to create. Probably no one has ever expressed a more profound admiration for this congenial geographical creation than *M. Réclus*, the eminent French geographer, who in his great work speaks in terms of wonder of the perfect unity of the region lying within the area demarcated by the Carpathians and the mighty Danube. But what captivated *M. Réclus*'s imagination was not merely the harmonious aspect of the geographical unit, but rather, perhaps, *the reality of the political, economic and cultural unit* formed by that region. To a really marvellous co-operation of geopolitical forces must be attributed the human symbiosis in evidence in the Danube Valley the beginnings of which date from the very first moment of the existence of Hungary as a Christian State — a symbiosis which even the dismemberment of the country by the Treaty of Trianon failed to eliminate except formally and externally. For in essence the unit still exists even today, despite and in defiance of political frontiers, the life-giving natural forces still continuing to operate unchanged.

Probably general attention never focussed so intensively on this reality *as during the recent discussions at Venice of the Italian and Hungarian Foreign Ministers*. Today the Carpathians are generally recognised to be the focus of the problems of Central and Eastern Europe. And the fact is emphasised on all hands that today the defence of the Carpathians is once more in the hands of that Hun-

gary which for a thousand years withstood unaided the unceasing attacks being made upon Christianity and civilisation that more than once threatened her very national existence. This heroic past means much — perhaps everything. Not merely a mission-consciousness and the undertaking of a duty in defence of the West, but also unswerving self-confidence and unyielding power.

Italy was the first State in post-War Europe to realise and value the role of Hungary in the Danube Valley. *As is well known, Hungary desires to settle her differences with her neighbours by peaceful means, being anxious to avoid every step likely to disturb the peace of the peoples living in that valley and to lead to an armed conflict.* The statesmen responsible for the foreign policy of Hungary are fully aware of the injurious effects bound to result from an extension to other countries of the war area; on the other hand, however, *others should realise that there must be no postponing the acknowledgement of the legitimate and just character of the Hungarian demands.* Last year the Rumanian Government attempted to obstruct the course of historical development by offering to conclude with Hungary a non-aggression pact. The Hungarian Government was naturally unable to accept this manifestly tendentious offer, since there are two million Magyars living in dire oppression as a natural minority in Transylvania whose intolerable lot that Government could not possibly help to perpetuate by a treaty of the kind. Consequently, Budapest suggested to Bucharest the conclusion of a minority treaty; but so far no answer has been received. Or rather, to be more exact, Budapest did receive an indirect answer. *The Rumanian Government has given the oppressed millions of Magyars living under Rumanian rule an answer — among other things by expropriating the land of the Magyar smallholders settled in the frontier districts; while in recent weeks*

*that Government has reduced the amounts of the miserable starvation pensions received by Magyar pensioners.*

In view of these events *it is impossible to make Hungary responsible for the failure to create in Eastern Europe the atmosphere calculated to ensure tranquillity and a correct adjustment in the future and to avert the danger latent in the extension of the war area to this critical region of Europe.* Despite her having been ignored and cold-shouldered, Hungary has shown the utmost conciliation in her dealings with the Rumania to which the peace treaties allotted large sections of her ancestral territory and subjected nearly two million Magyars. The meeting between MM. *Tsintsar-Markovitch* and *Gafencu* arranged for the purpose of making preparations for the Balkan Conference has taken place. These discussions — and the Balkan Conference itself — cannot possibly bear fruit *unless Yugoslavia proves able to induce Rumania to realise the true state of things and to take the inevitable consequences,* — unless Yugoslavia succeeds — in her own interest too — in persuading Rumania to understand that to temporise and even more so to adopt an attitude of reckless intransigence would involve a menace to her most vital interests, whereas a desire to show the necessary understanding, provided that understanding originates from a sincere motive, is for her the only safe basis of peace and tranquillity.

It is very reassuring to see that today the whole of Europe already realises unequivocally that the *status quo* now prevailing in the Danube Valley cannot be maintained. In this connection it will perhaps suffice to refer to the very significant declaration made by the *Toulouse Broadcasting Station* which — though it may not represent the official French standpoint — reflected the espousal by French public opinion of the Hungarian cause. We believe it will be well to quote word for word the relevant passage of the

declaration, which possesses an almost dramatic force: —  
 "There is no Hungarian *whose heart has not graven upon it in flame-red lines of suffering the thousand-year-old frontiers of the Kingdom of St. Stephen.* There is no Hungarian *capable of forgetting the ancient Hungarian countryside, towns, villages, forests, fields and mountains. In these days of ours so pregnant with danger no one can doubt that the Hungarian people has demands to submit to the free tribunal of the peoples.*"

That is what the Toulouse Broadcasting Station said! It was the *Fabian Society*, that eminent British association, and not we Hungarians, that declared that the endeavour of Rumanian foreign policy to rigidly insist on the maintenance of Rumania's present frontiers, runs counter to the real interests of that country's national independence. It is true, indeed, that the times through which we are passing involve many hardships to Hungary; the Hungarian nation — by the help of its traditional political sense and its political training — has always discovered the soundest method for the expression of its will. It will discover that method on the present occasion too.

# THE NEW EUROPE, THE DANUBE AND HUNGARY

BY

EDWARD QUINN (*London*).

**A**t the moment of writing Europe is engaged in a life and death struggle. It is not merely a struggle for supremacy between the Great Powers, it is rather a *European* civil war in which the antagonists are both threatened by an outside power — alien to Europe. Consequently, whatever may be the war aims of the different nations, the result of the struggle must be either an entirely *new Europe* or a *Europe* greatly transformed from that which we knew before September, 1939.

It is possible the anti-European powers may be successful and that our civilisation may go the way of other civilisations which had their day and perished. The fact that it is Christian is no guarantee of its permanence; Christianity may survive the civilisation to which it has given a form and a spirit. If this civilisation were to perish, then the new Europe would only be a geographical expression and it would be idle speculation to suggest what Hungary's position might be after so deep a transformation.

But it is not likely that *Europe* will wholly perish. It is in fact quite probable that *Europe* will emerge from the conflict purified, ennobled and ready to enter upon a new phase of civilisation, changed indeed but true to its own best traditions. For *European* civilisation is different from all others on account of its inspiration from Christianity, a factor which must always remain incalculable. One thing is certain, that after the pattern of its *Founder*, *Christianity* achieves its results by suffering; and *European Christians* are at present suffering acutely. That very passion which Europe now endures may be the means of its salvation.

We are optimists therefore and have solid reasons for our optimism. Looking forward with confidence to the survival of Europe, we look forward also to the opening of

a new phase in history and expect to revive the old spirit of Christendom in a happier world.

We cannot re-enact past history, we must accustom ourselves to constant change in a finite world, but present and future realities have their roots in the past, and the new is not wholly different from the old. We look forward therefore to a *Europe* in which all that is best in the traditions of Christendom will be realised and given a new life.

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*Europe or Christendom* (for the titles are synonymous) emerged from the contact of the Roman and Barbarian worlds and the common inspiration of the teaching of the *Catholic Church*. The three elements go together and if any one is lacking, there is neither *Europe* nor *Christendom*. Latin culture, the youthful vigour of the migrating peoples and the supernatural power and gentleness of the Church were the leading factors in the formation of *Europe*. The peoples came on the whole from East to West and finally settled down in the lands which had been part of the *Roman Empire*. Roman power had to give way ultimately before the terrible force of the barbarians, but Roman culture remained and the *Catholic Church* persisted. The Church converted the barbarians and kept alive and even extended Latin literature beyond the former confines of the *Roman Empire*. Generally speaking however this process of formation worked itself out West of the Rhine and the Danube and had its centre in Rome.

In Byzantium another process was at work. The Roman Emperor had betaken himself thither at an early date and had constantly shown a desire to make himself supreme in ecclesiastical affairs, to expect the Church to be content with a reflection of his own imperial dignity and yet was not disposed to make any effort to defend his threatened territories in the West. It was not surprising that schism followed, and still less surprising that, while in the West the Church remained supreme at least in its own sphere, *Cassaro-Papism*, the subordination of the Church to the State, became the tradition in the East. Within the Eastern Church there were many divisions and the imperial city fell itself at last before the Turkish invasion; but the hatred of

East for West remained long after the destruction of *Constantinople* and superseded all divisions amongst the *Orthodox Churches*.

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Rome and Byzantium were both conscious from the beginning of their missionary obligations and endeavoured to spread the Faith to the neighbouring pagan territories and to the peoples now entering *Europe*. Over the *Danubian* region there was an inevitable struggle between the Eastern and Western influences. The final division was established in the tenth century by the decision of the Magyars who had settled in the Carpathian basin to accept their Faith from Rome and with that Faith the Latin way of life. The principles of tolerance and generosity, which are a part of the Roman heritage, were the foundation of St. Stephen's kingdom, and the institutions which he established endured through the vicissitudes of a thousand years and enabled Hungary to play a leading part amongst the nations of the Danube valley.

She was at the same time, with Poland, a bulwark of Western civilisation and was influential in keeping the Balkan nations within the orbit of the European system.

This equilibrium was largely destroyed by the events of 1919, which have led to divisions among the Balkan peoples, the collapse of Poland and the penetration of Asiatic paganism and the totalitarianism which sanctions all this.

The *European* frontier is uncertain, is gravely threatened. The Roman example shows us the importance of the "*limes*" and therefore of the necessity of doing everything possible to restore the system which made the "*limes*" firm and secure on the Carpathians and the Danube.

The tragedy of the present situation is that while the "*limes*" is insecure, Europe is also threatened from within. So long as we are fighting against Soviet Russia (whether in arms or in the spirit) we are struggling against something alien to *Europe*, against an outsider, an *Asiatic* power. But Germany is a part not merely of the geographical Europe but is heir with us to the European spirit; it is a part of *Christendom*. The tragedy lies in the fact that *Christendom*

has been betrayed from within, before she has been attacked from without.

France however does appear to have returned to the old conception of Christian Europe and understood the role that she is called upon to play, while powerful forces are bringing *Great Britain* to understand better the meaning of *Christendom*. *Italy* can scarcely avoid being loyal to her Latin tradition, which is a part of her very life, and has shown constantly her understanding of the *Danubian* situation and more particularly of *Hungary*.

Hungary herself is acutely aware both of the danger and the heroic part which she may be called upon to play. Merely by her survival she can help *Europe* to rebuild herself out of the ruin that the war will leave. For the elements that made Europe remain in *Hungary* are as strong as ever. The Latin culture, the *Catholic Church* and a strong and virile national spirit by their varied influences produce one of *Europe's* finest types and make Hungary a miniature *Christendom*.

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In the midst of the darkness of our times it is beginning to be possible to see a revival and a re-union of these elements. There is a widespread respect for the Papacy, a disgust for purely secular institutions, a realisation that the only hope for *Europe* lies in a complete return to its traditional Faith. The easy Utopias promised after the break-up of 1918 have now been found to be illusions. Communism especially has betrayed itself, and whatever its material success may be it can never again offer that real attraction to the heart of man that it once seemed to offer. Neo-paganism is itself a sign of the yearning that man has for some form of religion as opposed to militant but utterly negative atheism, and neo-paganism will soon give way to the supernatural truth of the *Christian religion*. We may differ as to the way in which religious unity will be achieved, but there is a rapidly growing consciousness, nourished by general persecution, that there will soon be unity and that the persecuted have more in common with one another than with the persecutors. The Roman centre remains and will remain as the source of spiritual strength for *Christendom*. *Italy*, the first home of that tradition, is acutely conscious

of her privileged position and is clearly watching for the opportune moment to assist Europe to find again what she once gained from ancient Rome. And the terrible threat of air-warfare has at least had this value, that it has made Englishmen more determined to know and appreciate the languages and literatures of Europe and therefore brought them into closer unity with the Latin world.

Nationalism is still a powerful and to some extent a disruptive force. But it is healthy in so far as it means a rejuvenation of peoples and the presence of a wealth of creative energy.

The nations that are now struggling so bitterly may come before very long to see the importance of living in harmony with others and accepting the same spiritual power as a uniting influence. Like those first foreign guests received by the Hungarian king they may learn to live as good neighbours with those who are not of their race and maintain their own admirable customs in the midst of widely different peoples. Even the East may be brought within this scheme. Soviet Russia may one day be converted. For neither *Christendom* nor that Hungary which was its bulwark were merely hostile to the East; they were hostile only in so far as the East attacked their way of life and they were prepared at any time to admit what was noble and good in *Eastern* thought and were acutely conscious of their mission to make known beyond the borders of Christendom the ideas which had given shape to their own system.

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Perhaps the most frequently expressed idea of the new Europe is that it is to be a federal system. The actual form is necessarily uncertain and it is well at this stage not to be too precise; but all this points to a more closely united Europe in which nations living their own special lives will co-operate freely for the good of all.

From every point of view it seems that *Hungary* will have a great part to play in the *Europe* that is to come. By keeping alive the elements which made the old Europe, by her historical example and perhaps even by her mere survival, she gives assurance of a better order of things after the trouble of this present time.

# MAGYAR CO-OPERATIVE SOCIETIES IN RUMANIA DEPRIVED OF THEIR AUTONOMY

BY

LADISLAS FRITZ

Co-operative societies doing a brisk trade are owned by the three nations living in Transylvania. (By that term is meant, not only historical Transylvania, but also the Banate, the Valley of the Körös and the districts of Máramaros and Szatmár — in a word all the areas wrested from Hungary and attached to Rumania.) Rumanian statistics for 1930 show that there is one credit co-operative society for every 4345 Magyars, 6270 Rumanians, 6127 Swabians and 1282 Saxons. These figures prove that *the Magyar co-operative system occupies a leading position in Transylvania.*

According to the statistics for 1936 the network of co-operative societies belonging to the Magyars of Transylvania presents the following picture:

Type of Co-operative	Number	Number of members	Value of shares
1. Credit	302	99.138	56.6 million lei
2. Production and supply	171	12.000	8.0 " "
3. Consumption	319	65.000	22.3 " "
Total	792	176.138	86.9 million lei

(Special mention must be made of the co-operative dairies. Their number is 130. The factory established at Marosvásárhely used 6 million quarts of milk in 1937, and paid out 14.3 million lei to its members, besides returning to them skimmet milk to the value of 2.8 million lei. There are also 21 agricultural, 14 industrial and 6 commercial co-operative societies.)

The co-operative system of the Magyars in Transylvania is an important movement, *not only from an economic, but*

*also from a national point of view, and the effort made by the Rumanian State to oppress the minorities in every sphere of life has added to its significance and made the Magyars all the more determined to realize the idea of effective co-operation. At first, when Rumania took possession of the newly acquired territories, the rights of the Magyars to organize co-operative societies on a national and autonomous basis was recognized. Very soon, however, — on 26th September 1920, to be precise, — the Co-operative Societies Act of 28th March 1913 in force in the Old Kingdom was extended to Transylvania, a measure threatening the independence of the minority societies. It was only after a prolonged struggle that the Magyars of Transylvania were permitted to organize a national co-operative system of their own under the control of Magyar head offices; but the price they had to pay for this was the loss of the privileges afforded by the Co-operative Societies Act. The freedom thus enjoyed by the Magyar co-operative societies, all of which were members either of the "Union of Economic and Credit Co-operative Societies" or of the "Hangya" was respected and even more firmly assured by the Rumanian Co-operative Societies Acts of 28th March 1929 and 6th April 1935. But the reorganization of the Rumanian State on a totalitarian basis resulted in the nationalization of the co-operative system. Not only was the principle of the autonomy of co-operatives set aside; the Government also violated the rights of the minorities. For in the present legal system as applying to co-operatives the possibility of free economic organization, instead of being assured to the minorities, is actually endangered.*

As proof of this we would point to the provision of the Law of 5th February 1938 which deprived the Magyar Union of Co-operative Societies of its control over member societies and of its disciplinary jurisdiction, investing the newly created Ministry of Co-operative Societies with those rights. We would also mention the Law of 23rd June 1938, which is throughly *centralistic* in spirit. It has dissolved all unions of co-operative societies, therewith depriving them of their autonomy. Only one form of autonomy was left, that of the "federative boards", which were regarded as calculated to facilitate the economic

tasks and credit transactions of the co-operative societies. But three of the nine members of those boards must be appointed by the Minister of National Economy and *their budgets must be approved by Government*. This is a most oppressive measure, for it deprives the minorities of their right to administer the finances of their own co-operative societies, *and does so despite the fact that the latter are maintained without any support from the State*. Paragraph 17 hangs like the sword of Damocles over the minority co-operatives, for it says that "the National Institute of Co-operative Societies may draft plans for a merger in each zone and determine the unit within which that merger is to be effected. Any units refusing to obey may be dissolved." Minority co-operative societies may continue to do their bookkeeping in the language of the majority of their members, *but their balance-sheets, budgets and the reports issued by their managements must be published in Rumanian too*. At the request of the controlling officials the co-operative societies must be prepared to submit a Rumanian translation certified by the municipal authorities of any document or extract from their books that may be demanded. Another curtailment of the rights of the minorities was introduced by the Decree Law of 20th January 1939 dealing with co-operative societies, which extends the sphere of authority of the National Institute. That Institute is empowered to discharge the management and board of control of any co-operative society and appoint a new management of seven members and a controlling board of three in their place. The acting-managers of the "federative boards" are also to be appointed by the Institute, and the new Law classifies them as its officials. These two provisions *make the autonomy of the co-operative societies purely illusory*, and are a fresh violation of the rights of the minorities. The attitude adopted by the present totalitarian régime will completely paralyze the Magyar Co-operative movement in Transylvania, where so far it has been productive of very considerable results as a means of organizing the Magyar economic forces. It strikes at the *very roots of the rights of the Magyar minority to organize freely in the sphere of economy*.

# BILL RELATING TO SKUPSHTINA ELECTIONS AND LAW RELATING TO CROATIAN DIET (SABOR) ELECTIONS

BY

IMRE PROKOPY

**T**he Bill relating to the election of deputies to sit in the Skupshtina has been drafted and was accepted by the Cabinet Council on January 11th.; it has been submitted to the Regency Council for ratification. We are in a position to deal with the main provisions of this Bill on the basis of an article by Laza *Markovitch*, Minister of Justice, published in the January 7th. issue of the Belgrade "*Politika*" and of reports appearing in the January 10th. issue of the Zagreb "*Novosti*" and in the January 12th. issue of the "*Hrvatski Dnevnik*" respectively.

*The Skupshtina Deputies are to be elected on the basis of a general and equal suffrage to be exercised direct.* The ballot is to be secret and the votes to be polled by villages, rubber balls being used for the purpose as prescribed by § 63 of the first Election Law of July 27th., 1922. The time of the elections is to be fixed by Royal Edict on the basis of representations made by the Minister of the Interior which have previously been approved by the Cabinet Council. The elections are to be held on one and the same day in the whole country. The elections shall be organised by districts, general (for the country as a whole) and district lists of candidates being submitted. *The country is to be divided into 57 election districts.* The number of administrative hundreds comprised in each respective election district, and the number of deputies to be elected by the same, shall be determined by the State Committee in

keeping with the number of inhabitants of the respective district. The general principle to be followed is that *one deputy shall be elected for every 50.000 inhabitants. If the number of inhabitants of any hundred in excess of the minimum of 50.000 be more than 30.000, the hundred in question shall elect an additional deputy.* Accordingly, therefore, on the basis of the results shown by the Census taken on March 31st., 1931, the number of deputies elected in the hundreds will be altogether 280. In addition, *every party or party coalition desiring to take part in the elections which nominates candidates of its own in at least 15 districts, must file a general list containing at least 50 candidates, as well as district lists.* The candidates figuring on the general lists of the several parties or party coalitions shall receive seats in proportion to the number of votes cast for their list in all the hundreds combined, that enabling party leaders and other eminent politicians to obtain seats in the Skupshtina by means of the general lists, — *the total number of Skupshtina deputies to be, as provided in the Bill, altogether 330, i. e. 43 fewer than in the previous Parliament.* Deputies will be elected for a term of four years.

The supreme, central election organ is to be the State Committee, the Members of which will be: — the president of the State Council, the president of the Belgrade Court of Appeal, the president of the Zagreb Supreme Court (Septemviratus), the presidents of the Ljubljana, Sarajevo and Podgorica Supreme Courts, and the president of the Ujvidék Court of Appeal. The State Committee will be presided over by the President of the State Council. The returning officers functioning in the several polling premises are to be appointed by the court of law to the jurisdiction of which the village or town in question belongs.

*Every male Yugoslav citizen who is already 21 years*

*of age — except military persons — shall have the right to vote. Under the new law women will not possess the right to vote. All Yugoslav citizens possessing the right to vote may be elected deputies, irrespective of whether they have been registered in the electoral registers or not, provided they shall have completed their thirtieth year by the day of the election, are able to read and write, and possess a knowledge of the State language. Active State, Banate, town or village officials are ineligible as deputies. However, ministers and university professors — whether in active service or retired — may be nominated for election.*

One of the most remarkable points in the new Bill — and one of its great advantages — is the circumstance that it entirely abandons the so-called "premium system" instituted in § 61 of the Election Law dated September 10th., 1931, in terms of which the general list obtaining the largest number of votes in the country generally was given three-fifths (i. e. an absolute majority) of the seats, sharing in addition in the distribution of the remaining twofifths of the seats in proportion to the number of votes cast in the several election districts.

From the nationality point of view, however, the new Bill contains a crying disadvantage, — the provision that, as declared by Premier Tsvetkovitch also in a speech recently made by him, *the national minorities may not form independent political parties and may not take part in the elections on the basis of programmes of their own, only as members of some general Serbian or Croatian party, co-operation with the latter being the only means of securing representation, though experience shows that compulsory associations of the kind are not likely to obtain for them more than 1—2 "charity" seats.*

The other provisions of the Bill are for the most part of a technical character, so that — if only because of a

shortage of space — we may refrain from dealing with them on the present occasion.

The Law relating to the Croatian Diet (Sabor) elections has also been prepared; and, as M. Maček told the masses gathered in Zagreb on January 14th. to welcome Prince Regent Paul, the Regency Council has already approved the Bill, the Law being promulgated in the January 17th. issue of the Croatian Official Gazette. In principle the provisions of this Law tally in general points with those of the Bill relating to the Skupshtina elections, the only material divergences being the following: — The Law makes no provision for general lists and *makes it possible also for the national minorities to contest the elections with the aid of independent lists of their own, provided only that they are able to recruit 100 signatures for the support of their lists of candidates in any of the 17 Constituencies of the Croatian Banate*; there is to be one deputy for every 40.000 inhabitants, but the deputies are to be elected for a term of only 3 years — not 4 years, as in the case of the Skupshtina deputies. The right to vote is made dependent upon completion of the 24th. year and upon continuous residence in the same place for a period of six months.

# THE BULGARIAN PRESS DURING AND AFTER FIVE HUNDRED YEARS OF SERVITUDE

BY

SLAVI VASSILEV

**T**he five centuries of servitude under which the Bulgarian people had languished retarded the beginning of modern civilized life for them at a time when the States of Western Europe were showing marked progress. This is particularly true of Bulgarian journalism, and explains the late appearance and slow development of the Bulgarian Press.

The founder of the first Bulgarian periodical and with it of the Bulgarian journalistic Press was Constantin *Fotinov*, who edited "*Luboslovie*" (*Philology*) in Smyrna in the years 1844—1846. Shortly afterwards the first political newspaper made its appearance. It was published in Leipzig, a town with which the Bulgarians were constantly in contact in the seventeenth and eighteenth centuries and even earlier. The title of that newspaper was "*Bulgarski Orel*" (Bulgarian Eagle). It was published first on 26th April 1848 by Breitkopf und Härtel, a Leipzig publishing firm, and was edited by Dr. Ivan Bogorov, one of the most eminent champions of the Bulgarian renaissance. The avowed aim of this newspaper was to achieve the spiritual emancipation of the Bulgarian people, and the realization of this ideal was stated to be its *raison d'être*. But only two issues were printed, the second bearing the sub-title "*Bulgarische Volkszeitung*". After the failure of this paper its editor turned to Constantinople, where he published one entitled "*Constantinople News*" (1848—1862).

Corresponding to the two trends of opinion actuating the Bulgarian intelligentsia in the middle of the nineteenth century, the Press, before the liberation, was also divided into two camps — one at home (*in Turkey*) and one abroad. The one camp, led by the revolutionaries *Rakovsky*, *Botev*

and *Karavelov*, criticized the severity of the Turkish régime and preached revolution as a means of breaking the fetters of servitude; the leaders of the other, P. R. *Slaveikov*, *Filaretov* and *Burmov*, all of whom resided in *Constantinople*, were of the opinion that the people must first be raised to a higher level of civilization before they could engage in a struggle for political liberty. To attain this end they spread culture and knowledge among the people. In this respect their work resembled that done in Germany and England in the eighteenth century by the so-called "Moral Weeklies". They also waged a bitter war against the Greek Church, thus paving the way towards the religious emancipation achieved in 1870. Before the liberation the Press was purely idealistic in its aims; it laboured for the renascence of the Bulgarian nation, brought culture and knowledge to the people and prepared them for the coming struggle for liberty. This idealism, excluding, as it did, business speculation as a factor in the launching of a newspaper, was one of the main reasons why no Press organ enjoyed a long span of life.

After the liberation, conditions, so far as the development of the Bulgarian Press was concerned, were more favourable and progress began to make more rapid strides. The Press no longer adhered to the traditions of the pre-liberation era. It began to place itself wholly at the service of the new methods of political life, and set itself the task of co-operating in the building up of a modern State and organizing the economic resources of the country. This epoch was characterized by the appearance of a Party Press. In 1879 there were two Parties in Bulgaria, the Conservatives and the Liberals. The "*Vitoscha*", "*Bulgarian Voice*", and "*Fatherland*" were Conservative, while "*Integral Bulgaria*" and the "*Independent*" (1879—1882) were the organs of the Liberal Party. The object of those papers was to popularize the views of the Parties, thus serving the interests of the people and the State. Their struggles were fought with fair weapons and on questions of principle; on the major national question of the union of North and South Bulgaria they were unanimous. The correct tone of these newspapers soon changed, however, when the Conservative Party began to weaken owing to the

formation of a number of fractions, each with a personal bias. It was then that the daily Press came into existence. The author of its being was Hariton Genadiev, who on 1st March 1890 in Phillipopolis published the first issue of a daily called "*Balkan Dawn*". This newspaper ran for three years. Independent to begin with, it came under the influence of Stambulov when Dr. N. Genadiev joined its editorial staff. The "*Balkan Dawn*" is regarded as the first Bulgarian daily; but we meet with the idea of a daily paper earlier, for already in 1887 P. R. Slaveikov started to publish the "*Sofia Daily News*", three consecutive numbers of which appeared. The close of the nineteenth century was characterized by the appearance of periodicals dealing with politics, art and technical (scientific) subjects. The first political magazine was the "*Day*" (1891—1896), edited by John Sakerov, who had set himself the task of spreading socialist ideas among the masses. Others were the "*Idea*" (1892—1907), edited by Dr. Krstev, a magazine devoted to art criticism, the "*Chronicle*" (1899—1905), and "*Political Economy*" (1899—1925), a periodical dealing, as its name implies, with economic questions. Most of these papers were constructive; they were not the products of overweening ambition or injured vanity, such as many are today, but were created with the conviction that universal ideas would crystallize in them and that they would give a clear survey of things and events, as well as help in the development of the language, national feeling, literature, art and public life.

Up to the beginning of the twentieth century almost all the Bulgarian newspapers, dailies as well as weeklies, seemed more or less to take part in the Party struggles. It was only then that completely independent papers began to appear: the "*Evening Post*" (1900—1914), edited by Schangov, which appeared first three or four times a week and then daily, and the "*Daily News*" (1903—1928), edited by Nikolov. They were speculative enterprises pure and simple and built up their circulation after the manner of newspapers in the West by devoting more space to advertisements in order to balance profit and loss. The majority were published by joint stock companies, and the influence of the various Party leaders was weakened by the circumstance that excellent

collaborators were always recruited. In the year 1911 the type of newspaper that has more than one edition daily made its appearance. To the "*Daily News*" was added the "*Morning*", which appeared as an early morning edition. The "*Balkan Tribune*" (an evening paper) and the "*Dawn*" (a morning one) were a similiar combination. Contrary to the custom prevailing in Germany, morning and evening editions in Bulgaria bear different names. The best-known daily papers appearing in 1928 were the "*Demokratitscheski Sgovor*", "*Peace*", "*The Flag*", "*Dawn*", "*The Radical*", "*Independence*", "*The People*", "*The Banner*", "*La Bulgarie*", "*Macedonia*" — all papers with two editions daily — "*Speech*", "*Free Speech*", "*Daily News*", "*Morning*", etc.

Periodicals worth mentioning were "*Bulgarian Thought*", "*Archives*", "*The Golden Horn*", "*Falling Leaves*", "*The Democratic Review*", "*The Macedonian Review*", "*Zveno*", "*Transition*", "*Political Economy*", etc.

A characteristic feature of the Bulgarian daily Press was its strongly marked political character. The dailies entered whole-heartedly into politics and Party strife, and comparatively neglected questions of economy, culture and science. This onesidedness was the reason why a great section of the reading public — the female world, which is little or not at all interested in politics and still less in Party struggles — remained indifferent to them. In the past two years, however, this character of the Bulgarian newspapers has undergone a partial change. Publishers and editors have awakened to a realization of the fact that they cannot feed their readers on politics alone, and are consequently beginning to devote pages to literature, humour, illustrations, etc. In spite of the unfavourable conditions under which the existence and development of the Bulgarian Press began, it nevertheless, from the very outset, proved to be the mouthpiece of public opinion, and has become an important factor in political and public life. Journalism has developed along precisely defined lines, as the spiritual support of the people during the Turkish era, as an aid in naturalizing political institutions after the liberation, and as a pillar of the State in recent times.

During the past few years the Sofia newspapers have

represented the Bulgarian Press in the same way as those of Paris may be regarded as the representatives of French journalism. But the Bulgarian papers are far from having so powerful an organization resting upon such stable economic foundations as the French Press has. On the contrary, up to 1935 they were completely dependent on the caprice of the ruling Party. When in 1935 an unexpected change of régime took place, the financial foundations of about fifteen or twenty newspapers were shaken, and they were obliged to discontinue; others that despite the change of Government managed to keep afloat were compelled to change their policy and adopt new aims. Since *Kusseivanov's* Government took office in that year — 1935 — the number of papers has been limited, without, however, their existence being ensured in any respect.

The following figures will serve as an illustration of the progressive development of the Bulgarian Press. Before the liberation there were 119 periodicals published annually; now there are 1070 newspapers and magazines. In 1879 the biggest of the newspapers had a circulation of 1500 copies, today there are papers with a circulation of 180.000.

Országos Széchenyi Könyvtár

# ECONOMIC CONDITIONS IN SLOVAKIA AS REFLECTED IN BUDGET

BY  
SLOVACUS

On 14th December 1939 the Slovak Government approved the State Budget for 1940. That same day it was laid before Parliament, when Dr. Pruzinsky, Minister of Finance, delivered a lengthy *exposé* in which he made the legislators acquainted with the general economic situation in Slovakia and the details of the State Budget.

Speaking of economic conditions, Dr. Pruzinsky began with generalities. He established the fact that "*the economic independence of Slovakia was achieved extremely rapidly and without any serious hitch, in the March of 1939. Production continued at a practically unchanged level, despite the fact that after its political separation from Bohemia Slovakia was left without foreign exchanges, that is to say the international legal tender necessary for the purchasing of raw materials*". In respect of the question whether Slovakia as an independent State was viable economically the Minister of Finance's opinion was that an answer in the affirmative could be given. It was clear, he thought, that "all the conditions of successful economic development were to hand in Slovakia, provided normal international relations were restored."

These opening statements would certainly have been a source of great satisfaction to every friend of Slovakia, had not Dr. Pruzinsky shown in the rest of his *exposé* how little ground there was for his official optimism.

The following was his picture of the general economic situation in Slovakia:

Coal-production was satisfactory (although by far the greater part of the coal consumed in the country is imported from abroad.) The situation of the branches of industry manufacturing wood products (e. g. cellulose and paper) was satisfactory. This was also true of the textile industries, though there was a shortage of raw materials, and of the provision industries. Building was entirely at a standstill, as were also naturally the industries producing building materials. According to the Minister of Finance, industrial employment at the beginning of the year had depended chiefly on the possibilities of exportation. After the war broke out it depended on whether industry could procure the necessary raw materials, half manufactured goods and complementary materials, and the foreign exchanges

required for their purchase. We find no answer to his own question in the Minister's exposé, but in connection with it he pointed to one of the most important problems of Slovak economic life, the enormous clearing debts owing to Slovakia by the Czecho-Moravian Protectorate and the German Reich, which even at the most cautious estimate must be about 700 million Slovak crowns. At present the Czecho-Moravian Protectorate and Germany cannot pay that commercial debt except with coal. But Slovakia's annual imports to those countries barely amount to the value of 200 million Slovak crowns, and part of that quantity is imported from other countries. Thus it will be years before Slovakia's clearing claims are paid, even if no more exports are sent to the Protectorate or Germany. In Dr. Pruzinsky's opinion it cannot be a matter of indifference from the point of view of national economy *when* the seller or producer receives the countervalue for the goods supplied; for delayed payments might easily be responsible for a great and dangerous strain on the capital markets. No solution of this problem, the Minister said, had yet been found.

Unemployment had decreased in Slovakia in 1939. This was largely due to the work afforded by the extensive investments made by the State Administration, especially the building of roads and railways, and also to the circumstance that many Slovak labourers had found work in Germany. According to some authorities the number of the latter, including both industrial and agricultural labourers, was about 140.000. If, now, considering that in the past, before the country became a separate State, there were no more than 70.000 unemployed in the area of present day Slovakia, we may establish the fact that the employment of the out-of-work in inland production has by no means progressed as favourably as the Minister of Finance's *exposé* would have us believe.

So far as agriculture was concerned, Dr. Pruzinsky said that the situation was satisfactory. The independent Slovak wheat monopoly ensured profitable prices being paid to the farmers for their grain, while the cattle-marketing syndicate endeavoured to make cattle-breeding a profitable branch of agriculture. On the other hand, however, we learn from a speech made by M. Danihel, M. P. during the debate on the Budget, that the possibilities of marketing animals in Slovakia today are seriously deteriorating.

According to the Minister of Finance, Slovakia's foreign trade, despite the foregoing, was satisfactory. He did not see fit to state his grounds for this statement.

The Slovak currency, the Slovak crown, according to Dr. Pruzinsky, was stable money, and it was to the interest of national economy that it should continue to be stable, for only then would it be able without a hitch to perform its tasks as

legal tender, as a universal medium of exchange and as a standard of value. Dr. Pruzinsky on the whole condemned inflation, as inflation in his opinion would affect primarily the poorer and socially weaker classes of the population. For this reason he would do all in his power to keep the Slovak crown at a stable level. We do not, however, learn from his *exposé* by what means and methods the Minister of Finance hopes to achieve this exceedingly desirable result. The value of the Slovak crown has been fixed by an Order in Council on a par with the Czecho-Slovak crown, and the same Ordinance also fixes the gold value of the Slovak crown. The percentage of gold cover was not fixed by this Order, so that the Slovak crown partakes of the character of a manipulated currency.

The fact is that the Slovak National Bank has no gold or foreign exchanges or other cover for the Slovak crown. There are no measures restricting the issue of banknotes. The State may make unrestricted use of the resources of the National Bank. The Bank is obliged to lend the State 100 million Slovak crowns free of interest, any further sums required to be lent at the current discount rate. Besides the Slovak banknotes, there are Czecho-Slovak Treasury notes in circulation in the country to the value of about 470 million Slovak crowns, and the Bank is also entitled to issue, token money, which, however, must not exceed 200 Slovak crowns per head of population. If we count the number of Slovakia's inhabitants, we shall see that the "*token money*" in circulation (mostly 10 and 20 crown notes) may easily amount to 550 million crowns. Actually, then, the money in circulation in Slovakia is as follows: according to the report issued by the Slovak National Bank on 30th November 1939, the value of the banknotes in circulation was 1.331 million Slovak crowns. The total value of the gold and foreign exchange cover for this sum is 52.5 million Slovak crowns, that is to say only a fraction of the value of the banknotes in circulation. The Treasury notes in circulation amount to 470 million Slovak crowns, and the "*token money*" in circulation presumably approaches the highest limit allowed, 550 million Slovak crowns. In reality, therefore, the money in circulation in Slovakia today is about 2.350 million crowns.

When we consider that in Czecho-Slovakia, with a population of 15 million inhabitants, the money in circulation, including Treasury notes and token money, never exceeded 8 or 9 thousand million Czecho-Slovak crowns, when we remember the well known fact that the potential economic strength of the 2.700.000 inhabitants of present-day Slovakia is at best no more than 50% of that of the former Czecho-Slovak population, it will be apparent that the money in circulation in Slovakia today ought not to be more than 700 or 800 million Slovak crowns. In reality it is three times that amount, and we cannot be far

wrong if we say that Slovakia's finances today decidedly bear the stamp of inflation.

Whether in these circumstances it will be possible to maintain permanently the stability of the Slovak crown, is a question that only the economic developments of the near future can answer.

A separate financial problem arises from the circumstance that Slovakia has an agreement with Germany in terms of which the Slovak National Bank must pay the savings of the Slovak labourers working in Germany to their families in Slovak crowns, and, for the present, to the debit of the Slovak State. This item alone amounts to millions a month and merely increases the necessity of issuing new banknotes. The Minister of Finance hopes to solve this difficult problem in the future by means of a manipulation with German coal, but so far this expedient has not been used.

Dr. Pruzinsky also spoke of banking matters, especially of the bank moratorium, which, he said, had not adversely affected deposits. He mentioned the proposed establishment of an independent Slovak mortgage and municipal bank and a Slovak Stock Exchange at Pozsony, the centralization of Slovak banks, and the beneficial effects to be expected therefrom on the evolution of capital and credit policy. Speaking of communications, the Minister declared that conditions were satisfactory and that the food and other supplies of the population seemed for the present to be assured.

The picture of the Slovak currency, i. e. the Slovak monetary system, given above and Slovak economic conditions in general, by no means justify Dr. Pruzinsky's optimistic views concerning Slovakia's ability to procure the necessary supplies of foodstuffs and raw materials.

# YUGOSLAVIA AND THE ITALIAN- HUNGARIAN CONVERSATIONS IN VENICE

BY  
DÉLVIDÉKI

The negotiations carried on in Venice between *Count Stephen Csáky*, Hungarian Foreign Minister, and *Count Ciano*, Italian Foreign Minister, naturally created a great stir and aroused very considerable interest in Yugoslavia too. The Yugoslav Press dealt very exhaustively with the meeting, appreciating the same as an event involving further support to the States of South-Eastern Europe in their policy of neutrality and a further guarantee of their security.

To illustrate the attitude towards the Venice meeting adopted by the Yugoslav press, we are quoting below a few passages or abstracts of articles appearing in certain Yugoslav papers: —

In its January 6th. issue the "*Vreme*" of Belgrade took a one-sided view of the event and expressed the opinion that Hungarian policy would have to take into account present events and the effect of those events upon Hungary's neighbours, particularly in order to further the adjustment of the relations between Hungary and Rumania. The "*Politika*" succeeded much better in grasping the essence of the complex questions brought to the fore by the present international political situation, writing that both Italy and Hungary were endeavouring to solve those questions upon which the maintenance of peace in South-Eastern Europe depended. *Hungary indeed still continued to insist upon the well-known demands formulated by her*, but was for the present postponing the adjustment of this question till a later period, neither Italy nor Hungary wishing at the moment to broach any question calculated to aggravate a situation which was in any case sufficiently grave. Another question discussed at the meeting was the danger threatening the Carpathian Basin; in connection with this question the paper believed that South-Eastern Europe would very shortly become the scene of an intensive diplomatic activity. In its January 6th. issue the "*Novosti*" expressed the opinion that the meeting was of quite exceptional importance for two reasons — because of the guarantee and active support to be given by Italy to Hungary in the event of an attack by Russia and because of its bearing upon the adjustment of the relations between Hungary and Rumania. In its January 8th. issue the "*Novosti*" (a Government organ) wrote as follows: — "The friendly relations between Italy and Hungary are already of old standing and have stood

the test of events; but" — the paper adds as a kind of warning and by way of counterpoise — "the relations between Yugoslavia and Rumania are just as firm... The neutrality undertaken by all the States of South-Eastern Europe alike has paved the way towards a gradual *rapprochement* between the Danubian and the Balkan States. The improvement of the relations between Yugoslavia and Hungary, for instance, is very manifest, that meaning a favourable balance for the past few months." Great interest attaches also to the following moments established by the same paper: — *Recently the Croatians decided in every respect to actively support the policy of co-operation between Yugoslavia and Italy and between Yugoslavia and Hungary respectively... All the Balkan States alike are affected by the danger threatening South-Eastern Europe, in their efforts to avert which danger they may reckon upon the support of Italy and Hungary.* Dealing with the Venice conversations, the Croatian "Obzor" (January 6th.) spoke in remarkably calm terms of the Hungarian revisionist endeavours too. "Hungary" — the paper said — "does not intend to cease to stand for revision... and, though in certain respects the Hungarian revision movement has been temporarily suspended, the Hungarian revisionist demands on Rumania cannot fail to continue to affect the development of the relations between the two countries."

When we compare the opinions of the Yugoslav press referred to above and the statements made by that press with the attitude towards Hungary displayed by Yugoslavia in the heyday of the Little Entente, — an attitude culminating in that country entirely ignoring the historical appeal addressed to it by the Hungarian Regent in a memorable speech made at Mohács on August 29th., 1926, and in what was practically a war tension prevailing between the two States between 1934 and 1936, — we cannot but echo the words of Jean Richepin, "Quel chemin parcouru!" The change in the trend of Yugoslavia's foreign policy was initiated by Milan Stoyadinovitch, who, taking into account the shiftings in the relative strength of the European Great Powers, for the purpose of increasing the security of his country, on January 24th., 1937, concluded the treaty of "eternal friendship" between Yugoslavia and Bulgaria, which was followed two months later by the Italian-Yugoslav Convention. And when, on March 12th., 1938, the mighty German Empire became Yugoslavia's neighbour on the north-west in place of a feeble and helpless Austria, at a conference held at *Saloniki* on July 31st., 1938, the Balkan Alliance on the initiative of Yugoslavia approved of Bulgaria being accorded equality of rights in respect of armaments, while a month later the Little Entente Conference held at Bled declared — again on the initiative of Yugoslavia — that it had no objection to the same rights being accorded to Hungary. After the fall of *Stoyadinovitch* a year ago *M. Tset-*

*kovitch*, the new Yugoslav Premier, and his Foreign Minister, *M. Tsintsar-Markovitch*, continued the foreign policy so wisely adjusted by *M. Stoyadinovitch* to meet the radically changed conditions which was reflected, among other things, also in the action taken by Yugoslavia in the summer of 1939 to intervene between Hungary and Rumania and to contribute thereby effectually to stabilise peace in the Danube Basin.

It is a great pleasure to be able to establish that the Yugoslav Press, as well as the Yugoslav Government, has fully appreciated the need for understanding between the two nations and has realised that *in the grave international political situation at present prevailing — placed as she is at the point of conflict of the clashing interests and rivalries of the Great Powers — Yugoslavia is just as dependent upon the support of Hungary as the latter country is upon the support of Yugoslavia*. This realisation by the two nations of their interdependence is one of the most important factors for the security of peace in the Balkans.

OSZK

Országos Széchényi Könyvtár

# POLITICAL MOSAIC

## HUNGARIAN PREMIER ON INTERNATIONAL POLITICAL SITUATION

On 16th January, at a meeting of his Party, the Hungarian Premier, Count *Paul Teleki*, delivered a speech in which, speaking of the international political situation, he said:

"In connection with the meeting at Venice rumours of various kinds are in circulation, and this, although the meeting was simply a natural result of the warm friendship between two countries whose interests and views are identical. These two countries are linked together by a close friendship of many years' standing, and the fact that *Italy has always given proof of her loyal attachment to Hungary, whether the issue was a political, cultural or even economic one, serves to set a seal upon this friendship.* Friendship of this kind makes it natural for the two countries to maintain intimate intercourse with one another, and, especially now that technical progress has done away with distance, the simplest method of doing so is for their Foreign Ministers to meet and discuss matters personally, a course which is always easier and gives them a better opportunity of entering into details. Viewed from this normal angle, there is nothing surprising in the fact that the Foreign Ministers of two friendly States meet; it would be surprising if they did not.

### *"Today Italy and Hungary*

Both have the same political connections. Both stand in friendship with Germany, and their diplomatic relations with the rest of Europe, the belligerents too, are normal. Neither country is in a state of war — the expression used today to describe neutrality. And because their positions are the same, their ideas as to what must be done in the given circumstances in connection with economic treaties, their supplies of raw materials and their attitude towards Germany, the rest of the belligerents and the neutrals, are also identical. The difference between the two countries is merely that Italy possesses a seaboard and we do not, and that Italy is bigger and stronger, a Great Power, but one that esteems us highly.

"The Venice conversations naturally covered all the European problems, and they reflected a perfect unanimity of opinion. This is not by way of an official communiqué; it is a simple statement of the truth. Agreement was perfect for another reason besides the common factors referred to above that make

their positions identical. That reason is that *both States consider themselves the defenders of Christianity*. — Italy by virtue of her traditional rôle in the Mediterranean; Hungary as the country of the Apostolic Cross. There is no doubt that *difficult times lie ahead*. We see certain signs of "the approach of spring" in international politics, although we cannot point to any concrete manifestations yet. *It would be a wonder if military action between the two belligerent parties did not become intenser with the advent of spring and the beginning of summer, for what has hitherto taken place was merely a series of tentative "feelers" to be followed on both sides by strenuous activity, though we cannot say where, when, or how. When war reaches that stage, things are going to be more difficult for us too, for this war will affect every country in Europe, whether it takes active part in it or not.*"

### HUNGARIAN PREMIER'S STATEMENT TO "NEW YORK TIMES"

The "New York Times" of 27th January published in a prominent place the statement made by Count *Teleki* to Mr. McCormick. The article containing it begins by saying that relations between Hungary and Rumania are capable of improvement, and then goes on to quote what the Hungarian Premier said.

*Hungary — he said — was not prepared to bargain about what she considered were her rights, and would always do what she considered to be her duty.* This was a question of honour; it had nothing to do with Hungary's territorial claims, but was inherent in her traditional role as defender of Western and Christian civilization. To the question whether Hungary was afraid of any foreign country, Count *Teleki* replied without hesitation that his country was afraid of nobody. Nine out of every ten Hungarians would give the same reply.

Events had clearly proved — continued the Hungarian Premier — that the peace of Europe depended on the rational *organization of Central and South Eastern Europe*. If the present war was not followed by better arrangements than the last, we should only have a short breathing-space before the next. The first thing to be done was to clear away the bad atmosphere created by the wrongs and disruptions caused by theoretic peace treaties all made to one pattern.

It was a fortunate circumstance — said Mr. McCormick in conclusion — that the man at the head of the Hungarian Government had no political ambitions; he was an eminent geographer, who in studying the surface of the earth had learned to look far and calmly await the march of events. Count *Teleki* was a soldier, a scientist and a political philosopher. His policy was

calm, and this tranquility he had imparted to the nation, which seemed to have collected its scattered energies and was now ready to face all contingencies.

### WILLIAM E. BORAH †

Mr. William E. Borah, the famous American Senator, who from 1907 until his death represented the State of Idaho in the U. S. A. Senate and was for many years President of its Foreign Affairs Committee, a body which exerts a decisive influence on the foreign policy of the country, is dead. With his death a pillar of the Republican Party and a dauntless champion of justice has vanished from the arena, not only of American, but also of international, politics. There has scarcely ever been a statesman whose influence on the destiny of his country was so great as that of Senator Borah, who shaped the foreign policy of the U. S. A. in conformance with the principles of *Washington, Jefferson and Lincoln*. *Senator Borah was an implacable enemy of the Paris Peace Treaties, utterly disapproved of the policy of sanctions which — had America adopted it — would, in spite of the Monroe Doctrine, have dragged the U. S. A. into all Europe's conflicts, and condemned the one-sided, unjust and cruel treatment meted out to the vanquished countries of Central Europe by the peace edicts.* It was thanks to his influence that the U. S. A. refused to ratify the Paris Treaties, thus absolutely disavowing President Wilson, who broke down under the force of the blow. *The U. S. A. did not ratify the Treaty of Trianon either, but concluded a separate peace with Hungary in which the territorial provisions that so inhumanely dismembered this country were wholly omitted.*

Senator Borah foresaw the greatness of the danger threatening the whole world as a consequence of the Paris Treaties. In a magnificent speech delivered on 26th September 1921, he pointed out that only three years had elapsed since a dictated peace had been forced on the vanquished, but the results were already evident. That peace was pregnant with the seeds of many fresh wars. It loomed dark over the world like a storm-cloud on the horizon. Europe would never recover so long as that peace was in force. Economic bankruptcy was imminent in Europe, if not in the whole world. Millions of men, women and children — those living and those yet to be born — would know slavery and starvation if that peace remained in force. Hatred would be the law of life, and destruction would become ingrained as a habit in the human race. Commerce would cease, industry become paralysed, hunger would reduce millions to skeletons, unemployment would increase, hatred grow more bitter, and the shadow of barbarity would creep over the areas of civilization. The Versailles peace edicts were an utter denial

of moral law and a conspiracy against justice, peace, humanity and civilization.

The great importance attached by Senator Borah to revision may be gathered from his famous saying to M. Laval, French Premier, on the occasion of his visit to America in 1932: "*Without a revision of the Peace Treaties there can be no disarmament; without disarmament there can be no peace; and without peace there is no way out of the world economic crisis.*"

All the predictions of this wise and great statesman have (alas!) come true. Like a prophet he foresaw the destruction for which the Paris Treaties were to be responsible; the economic ruin of the world, the havoc to be wrought by repeated wars, and all the other lamentable consequences of those mistaken instruments. Like the rays of a torch piercing the darkness in which mankind gropes, Senator Borah's predictions throw light on Europe's problems: revision is the only way by which we can emerge from the slough into which we have been cast by the Paris Peace Treaties. Hungary will never cease to be grateful to that wise statesman and will always revere his memory as that of a great apostle of revision.

*George Lukács.*

### WESTERN PRESS BEGINS TO SHOW MORE UNDERSTANDING FOR HUNGARY'S PROBLEMS

Of late the Press in the Western countries of Europe has been writing of the Hungarian question with much greater sympathy than previously. This applies even to newspapers which not so long ago were blind to the severe self-discipline and self-sacrificing spirit displayed by Hungary when, in critical times, she announced her determination to adhere to peaceful methods of enforcing her legitimate revisionist claims. Press organs, too, that had previously either failed to show due understanding for Hungary's problems, or were coldly indifferent to the European importance of redressing her bitter wrongs, are now beginning more and more to express their appreciation of Hungary's attitude. Here we shall merely give the gist of two such articles.

The "New York Times" of 20th and 21st January contains lengthy articles by Mr. McCormick describing his experiences in Budapest. Mr. McCormick says that the Hungarians loathe Bolshevism more than any other people in Europe. The temper of the people is extremely calm, for *they have full confidence in the wisdom of their Regent and Prime Minister*. The Hungarians are showing their sympathy for the Finns in an impressive way. *Although public opinion loudly demands a revision of the unjust Peace Treaties, no rash steps have been taken by Hungary*. Together with the Italians, the

Hungarians regards themselves as the most reliable bulwark of defence in Eastern Europe. *Hungary is a pillar of stability and consolidation in the Danube Valley, and also the only State there that has been able to avoid a dictatorship and preserve its parliamentary constitution.* Together with Italy, Hungary is making sacrifices to ensure the peace of the Danube and the Balkans. Hungarian self-restraint is proved by the fact that *the country refrained from adding to the complications of the situation by insisting on revision at a time when Rumania was arming on an increased scale against her.* Thanks to a firm foreign policy, Hungary is becoming of increasing importance as a factor in the maintenance of a peaceful equilibrium; and this fact is being taken into account by the belligerents too.

In an article published in the "*Je Suis Partout*" of 12th January, M. Georges Roux pointed out that *for years the French Press had presented Hungary in a false light, although it was one of the noblest and most reliable countries in the world.* National feeling had surged up with extraordinary impetus in Hungary, and the people were satisfied with the radical social measures introduced by Government, which embraced a serious Land Reform and old age pensions for agricultural labourers. The whole population stood united behind Regent Horthy, the doyen of European statesmen, and the Teleki Government had no Opposition worth mentioning to contend with. Hungary's young Foreign Minister was the most Latin of all Hungarians; his French culture was astounding. *The country's most burning problem was Transylvania with its Magyar population of 1.800.000 souls. According to Rome, differences should be settled by means of an equitable delimitation of the frontier.*

#### MINORITY MEASURES OF NEW RUMANIAN SECONDARY EDUCATION ACT

The 4th November issue of the Rumanian official gazette, the "*Monitorul Oficial*", contains the text of the new Rumanian Secondary Education Act. the title of which is "*The organization and working of theoretical secondary-school education.*" As compared with the Act of 1934 this new Secondary Education Act contains the following important modifications. Secondary education is divided into two sections; 1. a lower-grade department to which belong the four first classes of the gymnasium (grammar-school) and 2. a higher grade department of three lyceum classes. Pupils desirous of continuing their studies at the university must also take another, the so-called "*baccalaureate*", class. Pupils of this class must pass examinations in January and June before a board of examiners composed of teachers of the school they have been attending. This measure does away with the old leaving certificate examinations. An

important innovation of the new Act is that only teachers with a master's degree (*examen de capacitate*) will be allowed to teach in secondary schools. Candidates for this diploma must pass examinations at the teachers' training institute after two years of training. Holders of this certificate will be confirmed in their posts after they have taught as assistant masters for three years. Only teachers with a master's diploma may teach in the VIII (baccalaureate) class. *The Act makes no provision for those teachers who have only a teacher's certificate (licenta) and who, although they have not taken a master's degree, have much experience of teaching.*

Besides these provisions of a general nature, there are others worth recording which apply to minority education. § 6, for instance, provides that the rights guaranteed to the denominational schools in the various agreements and special laws shall continue to be maintained subject to supervision and to the general measures applying to the appointment of teachers. The method by which these measures will be applied in practice is to be determined by a special Ordinance. Here we must stress the point that it is just in respect of the question of the appointment of teachers that minority education is most seriously affected. For, according to the provisions of the Act, the appointment to the post of master in a secondary school is — as we have pointed out above — conditional on the candidate holding a master's diploma (*examen de capacitate*); even assistant masters must be in possession of that certificate. Now hitherto it has proved impossible, no matter what pains were taken, to assemble boards of examiners, and therefore the new generation of denominational teachers have not been able to pass the required examinations. Yet the new Act demands that even teachers of gymnastics and needlework must pass the *examen de capacitate*. (§. 76.)

The new Secondary Education Act maintains in force the provisions of the old Private Education Act too re the establishment of minority private schools, in spite of the fact that the Act is so anti-minority in character that it had to be laid before the League of Nations when it was only a draft. A very notable provision of the new Act is that in places where a large number of minority inhabitants live, either secondary schools must be established in which the language of tuition is the tongue of the minority in question, or parallel minority sections created in the State lyceums. Only pupils of the same nationality, whose mother-tongue is the language used as a medium of instruction in those schools or sections may be allowed to attend them says § 12. For such sections or schools to be established 30 pupils at least are required in each grammar school class, and 25 at least in each lyceum class. Irrespective of the language of tuition in use in the minority sections the Rumanian language,

## POLITICAL MOSAIC

*Rumanian history and geography and the principles of law (instructia civica) must be taught in Rumanian.*

We must not omit to mention §. 146 of the new Act, which is a typical example of unequal treatment. This clause namely makes an exception in the case of the four Rumanian denominational schools, and says that the Rumanian denominational secondary schools at Brassó, Balázsfalva, Belényes and Brád are to enjoy the rights guaranteed by the Act to the State secondary schools.

Judging by the experiences of the past, it would be premature to form any opinion of a law in Rumania until the instructions in re its enforcement are known. In the present cases those instructions are exceptionally important, particularly since, according to the Magyar owners of schools, "certain clauses of the new Act are not sufficiently lucid so far as minority education is concerned." For this reason the minority educational authorities have approached the Government with a view to obtaining a clear statement of its intentions regarding the way the law is to be enforced. ("Hírlap", Nov. 9.)

### ANTI-MINORITY PROVISIONS OF NEW RUMANIAN ADVOCATES BILL

The official organ of the Rumanian Law Association has just published the text of a new Bill relating to the regulation of legal practice. The new Bill possesses a peculiar importance in principle, because *this is the first case recorded in the history of the Rumanian Parliament of the enforcement of the principle of the priority of the Rumanian element laid down in Article 27 of the new Rumanian Constitution.*

In terms of the draft Bill the quota to be applied in respect of the minorities is to be determined after the Bill has become law by the committees of the Chambers of Advocates. In those counties, however, in which the proportion of minority inhabitants exceeds 30% of the total population, the number of minority advocates may be in excess of that conditioned by the general quota fixed for the country as a whole; and that proportion is to be determined, not by the competent Chamber of Advocates, but by the Committee of the National Union of Chambers of Advocates. *The Draft Bill moreover demands that all advocates shall be able to speak and write unexceptionable Rumanian. To this end all articulated clerks are to take a State examination in Rumanian when they are entered in the roll.* The Preamble to the Bill points out that the distribution of advocates by nationality in the country generally may be — as postulated by the respective quotas of population of the several nationalities — as follows: — Rumanians, 71.9%; Magyars, 7.9%; Germans,

4.1%; Russians, 2.3%; Ruthenians, 3.1%; Serbians, 0.3%; Bulgarians, 2%; Jews, 4%; Turks, 0.9%.

We must however point out that there is an anti-minority tendency in the provision of the Bill which entrusts to the discretion of the Chambers of Advocates the determination of the quota of minority advocates; and only in the Preamble is mention made of the circumstance that the decisive moment for determining this quota shall be the general ratio of population in the country as a whole. And this provision is also injurious and unfair because in the case of the Magyars, for instance, their general quota is only 7.9%, whereas in Transylvania they represent 29% of the total population, in the Banate 10.4% and in the region of the Körös Valley and Máramaros 23.1%. Still more striking is the unfairness of treatment contained in the provision of the Draft Bill under which *the quota of minority advocates may be in excess of the general ratio for the whole country only in those counties in which the number of inhabitants belonging to the respective minority represents a quota exceeding 30% of the total population*. In the event of this provision becoming law, of the 1.353.000 Magyars living in Transylvania, the Banate and the region of the Körös Valley and Máramaros only those living in 6 counties will enjoy that privilege, ten other counties being left entirely out of account in which the proportion of Magyars exceeds 10%. In Bihar County, for instance, the 153.000 Magyars represent barely 30% and would therefore not come under this stipulation. The same would be the fate of the 74.191 Magyars (25.2%) of Szatmár County, of the 82.488 Magyars (19.5%) of Arad County, of the 39.214 Magyars (21.4%) of Torda-Aranyos County and of the Magyars of many other counties too.

*The new Advocates Bill, therefore, establishes expressly a numerus clausus in the legal profession*. The Magyars of Transylvania have never opposed the idea of the nationalities being represented in the several branches of occupation by quotas corresponding to their respective ratios of population. For the just application of this principle it is however necessary that the quotas should be fixed, not only generally for the whole country, but specifically for each county separately in keeping with the actual situation in respect of nationalities. Such procedure would only cause an apparent shifting; for, apart from the 23 counties of Transylvania, there are scarcely any Magyar advocates to be found in the rest of Rumania — with the exception, of course, of Bucharest. And the principle of justice would require further that the system of quotas should be enforced, not in one or two branches or professions only, but generally in all branches of occupation. In the civil services, for instance, the "majority and state-building character of the Rumanian nation" is so thoroughly emphasised that the number

of minority members of those services is far below that postulated by their quota of the total population.

COUNT JOHN ESTERHÁZY: "WE SHALL NEVER WAIVE OUR RIGHTS"

On 27th January Count John Esterházy addressed a meeting of the Committee of the "United General Christian Socialist and Hungarian Party of Slovakia."

"On behalf of the Magyars of Slovakia" — he said amongst other things — "I gladly offered my services for the work of Statebuilding, *but so far no notice has been taken of my offer.* I simply take cognizance of this without seeking to discover what reason lies behind it. It will make no difference to our attitude towards the State, but self-respect forbids our taking any further steps until we have been asked to do so. *We shall never waive any of our rights or be silent on the subject of our wrongs.* If our co-operation is needed we shall always be ready to give it, *but first we absolutely demand a radical redress of all our grievances.*"

Count Esterházy then proceeded to point out that Italy was fully prepared for any emergency, and that she considered her interests in Europe identical with those of Hungary.

"The men upon whom, after the conclusion of the war, the task of reorganizing Europe will devolve" — he said — "will not be able to ignore the postulates of the natural features of the Basin of the Carpathians. *In that Basin, besides the question of Hungary's position, the problem of the Magyars in Slovakia and Transylvania has not yet been solved in a way calculated to ensure lasting peace.*"

"While war and its dangers last", — said Count Esterházy in conclusion — "we are like people in a dark tunnel, but the wise leaders of the Hungarian nation are striving hard to guide that nation safely through the darkness to where the light of day gleams faint at the mouth of the tunnel. With firm steps the nation presses towards the light which, with God's help, will shed its radiance over the future of the Hungarian people, who today are struggling hard and suffering much, but who will never falter or fail."

TWO LEADERS OF MAGYARS OF YUGOSLAVIA ON WISHES OF MAGYAR MINORITY

In the first days of the new year, the leaders of the Magyar minority spoke at two different places about the grievances the redress of which the Magyars of Yugoslavia have been seeking during the past 21 years. That they have done so

in vain, bears out the truth of the sincere and well-founded statement made by M. Maček, Deputy Premier, which was published in our January issue. In it he said that *so far Yugoslavia's minority policy had been wrong, and would therefore have to undergo a rapid and radical change.*

At Nagybecskerek (Veliki-Beckerek), on New Year's Day, M. Imre Várady, the only Magyar member of the Senate, spoke of the situation of the Magyar minority to a delegation that had come to wish him a Happy New Year. In his speech to them he first pointed out that *his repeated attempts to intervene with the competent authorities on behalf of the Magyar minority had been practically useless. He hoped, however, that the rapprochement between Yugoslavia and Hungary would soon result in the Magyar minority's legitimate demands being granted.* One of the most important of them was *permission to reorganize the Hungarian Party dissolved on 6th January 1929.* "We want a separate political Party for the Magyar racial group," — said M. Várady, — "a political Party with a programme of its own. Premier Tsvetkovitch, it is true, recently announced that there can be no question of party formation on a nationality basis in the new election law, but, nevertheless, the Magyar minority hopes that the political facilities granted to the minorities in the Banate of Croatia will not be denied to the minorities in the rest of Yugoslavia." M. Várady then spoke of an old demand of the Magyar minority, and emphasised *how important it would be, as a means of effectively protecting the interests of the Magyar taxpayers, if citizens of Magyar nationality were allowed to sit on the assessment committees.* Speaking of education, he said they insisted on a complete and final abolishment of the notorious system of name-analysis still in force in Yugoslavia, and demanded *the appointment of at least two school-inspectors of Magyar nationality to supervise the so-called "parallel" sections of the State schools.* He complained of the way Magyar qualified teachers were being employed, saying that, with one or two exceptions, they were not given posts in the Magyar sections, although the majority of teachers in those sections could not speak the mother-tongue of their pupils. In conclusion M. Várady stated that the Magyars insisted on liberty to organize in the sphere of culture. In particular, he emphasized their demand to be allowed to form a general union of Magyar social and cultural societies similar to the "Kulturbund" of the German minority. ("Napló", Jan. 3.)

When M. Beshlitz, Minister for Transport, visited Szabadka on 5th January, Dr. Denis Streliczky, former member of the Skupshtina (Hungarian Party), who welcomed the Minister of behalf of the Magyar delegation, demanded the redress of the Magyar minority's grievances and the satisfaction of their legitimate demands. He spoke of *the Ordinance restricting the*

*sale and purchase of real estate*, and urged that the repeated promises of an amendment that would keep the interests of the Magyar minority in view should be fulfilled. He also mentioned the question of education, in connection with which he drew the Minister's attention to the regrettable fact that *there was only one teacher of Magyar nationality in the Magyar section of the Szabadka State grammar-school, where since years all subjects, with the exception of the Hungarian language and literature and religion, had been taught in the official language of the State.* As the Magyar teacher was on the point of retiring, the Magyar section would soon cease entirely. Dr. Streliczky begged the Government to appoint Magyar teachers in the Magyar elementary schools and urged the complete abolishment of the system of name-analysis still in vogue. *He also urged the employment of young Magyars in public offices, and stated that not one single Magyar held a post of any importance in the Szabadka municipal offices.* At the conclusion of his address, he said that the Magyars were anxious to know who was to be their Senator and why he had not been appointed yet. M. Beshlitz replied in Hungarian, and *promised a redress of the grievances enumerated.* He then said that since no minority Party of a general type could be formed, *he advised the Magyars to organize within the framework of a Radical Yugoslav-Magyar organization.* He had nothing against the appointment of a Magyar secretary in the Banate Party Bureau and at Szabadka. In conclusion the Minister stated that the Banate department had again recommended Dr. Imre Várady for appointment as Hungarian Party Senator. The delegation then asked M. Beshlitz *to redress the grievances of the Magyar railway employees and officials, give young Magyars with a perfect command of the language of the State posts in the railway service, and settle the twenty-year-old matter of the Magyar railway employees who had been dismissed without pensions. Besides this, mention was made also of the ticket-tax imposed on the Magyar reading club at Szabadka. Redress of that grievance was demanded. ("Napló", Jan. 5.)*

We would fain, especially after M. Maček's encouraging statement, believe that the Yugoslav Government will now take the necessary steps to redress without delay the above-mentioned primary grievances of the Magyar minority.

# HOW MINORITIES LIVE

## RUMANIA

### RUMANIAN STATE USES HUNGARIAN PROPERTY FOR TWENTY YEARS — WITHOUT PAYING RENT

One of the leading institutions of the Magyar minority in Transylvania is the "Hungarian Cultural Association of Transylvania" (abbr. EMKE). The "EMKE" was originally an extremely wealthy institution, established for the purpose of promoting Hungarian cultural interests in Transylvania; unfortunately, however, it lost a portion of its wealth partly by investment in war-loans and partly in consequence of the Rumanian financial conversion scheme; another partion, the real estate — including the valuable model farm at Algyógy — was illegally confiscated by the Rumanian State. One of the assets of the "EMKE" is a site in the town of Balázsfalva (Blaj), representing a value of more than a million lei; there is also a building on the site. The building was requisitioned by the town in 1919; at first it was used as a town hospital, later it became a State hospital, but neither of the tenants has so far paid any rent to the "EMKE". The "EMKE" gave notice to the State hospital in 1938; this act was endorsed also by the Court. Before applying for a warrant of evacuation, the "EMKE" submitted a memorandum to the Ministry of Health pointing out that — according to the evidence of the land register — the hospital building was the legal property of the "EMKE". The Ministry, however, did not even reply to this memorandum and has left the question of rent unsettled. Recently the affair took a new turn when the town of Balázsfalva expropriated a strip of the site of the "EMKE" for the purposes of the town, without offering any indemnity. The "EMKE" thereupon appealed to the Court, with the result that the town of Balázsfalva was ordered either to return the strip of land to the "EMKE" or to pay an indemnity of 300.000 lei. The burgomaster, however, refused to obey the order. This is another of the cases illustrating the unequal struggle between minority institutions and the authorities. (*Népujság*, January 7.).

### ANOTHER ATTACK ON EXISTENCE OF MINORITIES

On December 2th, 1939 the *Official Gazette* published a decree concerning the cosmetic profession. The decree provides that all cosmeticians — irrespectively of their certificates of qualification — have to pass another qualifying test. All candi-

dates for this examination are expected to have a complete command of the Rumanian language both in reading and in writing. (*Keleti Ujság*, December 22, 1939.).

### PROTESTANT CLERGY AGAIN URGES STATE SUBSIDY

As the result of numerous discussions between the leaders of the Protestant minority churches and the Minister of Education, the Protestant clergy were assured that the Ministry would devote serious consideration to the question of clerical State subsidies and that the abnormally low amount of these subsidies would be considerably raised from January 1st, 1940. No active step has however so far been taken in this direction. (*Déli Hírlap*, January 6.).

### LAND REFORM INFLICTS LOSS OF 350 MILLION LEI ON PROTESTANT CHURCH

The *Protestant Diocese of Transylvania* on November 25 1939 submitted to the Assembly a report, which gives an account of the losses of the Protestant Church in respect of land which — although it had served ecclesiastical and scholastic purposes — was expropriated under the Land Reform. Some of the parishes had — even before the Reform — possessed 22.571 yokes of land less than allowed by the Reform. However, instead of receiving the area of land, still due to them, the parishes lost altogether 24.421 yokes; in return they received a low purchase price from the State, viz. 19.666.842 lei, a circumstance which, again, meant heavy losses to the Church, as the actual value of the land thus expropriated amounted to no less than 368.846.778 lei. If, then, we deduct the sum paid by the State, it appears that the Protestant Church in Transylvania has suffered a loss of 349.179.936 lei. This material loss was aggravated by the fact that the expropriation of its properties makes it almost impossible for the Protestant Church to provide for its schools, since the grant given by the State is so low that it can hardly be called substantial relief. (*Ellenzék*, Nov. 23, 1939).

### MAGYAR WIDOWS' PENSIONS REDUCED BY 50 PER CENT

One of the outstanding problems of the Magyar minority in Transylvania is the question of pensions. Hundreds of minority officials have been dismissed without previous notice on the pretext that they had not been included in the citizens' register and could, therefore, not be considered as Rumanian nationals. Another, also very large, number of officials were dismissed in 1934—35 because they could not pass their examinations in the Rumanian language. The number of these officials is well over

2000, and they will not receive pensions before they are 57 years of age. The Pensions Office in Bucharest recently decided to reduce by 50% the pensions of those widows whose husbands retired during the Hungarian régime, though their deaths occurred during the present Rumanian régime, so that their (the widows) pensions had been fixed and paid by the Rumanian State. This decree is to have a retrogressive force. The widows concerned are almost exclusively Magyar or other minority pensioners, and this regulation not only involves a substantial material loss to them, but is also an act of glaring injustice, as it enforces only those provisions of the Hungarian pension scheme which are detrimental to the interests of the pensioners concerned. (*Magyar Újság*, January 7, 1940).

### CURIOUS METHOD OF CONTROLLING ACTIVITY OF MINORITY THEATRES

The Rumanian superintendent of theatres has sent a list of the names of the ten minority theatre managers holding licences from the Government to the municipal authorities in the Transylvanian towns, with instructions that the municipal departments of public education must exercise control over the activity of minority theatrical companies. This control extends to the following matters: the authorities must censor the texts of all plays, each page of which must bear the official stamp of approval; they must see that royalties are paid, that no offensive expressions occur in the text, that members of the theatrical syndicate pay their membership fees, and so on. In conclusion, special stress is laid on the point that all military uniforms and peasant costumes used during the performances must be of the regulation pattern prescribed by the military and civil authorities in Kolozsvár. It is obvious that this method of control will make it possible for the authorities to put a ban on the activity of the Magyar theatrical companies whenever they wish to do so. ("*Népujság*", December 9.)

## YUGOSLAVIA

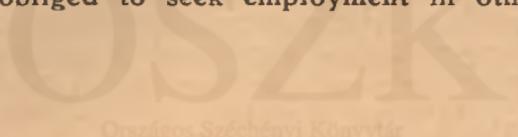
### WHAT ABOUT EQUALITY?

The newly appointed Municipal Council of *Zenta*, the population of which is 87 to 90 per cent. Magyar, held its constituent assembly on 23rd December, 1939. Including those of Jewish religion, this new Municipal Council consists of 21 Hungarian and 24 Serb members. Another striking feature is that the leader of the Magyars, M. John Vámos, who was a very prominent member of the old Municipal Council, has not been given a seat on the new one. The appointment of the new

Municipal Council of the 94 per cent Magyar town of Ókanizsa (*Pavlograd*) has been made on practically the same lines. Of its 35 members, 16 are Serbs and 19 Magyars, and besides this, *the two most active representatives of the Magyars, Dr. Peter Batta, who from the outset had been a member of the Committee of the Hungarian Party and as such a man highly esteemed even in Serb circles, and Dr. Joseph Gajó, Banate Councillor, were not appointed.* As all the municipal officials, with one or two exceptions, are Serbs, the majority of the members of the successive Municipal Councils have also always been Serbs.

#### NUMBER OF MAGYAR AND GERMAN STUDENTS AT YUGOSLAV UNIVERSITIES

According to the figures of the Government Statistical Bureau, the number of students attending the Yugoslav universities is 16.207. *Of these 331 are Magyars and 382 Germans -- in other words only half as many as the numerical strength of the two national minorities might lead us to expect.* The explanation is simply that even now young minority people with university degrees do not receive posts in the public offices and are therefore obliged to seek employment in other non-official walks of life.



## BOOKS

### *Wickham Steed: Our War Aims (Secker and Warburg; London)*

This latest book of *Mr. Steed* has the same clarity as his earlier works: "*The Hapsbourg Monarchy*", "*Through Thirty Years*", etc. It is, as a matter of fact, not only a statement of the war aims but contains also a study of Hitlerism and Stalinism and has an introductory part about international questions in general. The book is of course purely propagandist and entirely lacking in that judicial impartiality which is absolutely necessary in the discussion of questions concerning the past twenty years and the neutral States. Thus, for instance, the League of Nations failure is, in *Mr. Steed's* eyes, due not to the refusal of its founders and leaders to carry out its policy (defence of minority rights, disarmament, peaceful change) but to the unwillingness of member States to accept the limitation of sovereignty! And *Mr. Steed* goes so far in his condemnation of sovereignty as to risk the astounding view that "*the right of a sovereign State to be neutral must disappear*"! A strange conception of that freedom of which the author claims to be the defender...

*Mr. Steed* calls "*foolish people*" all those who believe that the *Versailles Treaty* was erroneous. In his view, this Treaty liberated 80 to 100.000.000 people in Europe! *Mr. Steed* who was one of the chief propagandists of the destruction of the *Austro-Hungarian Monarchy* and is thus responsible for the conditions which enabled *Germany* to annex such considerable parts of the *ex-Monarchy*, does not try to count the number of the now far more oppressed millions of the *Versailles* minorities and to consider their sufferings. No wonder that the war aims of *Mr. Steed* are nothing more than the slogan: "*Back to the German frontiers of 1919!*" He also writes one or two pages about a federal union, but forgets to think over the re-construction of Danubian security.

In our modest view, the sixpenny pamphlets of *Mr. Harold Nicolson*, *M. P.* or of *G. D. H. Cole* or of *Lord Lloyd* give a far better conception, let alone the memorable letter of His Grace the *Archbishop of York* to the Editor of the *Daily Telegraph* (Dec. 4th.) who speaks also of "unhealed frontiers" and appreciates the necessity of separating the *Czech* case from the *Slovak* instead of still using, like *Mr. Steed*, the outmoded terminology of "*Czechoslovakia*."

A. de Póka-Pivny.

# POLITICAL ECONOMY

## HUNGARY

### HUNGARY'S ECONOMIC SITUATION AT ITS ZENITH

The report of the Hungarian Economic Research Institute shows that Hungary's economic situation was very favourable in 1939. The yield of the most important agricultural products exceeded the average yield of the last five years, while the ever-growing European demand in evidence since the outbreak of war made it possible to dispose of the whole surplus on the most advantageous terms. No difficulties were experienced in respect of cattle exports, inland consumption also increased, so that the problem facing Hungary today is no longer that of marketing but how to increase the live stock.

The leading part in this growth of economic prosperity was played by the industries affected by the rearmament programme and by State investments, among them the manufacturing industry in particular. The iron and machine industries are now working at a considerably increased capacity and employ 140.000 workers more than in the most prosperous of previous years. The buying power of the working class and the town population shows a marked increase. This may be seen, among other things, from the growth in the output of the textile and chemical industries. Foreign markets are displaying an unparalleled interest in Hungary's textile industry, and that applies also to the leather and paper industries. The sugar refineries have increased their turnover by 17%, the breweries by 57%. The total number of industrial employees has risen to over 800.000, a figure that only a few years ago would have been considered fantastic.

This extremely favourable development of the country's economic situation exercised a similar effect on the stability of the credit market; the bulk of the earlier loans were repaid; and the banks not only recovered the deposits withdrawn in the period of the war crisis a few months ago, but showed a remarkable advance in their stock of deposits too. The amount of savings deposits increased from 659 million in 1938 to 693 million pengő in 1939, while that of current account deposits showed an increase from 762 to 769 millions. On the other hand, the number of bankruptcies fell from 699 to 576. The level of share quotations was 33% higher than in the previous year, while the prices of bonds showed an advance of 10% at the end of the year as compared with the summer months.

Apart from minor difficulties due to the abnormal con-

ditions prevailing at the outbreak of war, Hungary's export trade was also much brisker in 1939 than in the previous year. The total value of the trade was 15% higher than in 1938, and, though the country's import trade also shows an increase of 17%, the excess of exports still amounted to 110 million pengő, — a very considerable sum.

## RUMANIA

### RUMANIA'S ECONOMIC SITUATION

In its New Year's review of Rumania's economic situation (January 1st, 1940), the "Universul", a prominent Bucharest daily, declared that the war had created a critical situation in Rumania's economic life. Facilities for the importation of goods purchased abroad are far from being ensured, and the purchase of raw materials for certain industries has become extremely difficult; in other respects, the economic activity of the whole country is adjusted to serve almost exclusively the interests of national defence and foreign policy.

The Rumanian Economic Research Institute publishes the following figures relating to agricultural production in 1939: the yield of wheat amounted to 44.886.000 q as against 48.214.000 q in the previous year; rye: 4.745.000 q (5.172.000 q); potatoes, 62.394.000 q (51.173.000 q); oats: 10.056.000 q (8.322.000 q); barley 4.759.000 q (4.630.000 q.). In the yield of the latter products — as we see — there was a slight increase; and the same may be said of maize too. With the exception of maize, the prices of all cereals fell at the outbreak of the war, and — since the farmers had already sold their supplies by then — the producers themselves profited very little by the rise of prices in the autumn.

The total number of commercial transactions showed a continual decline from the middle of 1938 to the middle of 1939, since when it achieved a remarkable increase; thus, in October, the rate of increase was 11.4% as compared the previous year. The home market, however, shows a more favourable development than the export trade, which was considerably hampered by the difficulties arising in consequence of the coal and war crisis. The sale of foreign products rapidly decreased on account of the high international prices of these products.

The industries concerned in State investments increased their capacity considerably: the iron and steel industry, for instances by 10%, while the manufacture of half-finished products decreased by 3—4%, also owing to the shortage of raw materials. Rumania's textile industry in 1939 produced 10% less than in 1938, and 25% less than in 1937. A number of factories were obliged to close down in November and Decem-

ber, because they were unable to procure raw materials. The capacity of the leather industry increased by 18%, while prices were 25—50% higher than in the previous year. The cement and provision industries showed a remarkable increase; but the timber industry showed a set-back of 50%, owing to the shortage of workers and transport facilities.

The total quantity of oil produced in 1939 was 6,200,000 tons, as against 6,700,000 in 1938. The demand for this product has increased enormously since the outbreak of war.

The total value of exports in the first 10 months of 1939 is estimated at 2300—2400 million lei, a figure certainly exceeding that for the previous year. The volume of imports, on the other hand, declined. In respect of exports the volume of agricultural products exported increased, while wood (and timber) and oil decreased; on the Imports side the principal items were machines and hardware. Germany was Rumania's chief customer her imports from that country representing a quota of 40% as against 26.5% in 1938. The quota of exports marketed in Germany was 41%, as against 41.5%. The German-Rumanian trade agreement will produce a further increase of these quotas.

In 1939 prices were 38% higher than in 1936, (i. e. prior to the economic crisis), while the note circulation showed an increase of 41% as compared with the previous year. The revenue of the State in the first 7 months of the fiscal year 1939—1940 amounted to 23,890.8 million lei, as against 21,372.4 millions in the previous fiscal year.

The article does not contain detailed items of State expenditure.

## YUGOSLAVIA

### FRANCO-YUGOSLAV CLEARING AGREEMENT

In an interview with the representatives of the press, M. Andres, French Minister of Commerce, declared that the new Franco-Yugoslav clearing agreement offers Yugoslavia the advantage that her exports to France should always exceed French exports to Yugoslavia by 50%. The agreement also provides for the methods of payment: 40% of the money that Yugoslavia is to receive for her goods is to serve for the payment of Yugoslavia's debts in France; 50% will be paid to French exporters, while 10% is to be paid to Yugoslavia in foreign exchanges.

### BALANCE-SHEET OF YUGOSLAV NATIONAL BANK

The annual report of the National Bank of Yugoslavia (Narodna Banka) shows that the earnings of the bank increased

considerably in the year 1939. Gross profits exceeded 169 millions dinars, while net profits amount to 52.7 millions.

### REPORT OF STATE MORTGAGE BANK

The State Mortgage Bank (Državna Hipotekarna Banka) recently published its report for the year 1939, from which it appears that the bank obtained for the year net profits amounting to 100 million dinars. This large amount of profit is rather surprising in the case of a State bank, as it has frequently been pointed out that the bank was run on "altruistic" lines.

### PROVISIONS FOR "PASSIVE" AREAS

In order to provide for the alimentation of the "passive" (non-productive) areas, the Government has ordered 800 truckloads of foodstuffs — particularly wheat and maize — to be sent to certain parts of the country. — The total amount of foodstuffs to be sent there is to be 6.000 truckloads.

### SMALLHOLDERS TAXES CANCELLED

The Yugoslav Government has resolved to exempt from the payment of taxes all smallholders whose annual income does not exceed 1.000 dinars. This actually means the exemption of altogether about three million smallholders in the whole country. A new system of taxation has also been introduced in respect of craftsmen; they will have to pay certain fixed sum as commutation, which means a considerable reduction of their taxes.

### CLOSING DOWN OF NUMBER OF CEMENT FACTORIES

The circumstances created by the war have forced the cement works in Dalmatia to close down and to dismiss their workers. The factory in Spalato has already dismissed 700 workers. A circumstance illustrating the position is that the factories have accumulated 4.000 truckloads of cement which cannot be sold.

*Owing to a printing error we have given to our last January issue the number of Vol. VII. No. 9. instead of Vol. VII. No. 8, which makes the right number of our present issue Vol. VII. No. 9.*

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