

HUNGARY'S CLAIM TO THE RESTORATION OF TRANSYLVANIA

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II. GEOPOLITICAL LAWS IN CARPATHIAN BASIN

Hungary's geographical claim to Transylvania is just as strong as is her historical claim to that country. The Hungarian Basin — or rather, the Basin of the *Carpathians* — is the pivot of political equilibrium in *Central Europe*. The *Basin* of the *Carpathians* is completely encircled by mountains — on the West by a spur of the *Eastern Alps*, on the north-west, north, north-east, east and south-east by the semi-circular wreath of the *Carpathians* stretching right down to *Orsova*, where the *Danube* leaves the territory of Hungary, and on the south-west by the hills running NW—SW. of the northern part of the *Balkan Peninsula*. A cursory glance at the orographical map of *Europe* enables us at once to establish that the Basin of the *Carpathians* forms a geographical unit of the shape of an ellipse raised into striking prominence by the surrounding wreath of the *Carpathian* mountains. Prior to the first *Great War* there was no other State in *Europe* possessing natural frontiers so exactly coinciding with the political frontiers as those of Hungary. But the aspect presented by the hydrographical situation in the Basin of the *Carpathians* also reveals the existence of a striking unit. The watersheds are almost without exception the frontier mountains of the *Middle Danube Basin* running round the country. Within the natural frontiers we find a well-developed, uniform system of rivers all gravitating towards the same centre. The waters rising in the outlying regions all discharge into the *Danube* or the *Tisza*, while the latter river too joins the *Danube* before that mighty river leaves the *Hungarian Basin*. This geographical character has at all times also determined the economic life and the development of the peoples living in the Basin of the

Carpathians. The centre of that Basin is the Great Hungarian Plain (Lowlands), a territory possessing exceptionally fertile soil which ensures the livelihood of its large population — relatively dense in this area. This rich, abundantly productive territory forms the economic centre of gravity of the whole Basin. Organically connected with this territory are naturally the hilly and mountainous districts on the outskirts of the country where only mining and industry were able here and there to induce a density of population, the supply of cheap food to this part of the population being also the task of the Lowlands lying in the centre of the Basin. In return for articles of food the hilly and mountainous districts on the other hand supplied the inhabitants of the Lowlands with wood, salt, mining products and industrial products. *From the economic point of view the respective products of the Lowlands and the mountainous regions were of a happily complementary character; and it was this auspicious harmony of the economic life of the country that rendered possible in pre-War days the development of a tranquil and well-to-do bourgeoisie in the Basin of the Carpathians. And the Peace Edict of Trianon broke this ideal unit into fragments.*

Out of this geographically united Basin of the Carpathians the Trianon Peace Edict carved a slice of territory 103,000 square kilometres in area and allotted it to Rumania. The greatest crime committed by the persons responsible for the post-War adjustment was their defiance of geographical facts. This circumstance is illustrated most strikingly by the weakness of the geographical structure of the Greater Rumania formed after the Great War. This Greater Rumania consists of four separate pieces of territory neither of which is in itself a unit, — the older Rumanian territory known as the “Regat”, and the areas acquired under the Treaties of Peace, Bukovina, Bessarabia, and the territories wrested from Hungary. Old Rumania itself comprises two geographical units — one being the fertile province of Wallachia lying between the Southern Carpathians and the Danube, which is watered by the rivers having their sources in the Southern Carpathians, and the other Moldavia, a province stretching from the Eastern Carpathians right down

to the river *Pruth*. These two divergent geographical units, each of which has had a separate historical past of its own, have been welded into one solely and exclusively by the racial identity of their populations.

Moldovia is separated by the river *Pruth* from *Bessarabia*, the province wrested from *Russia* which stretches right as far as the Dniester. The province of *Bessarabia* is made inseparable from *Russia* by its historical past; while its geographical structure makes it complementary to the South Russian tableland. In 1910 the *Rumanians* living in *Bessarabia* represented altogether 47.6% of the total population of that province. This province has now been recovered by *Russia*, which has occupied *Bukovina* too. The latter province was allotted to Greater *Rumania* out of the territory of *Austria*; it has an area of 10,442 sq. kilometres and a population of 800,000 souls, the quotas of *Ruthenians* and *Rumanians* being equal, while that of persons of other nationality also represents roughly 30%.

The province of *Dobrudja* which was wrested from *Bulgaria* is separated from *Rumania* by the lower bend of the Danube. This province belongs to *Bulgaria* alike by virtue of its historical development, its geographical structure and its economic conditions. *It was the southern part of this province that Rumania wrested from Bulgaria; and even according to the Rumanian Census of 1930 the quota of Rumanians living in the province was only 41.7%.*

The acquisition of the territories wrested from *Hungary* completely changed the geographical structure of *Rumania*. The territories wrested from *Hungary* consist of three parts — of historical *Transylvania*, of the *Banate* and of outlying districts of the *Hungarian Lowlands*. The territories wrested from *Hungary* are divided from *Rumania* on the east by the series of wooded chain of the *Carpathians* and on the south by a single branch of this range of mountains which, though only consisting of a single row of hills, shows imposingly huge dimensions. These high mountains are for the most part uninhabited. The only means of crossing the frontier wall are the passes situated at a great height. And there are very few passes too. The mighty *Carpathian*

mountains, therefore, instead of connecting the territory of the Transylvania torn from the body of *Hungary* by the peace treaties with the old *Kingdom of Rumania*, serve on the contrary as a dividing line effectually separating the two countries. Historical *Transylvania* itself is bounded by the *Eastern Carpathians*, the *South-Eastern Carpathians* and on the west by the *Bihar* range. The latter rises like some mighty, lofty island on the western fringe of the *Transylvanian Basin*; but it does not close that Basin, since it leaves open — on the north and the south — two gateways leading to the *Great Hungarian Plain (Lowlands)* through the valleys of the rivers *Szamos* and *Maros*. In historical *Transylvania* the centre of the territory enclosed by mountains is filled by a high plateaux or table-land. That historical *Transylvania* is from a geographical point of view a perfect complement of the Basin of the *Carpathians*, is shown, not only by the mighty watershed wall formed by the *Carpathians*, which completely separates *Transylvania* from *Rumania* proper, but also by the hydrographical structure of *Transylvania*; for — apart from two streams of minor importance — all the rivers of *Transylvania* flow down towards the *Hungarian Lowlands* and discharge into the *Tisza*. The distribution of population also shows the interdependence of this territory and the *Carpathian Basin*. The river valleys and the towns forming the centres of the *Transylvanian Basin* are inhabited by *Magyars*. In the north-east and south-east we find *Saxon* settlements. In most areas we find the various nationalities living promiscuously; in the eastern and south-eastern parts of *Transylvania*, on the other hand, in five counties we find a compact block of *Széklers*. *Széklerland* itself embraces an area of 18,768 square kilometres, that being almost one-third of the total area of historical *Transylvania* (62,229 sq. kilometres). *In this very large area in 1910 the number of inhabitants was 807,000, the number of Széklers (of Magyar race) being 547,000 — i. e. 67.8%. The number of Rumanians living in this area represent barely one-fourth of the total population.*

In addition to historical *Transylvania*, the treaties of peace allotted to *Greater Rumania* also that part of the outlying regions of the *Great Hungarian Plain* which flanks

the middle reaches of the three Körös rivers and the Szamos, together with a part of the Banate. This territory forms a broad strip of land running from north to south to the west of the Bihar range which is some 400 kilometres in length; it is entirely flat country and is complementary to the *Hungarian Lowlands*. There can be no doubt that this flat country is *Rumania's* worst frontier. Here there is not a single natural factor to support the configuration of the political frontier; the rivers and streams all run across it at right angles, the only marks of the political frontier line being the boundary stones placed in ploughed fields. This territory is very thickly populated. The inhabitants of this territory carried on the trade between the *Great Hungarian Plain* and the mountainous regions of *Transylvania*. The new frontier however completely paralysed this trade — a circumstance equally interests the inhabitants of both regions. *The great bulk of the inhabitants of this flat country are Magyars; only in the southern districts — in the so-called Banate, which had to be settled afresh after the destruction wrought by the Turkish occupation of the country — do we find a mixed population.*

When we investigate the demographic conditions of the territory wrested from *Hungary* and allotted to *Rumania*, we find that *Magyars* are living in compact language blocks in the eastern part of *Transylvania* — in *Széklerland* —, the centre of that province and in the districts on the fringe of the *Great Hungarian Plain*. We find *Saxons* living in a compact language block in the south-eastern corner of *Transylvania* — in the so-called "*Barcza District*" — and in the east of *Transylvania*, in the environs of *Beszterce*; while we find *Swabians* living in a compact language area in the Banate. The *Rumanians* who filtered over the frontier from the *Old Kingdom (Regat)* settled first in the Alpine mountain regions immediately adjoining that kingdom. *Rumanians* are found living in compact masses in the south-eastern part of *Transylvania* — in the Counties of *Fogaras*, *Hunyad* and *Krassó-Szörény* — and in the north, in the County of *Máramaros*, the other great centre of *Rumanian* immigration. But even in these counties the population is not purely *Rumanian*, the *Rumanians* living here too, as in the

other areas, promiscuously with other peoples, in particular with Magyars, above all in the river valleys.

The numerical distribution of the nationalities does not however reveal the part played by the Magyars in Transylvania. The cultural superiority of the Magyars is reflected in the distribution of nationalities in the towns of Transylvania. The relevant figures too are evidence of the fact that the culture of *Transylvania* is *Hungarian*. However many *Rumanians* there may be living among the mountains, the figures showing the populations of the towns — the factors responsible for the direction of the cultural life — reveal very considerable majorities of *Magyars* even in the *Rumanian* language areas. This state of things — the presence everywhere of Magyar majorities — even the 1930 Rumanian Census proved unable to disguise. We now give our readers the demographical statistics of the Transylvanian towns possessing municipal rights: —

Populations of Municipal Towns in Transylvania: Figures showing Distribution by Nationalities in 1910 and 1930 respectively.

<i>Temesvár</i>	1910	1930
<i>total</i> population	72,555	91,580
Magyars	28,552	32,513
Germans	31,644	30,670
Rumanians	7,566	24,088

<i>Nagyvárad</i>	1910	1930
<i>total</i> population	64,169	82,687
Magyars	58,421	55,039
Germans	1,416	1,118
Rumanians	3,604	20,914

<i>Arad</i>	1910	1930
<i>total</i> population	63,166	77,181
Magyars	46,085	41,161
Germans	4,365	4,617
Rumanians	10,279	28,537

<i>Kolozsvár</i>	1910	1930
<i>total</i> population	60,808	100,844
Magyars	50,704	54,776
Germans	1,676	2,702
Rumanians	7,562	34,836

<i>Szatmárnémeti</i>	1910	1930
<i>total</i> population	34,892	51,495
Magyars	33,094	30,308
Germans	629	669
Rumanians	986	13,941

<i>Marosvásárhely</i>	1910	1930
<i>total</i> population	25,517	38,517
Magyars	22,790	25,359
Germans	606	735
Rumanians	1,717	9,493

The respective figures of the 1910 Hungarian and 1930 Rumanian Censuses show a shifting in the populations of these towns in favour of the Rumanians, a circumstance due to the fact that large masses of Rumanian officials from the Old Kingdom in the intervening period swarmed into the Hungarian towns of Transylvania. Yet even this immigration on a large scale of Rumanian officials has failed to change the Magyar character of these towns. And the same is true on the whole of the situation in all the towns of Transylvania.

Distribution of Town Populations by Languages (Mother-Tongues) in 1910 and 1930 respectively in the territory of Great Transylvania.

Mother-tongue	1 9 1 0		1 9 3 0	
	Number	Percentage (%) of total population	Number	Percentage (%) of total population
Hungarian	480,000	62.0	431,000	44.9
Rumanian	152,000	19.6	330,000	34.4
German	123,000	15.9	130,000	13.6
Others	19,000	2.5	69,000	7.1
<i>Total</i>	<i>774,000</i>	<i>100.0</i>	<i>960,000</i>	<i>100.0</i>

The geographical facts therefore connect the Greater Transylvania wrested from Hungary and allotted to Rumania in every respect, seeing that the *Carpathian* mountain chain completely separates Transylvania from *Greater Rumania*, this natural dividing line making impossible also any intensive economic-political intercourse between the two countries, while in respect of demographical data the nationality statistics of the towns in particular prove that the Magyars have for over a thousand years at all periods displayed a cultural superiority in Greater Transylvania.

HUNGARY AN INDIVISIBLE ECONOMIC UNITE.

The *Hungary* of the period prior to the Great War of 1914—18 — which had been welded into one unit for a thousand years by the postulate of geographical cohesion — constituted a unit economically too. The corn-growing Lowlands and the smaller flat districts were ideally complemented by the mountainous regions rich in minerals and timber. The abundance of industrial raw materials available in the country neutralised *Hungary's* exclusively agrarian character and enabled her to initiate a large-scale policy for the promotion of industry in the outlying districts. As is well known, in these outlying districts possessing less fertile soil the inhabitants of which are poorer — in those very territories allotted to foreign States by the *Peace Edict* of Trianon — the *Hungarian State* very wisely resolved to undertake considerable investments. The amount spent in these regions on the building of roads, the establishment of factories and the foundation of cultural and economic institutions was considerably larger in proportion than those expended for similar purposes in the other parts of the country. This economic and cultural policy resulted in enabling the non-Magyar nationalities in pre-War *Hungary* to continuously grow in numbers and to increase their wealth and advance their culture. This healthy development was stopped by the *Peace Edict of Trianon*, which upset completely the economic order brought into being in *Central and South-Eastern Europe* by centuries of development. The new order then ensuing in *Central and*

South-Eastern Europe in many respects ran counter to the natural interests of the peoples concerned, who in consequence suffered from a lack of a number of the indispensable conditions of economic development. The peace edicts cut the factories off from their natural raw materials, the producers from their markets; the landed proprietors from their labourers, — a circumstance that led to economic chaos. In the new States the inhabitants were compelled to lower their standard of cultural and economic life; and that led to continual discontent and dissatisfaction. This dissatisfaction was increased by the fact that in the States of the Danube Valley there was an unceasing conflict between the ruling classes and the national minorities, the latter having to carry on a struggle — still being fought — against the ruling majority to ensure the free use of their mother tongues, their political rights and their economic existence. This struggle is peculiarly intensive in the territory of the *Greater Transylvania* wrested from *Hungary* and allotted to *Rumania*, where the *Magyars* and *Saxons*, peoples with a higher standard of culture, have been subjected to the domination of the Rumanians, a people culturally inferior to them. The inseparability of Greater Transylvania and the Hungarian Lowlands is postulated both by historical, economic and cultural development and by geographical conditions; and it was this fact that induced the interdependence of a thousand years which made this united country a land of prosperity. This territory was on a far higher level than the *Rumanian Kingdom* proper in respect alike of agrarian production, of industry, of commerce and of cultural and religious life. The *Rumanian* politicians were fully conscious of this difference of standards; and that is why they initiated a determined action for the purpose of bringing about the economic levelling of the several provinces and at the same time the rumanianisation of the economic life. To endeavour to level the economic standard of life of the provinces would in itself have been perfectly judicious, had the factors responsible for the endeavour desired to attain that object by furthering the advance of those parts of the country whose development was backward. But in that manner they would not have obtained immediate results;

and the real endeavour of the *Rumanian* politicians was to rumanianise the whole economic life of the country as rapidly as possible. They had to act without delay, for they felt that the territories possessing a higher standard of culture would shake off Rumanian domination; *therefore it was declared that the economic life of the country must be Rumanian — Rumanian agriculture, Rumanian commerce, Rumanian industry, Rumanian banking system, Rumanian capital, Rumanian workers in the industrial establishments — these were the aims, to culminate in a final, definitive and actual expropriation of the territories annexed to Rumania, together with the monopolisation of the towns, that inspired the Rumanian legislators and statesmen.* In their anxiety to realise these objects the Rumanian politicians shrank from nothing — not even from attempting to stop the development of the new provinces. Particular efforts were made to raise the standard of life of the provinces of Old Rumania, the provinces that had been newly acquired being at the same time neglected and their inhabitants suffer from all the oppressive maltreatment incidental to a hostile economic policy.

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The work of economic levelling was furthered also by the *Land Reform* and the agrarian settlements. After the end of the *Great War* it became imperatively necessary that a radical land reform should be carried out in the territory of the new Rumania. The lot of the landless peasantry had become intolerable long before the outbreak of the *Great War* in the territory of the old Kingdom of *Rumania*. There could therefore not be any objection whatsoever to a judicious and just land reform scheme. But what interested the Rumanian politicians was not so much the lot of the Rumanian peasantry as the nationalist question; the land had to be taken from the Magyars and the other *non-Rumanian* nationals, that being the only way in which they could serve the selfish and exaggerated nationalist objects. This statement is borne out fully by the manner in which the Rumanian Land Reform was carried into effect. In *Transylvania*, for instance, a far larger proportion of the land suitable for agrarian cultivation was expropriated than

in *Old Rumania (Regat)*, though the number and size of the latifundia was relatively greater in the latter country than in the territory of *Transylvania*. In *Transylvania* the proportion of sound and viable medium-sized estates was a very favourable one; and in connection with the ratio of the area of latifundia it must not be forgotten that 52.8% of the whole area of the province consists of pasture-lands, meadows and forests, whereas in *Rumania proper* the ratio of territories of this character — which are for the most part managed jointly — is only 27.1%. And yet in the course of the *Land Reform Transylvania* received the harshest treatment. For the ratio of expropriation was highest in *Bessarabia* and *Transylvania*. Whereas the area of land expropriated in *Old Rumania* amounted altogether to 2,776,402 hectares — that being 37.96% of the total area of land suitable for agrarian cultivation —, the quota of land expropriated in *Transylvania* was 44.53% — 1,663,809 hectares.

In conformity with this differentiation of treatment there was naturally a considerable divergence in respect also of the distribution of land after the completion of the *Land Reform* in *Old Rumania* and the less favoured province of *Transylvania* respectively. The quota of estates exceeding 50 hectares in area left after the *Land Reform* in the territory of *Old Rumania* was 23.7%, that left in *Transylvania* only 17.6%. The reason for this differentiation was that in *Transylvania* the latifundia were mostly in the hands of owners of *Magyar* nationality, who had to be ruined and their land transferred to *Rumanian* possession. And those responsible actually succeeded in realising their scheme; for in *Transylvania* the proportion of *Rumanians* receiving land was 73.4%, though, according to the 1930 *Rumanian Census*, they represent only 57.6% of the population of that province. On the other hand, however, only 16.26% of the *Magyars* of *Transylvania* were allotted land, the bulk even of these successful *Magyar* claimants being given lots less than 1 hectare in area.

The anti-Magyar character of the Rumanian agrarian reform becomes still more evident when we remember that the actual value of the amounts paid in lieu of compensation

for the land expropriated in Transylvania do not represent even 0.015% of the real pre-War value of the land thus sequestered. A circumstance illustrating the differentiation in respect of treatment as between the several provinces is that according to a report of the Bratianu Government the value of the bonds placed at the disposal of landowners subjected to expropriation in lieu of purchase price down to 1926 was 4,634,579,957 lei, whereas the amount represented by the bonds allotted in *Transylvania* during the same period was only 38,840,535 lei. This means, taking the average, that down to the point of time in question bonds of the value of 1670 lei had been paid for each hectare of land expropriated in *Old Rumania (Regat)*, whereas the average price paid down to that date for each hectare of land expropriated in *Transylvania* was only 23 lei (i. e. bonds of the nominal value of 23 lei).

Another economico-political action taken by *Greater Rumania* of just as eminent importance as the agrarian reform, was the system of settlements. Apart from the *Lower Danube* reaches Rumania does not possess any frontier region not inhabited by considerable blocks of non-Rumanian nationalities, who indeed in many places actually form a majority. Using the specious slogan of "*frontier defence*", the Rumanians endeavoured to break up these blocks — an endeavour most easily realisable by sequestering the lands of the minorities living in these frontier areas. It was considerations of the kind that gave origin to the Settlement Act of 1930, which established an autonomous Settlement Office to carry the new measures into effect. In the Preamble to the 1937/38 *Rumanian Estimates* the number of families to be settled in this way was estimated at 36—40,000, the number of children allowable per family being fixed by the Minister of Agriculture at 2—6. *That means that the number of persons so far benefiting by the settlement action may be calculated at roughly 200,000.*

By means of the agrarian reform and the *Settlement Act* the *Magyars of Transylvania* were deprived of their land, many *Magyar* families being thereby made homeless. It is doubtful however whether these measures have really benefited the Rumanian people? From an economic point of

view the action certainly did not involve any advantages; for *Rumanian* families entirely unfamiliar with the secrets of agrarian cultivation have been settled in districts inhabited by minorities possessing eminent agrarian capacity. The Rumanian authorities were unscrupulous enough to subordinate every other consideration to the postulates of nationalism, not taking any measures to provide that the *Rumanians* benefiting by the land distribution and enjoying the advantages ensured settlers should be given the support indispensably necessary to enable them to put their farms in working order. Large numbers of Rumanian settler families have remained without a roof over their heads, having preserved their character of semi-nomadic people and disposed of their assets in order to secure a subsistence — ending by losing houses and live stock and agricultural equipment and then lapsing into the lowest state of all, that of agricultural servants and herdsmen in the employ of members of autochthonous minorities. Many settler families have been reduced to a state of extreme destitution and want. We see, then, that the *Land Reform* and the *Settlement Act* have not benefited either of the peoples of Greater Transylvania — profiting neither *Magyars* nor *Rumanians* nor *Saxons*; while on the other hand they have created a state of utter chaos in the economic life of Transylvania.

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The Rumanian régime in Greater Transylvania has also brought industrial development to a standstill. During the days when that province was under Hungarian rule Greater Transylvania was very highly developed industrially too. In the pre-War period the industry of Transylvania showed a rapid advance — an advance furthered by the utilisation of the source of energy — natural gas — discovered in the Transylvanian *Basin* just before the outbreak of the Great War. In addition the *Hungarian Government* elaborated far-reaching schemes for the utilisation for industrial purposes of the water power available. The change of rule checked this development. The greatest obstacle to the industrial development of *Transylvania* was that it had for its products no inland market capable of considerable absorption and showing a highly developed taste. The standard of life of

the agrarian classes of the provinces of *Old Rumania* was far below that of the population of the *Great Hungarian Lowlands*. Another obstacle hindering the development of Transylvanian industry was that after separation from Hungary it was left without capital. But nationalistic moments also contributed to check the commercial and industrial development of Transylvania. The nationalisation of all commercial and industrial undertakings was ordained as early as 1922. It was then that a *Special Economic Committee* attached to the *Rumanian Ministry for Industry* was established, the work of this Committee being to supervise and submit an opinion relating to every new undertaking established, every increase of capital and every change of seat of operations. It was on the basis of the opinion of this Committee that the *Ministry* issued permits of operation. The stipulations formulated by this Committee were the following:— three-fourths of the *Boards of Directors and Auditors* of the undertakings must be Rumanians; two-thirds of the shares were to be allotted to Rumanians. We see, then, that very shortly after the establishment of Greater Rumania the *Rumanian Government* had already full and separate records, not only of the foreign capital playing a rôle in the economic life of the country, but also of the capital owned by the minorities living in *Rumania*. *Rumanian* greed and excessive nationalism, however, carried the *Rumanian* authorities even farther; not content with their control of the economic life of the minorities, they endeavoured to bring about the complete ruin of those minorities. It was *Alexander Vajda-Voivoda*, the ontetime folk-tribune of the Rumanians of Hungary, that when he was in office as *Prime Minister of Rumania* initiated the open campaign against the minorities living in Rumania carried on for the purpose of ruining them economically. Early in August, 1933, he addressed a confidential circular ordinance to the private undertakings demanding that those undertakings should employ persons belonging to non-Rumanian minorities only in proportions corresponding to the quota of population of the respective minority. No measure was taken by the Premier to determine the method of ascertaining the respective proportions. In carrying out the ordinance the subordinate applied the ratios of population

calculated for the country as a whole, not taking any account of the fact that in certain counties the quota of Magyars represented 60—90% of the total population of the county in question. *Vajda's* action was fully endorsed also by the ultra-nationalist *Rumanian Press*. And the agitation did produce the desired results; for on July 16th, 1934, there was promulgated a Law in terms of which 80% of the workers and officials employed by private undertakings and 30% of the Boards of Directors and Auditors were to be persons of Rumanian nationality. The Law was put into force with draconian severity; nothing was gained by the movement initiated by the *Saxons of Transylvania* or by the formidable mass-demonstrations at *Nagyszeben, Segesvár, Beszterce, Szászsebes and Szászvár* which protested against the measures threatening with extinction the German people of *Rumania*.

Equally serious are the losses that have ben inflicted on the inhabitants of the new territories by the one-sided financial and credit policy of the *Rumanian Government*, which has striven solely and exclusively to develop the *Old-Kingdom (Regat)*. The deterioration of the level of agriculture in Transylvania, the impending of the development of cattle breeding and mining and the ignoring of the interests of the industrial undertakings, were accompanied by a commercial and customs policy directed exclusively from the point of view of the *Regat* and for the furtherance of its interests. *The banks and other economic undertakings of the new provinces — in particular those of a minority character — received barely any support either from the State or from the National Bank*. Yet enormous importance attaches to support from those sources; for in Rumania, a country short of capital in which rates of interest of 25—30% and not infrequently of actually 40% were demanded in private dealings, the official discount rate of roughly 6% and the re-discount credit granted by the National Bank on these terms meant a veritable godsend to those who were allowed to avail themselves of them. The minority banking institutes in the new provinces were granted only a very small share of this national gift. Equally unfavourable was the treatment meted out to the co-operative societies of the new provinces

too in connection with the distribution of State credits. In 1930, for instance, the *Rumanian* co-operative societies in *Transylvania* received State credits of a total amount of 156 million lei, whereas the *Magyar (Hungarian)* societies were not granted a single leu under this head.

The most serious burden imposed upon the minorities was that involved in the *Rumanian* taxation policy. The minorities were left entirely at the mercy of the *Rumanian* authorities responsible for the assessment and exaction of taxes, whose procedure was characterised by arbitrary irresponsibility. As far back as 1921 Titulescu — then *Minister of Finance* — drafted and made *Parliament* vote a Law for the unification of the divergent systems of taxation in the Preamble of which the Minister himself pointed out that according to the conditions then in force a merchant living in the *Regat* had to pay 1526 lei tax on an income of 31,000 lei, whereas a *Transylvanian* merchant earning the same income had to pay 8461 lei. In *Transylvania* the older categories of taxes were supplemented by the introduction of the categories of taxes in force in the *Regat (Old Rumania)*, though nothing of the kind was done in the *Regat*, no categories of taxes in force in *Transylvania* being introduced in *Old Rumania*. The scale of taxation was also higher in the new provinces. The *Rumanians* of *Transylvania* themselves protested against this part of the country being treated as a colony and established the fact that 70% of the total expenditure of the State was paid by *Transylvania* in the form of direct and indirect taxes.

Even more striking is the differentiation made as between nationalities. In 1926, for instance, the quota of agrarian taxes falling to the share of each inhabitant of the villages in the purely *Magyar* County of *Csik* was 179 lei, that quota being in the similarly pure *Magyar* County of *Háromszék* 176 lei. In the predominantly *Rumanian* County of *Máramaros*, on the other hand, the quota per head paid by the village inhabitants under the head of agrarian taxes was only 35 lei. We find the same inequality of treatment also in connection with the assessment of the taxes payable by the industrial undertakings and by members of the liberal professions. In the County of *Csik* — a county

inhabited exclusively by Magyars — the quota of taxes falling to the share of each inhabitant in 1928 was 1600 lei, while that quota was only 675 lei in the *Country of Gorj* and only 310 lei in the *County of Valcea* in the *Regat (Old Rumania)*.

There are also special categories of taxes which are for the most part or even exclusively exacted only from the minority inhabitants. Thus in terms of Point 24. of the Tax Act (No. 3248) of 1923 the counties and towns are entitled to impose a tax on business signs — the tax on signs written in Rumanian not to exceed 500 and that on signs written in foreign languages not to exceed 8000 lei. *Ordinance No. 291,889 ex 1935 of the Ministry for Commerce imposes a special impost of 12% (super-tax) on undertakings keeping their books in a non-Rumanian language.*

In their commercial and communications policy too the Rumanian Governments have always shown special consideration for the interests of *Old Rumania*. The commercial and customs treaties made by them always serve primarily the purpose of securing the products of the *Regat* advantageous marketing possibilities or protection and take less account of the requirements of the new provinces. This selfish policy has proved a source of trouble to the collieries and salt mines of Transylvania and has ruined the wood industry of *Széklerland*. The wood industry was an extremely important source of revenue in particular for the Magyar inhabitants of the Székler counties, it being quite impossible to live in the wooded and hilly *Carpathian* regions exclusively on agriculture and cattlebreeding. As a consequence of the injudicious foreign trade policy of *Rumania* and above all of her policy of isolation in dealings with *Hungary* there has been a decline in the *Rumanian* wood exports. This set-back has paralysed the wood industry and placed tens of thousands of Magyar families in a difficult situation.

The recovery of commerce has been impeded also by the circumstance that *Transylvania* is separated from *Old Rumania* by high mountains, which are an obstacle to the development of traffic.

The policy of economic levelling pursued by Greater Rumania has therefore merely succeeded in checking the

economic development of Transylvania and the other provinces allotted to that country by the peace treaties, while — as a consequence of the well-known corruption prevailing in Greater Rumania — it has not succeeded in raising the standard of life of the Rumanian peasantry. The population of *Transylvania* — *Rumanians, Magyars and Germans* alike — have been reduced to a very critical situation both economically and culturally; and this crisis has become more and more grave every year of the Rumanian régime of two decades. The leaders of the Rumanians of Transylvania themselves have repeatedly protested energetically during the last twenty years against the selfish and corrupt policy of the *Old Kingdom*; while the whole of Europe has echoed continuously with complaints of the economic, cultural and political oppression and persecution of the *Magyars* and *Germans* of Greater Transylvania. *Hungary's* endeavours were concentrated on enhancing the economic welfare of the inhabitants of Greater Transylvania, those of Greater *Rumania* being on the other hand concentrated on exploiting that province. *Hungary* built roads, furthered the development of industry and commerce, created an agrarian culture and enabled all the nations living in *Greater Transylvania* to accumulate wealth; whereas *Greater Rumania* on the other hand, during its rule of twenty years, has checked sound economic development and plunged the population into destitution and misery. *The twenty years of Rumanian rule have therefore served to prove that Greater Transylvania is inseparable from Hungary, not only historically and geographically, but economically too.*