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Dr. ANDREW FALL
MANAGING EDITOR



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M. DE BÁRDOSY'S SUCCESSOR: M. NICHOLAS DE KÁLLAY

Owing to his poor health, M. de Bárdossy has been forced to resign office as Prime Minister of Hungary. M. de Bárdossy, as we know, undertook with genuine patriotic self-sacrifice the leadership of the Cabinet after the tragic death of his great predecessor Count Paul Teleki. Till then he had held aloof from internal politics. It was as a diplomat that he won his laurels; but it soon became evident that today, when foreign and internal politics are so inseparable, this great diplomat was able to hold his own in the sphere of internal politics too. Shortly after he took office as Prime Minister the conflict which forced Hungary to take military action broke out in South-Eastern Europe. This was soon followed by the war between Germany and the Soviet, in which Hungary was compelled to join. In both cases action was forced on Hungary, first by Yugoslavia's and then by Russia's unprovoked attacks on her territory. *She was forced into the war in self-defence, and in the case of her war with Russia, besides the duty of defending her own frontiers, it was also her European mission to defend — as in the last thousand years she had so often defended — European Christian civilization and liberty, even at the cost of self-sacrifice.*

In the past difficult year M. de Bárdossy's policy was characterized by decisions of historical importance, rapid action, and a full sense of his responsibility. Not for a single moment were the great aims of the nation lost sight of; his policy was always shaped by those unchanging aims, by the aspirations to which Hungary is rightfully entitled. When history comes to sum up the Hungarian balance of the past year, so crowded with events that it might well have been a whole age, M. Ladislas de Bárdossy's self-sacrificing work will figure largely in it.

His ill-health (which we all hope is but a passing indisposition that will soon yield to treatment and rest and give place to renewed strength) has compelled M. de Bárdossy to resign office. There was no political crisis, no other change in the Cabinet; all that happened was that M. de Bárdossy, who needs a rest and medical treatment, was relieved of his strenuous task by M. Nicholas de Kállay, whose person is a guarantee that in these difficult times the administration of the Hungarian State will continue to function smoothly and without a hitch. M. de Kállay is a man who, having undertaken the arduous task of shaping Hungary's policy today, will be the faithful and resolute guardian of all the ideals and guiding principles that has inspired the work of the Hungarian Government during recent years. *He is an ardent supporter of Hungary's successful pro-Axis policy and a convinced adherent of the German-Italian-Japanese Alliance.*

Only the person of the Prime Minister has changed. There has been no change in the constitution of the Cabinet, much less in the Government's policy and views. This is proof that there was no Cabinet crisis behind M. de Bárdossy's resignation, which was dictated purely by considerations of health. M. de Kállay, with all the Ministers of the Cabinet, will continue the work of his predecessor, and the change of the Prime Minister's person will not cause any hitch or difficulty in national life. M. de Kállay's character, his past, his origin, and his activities in public life, are a guarantee that there will be no change in Hungary's policy, as is also the fact that all the members of the Bárdossy Cabinet remain in office. M. de Kállay is the type of a Hungarian gentleman. He is descended from one of the oldest noble families in the country. In his character are personified all the traits of the Hungarian race: chivalry, a sense of realities, generosity and loyalty. Added to these his European culture and breadth of vision mark him out as a man in whom are combined all the best qualities of what we call a European Magyar.

FOREIGN POLICY PROGRAMME OF PREMIER DE
KÁLLAY

On March 11th. Nicholas de Kállay, Prime Minister of Hungary, made his *début* at a meeting of the Government Party. In his speech he made the following statements respecting the foreign policy of his Government: —

"You see me accompanied on my first appearance here by the same Cabinet as that of my predecessor. *This means that the trend of policy of the new Government is that of the former Cabinet — in respect both of fundamental principles and of outlook on life.* But I would add at the same time that the reason *why I took office was not merely to continue the present tempo of activity; I feel confident that I shall be able — as I am determined — to introduce into our government innovations, more energy, an even more rapid tempo, and an even greater pulsation of life than that in evidence hitherto.* Unfortunately, the Cabinet is not complete. We miss the presence of two men — Ladislas de *Bárdossy*, the Premier, and Ladislas de *Bárdossy*, the Foreign Minister, I have left the office of foreign minister unoccupied, for *to the very last minute I hoped — and I shall do everything in my power to realise the hope — that after his recovery —which God grant may ensue before long! — the office of Minister of Foreign Affairs would be filled by the man best fitted for the task — Ladislas de Bárdossy.*

"Unfortunately he was only able to take part in our Hungarian life for a short time; *but even during this brief period he raised himself to such a height among our national values that we shall never again be able to dispense with his participation in our national life.* For that very reason I beg the Party no to bid Ladislas *Bárdossy* farewell, but to express its affection for him and convey to him its cordial greetings. Not only my firm conviction and my unalterable resolution, but the fact that we are starting work with the co-operation of the former Cabinet and that we hope to have *Bárdossy* back again in office as Minister of Foreign Affairs, is a *guarantee and a pledge that there will be no change in Hungary's policy and that we intend to abide unswervingly by the line of action from which no honest Hungarian can possibly swerve. The only possible line for us to follow is that marked out for us by the policy pursued by us after the first Great War — by the side of Germany and Italy: a line in following which (and I should like every one both at home and abroad to mark the emphatic character of my words) there has never been any vacillation or uncertainty either in the Hungarian Government or in Hungarian public life.*

"The first point to be made by me is that *we* who are here making our *début*, *are a war Cabinet*. For a war is being waged at present; we are implicated in that war, — more seriously than many imagine: and this is the gravest war in the world — a *war which is to decide, not only the existence or non-existence of certain nations, but the fate of the whole world, — which is to decide, not merely the frontiers of that world, but also the fate of mankind*. And we have now to decide — not only as a nation or as an ethnic entity, but as being a Member (and, I am proud to declare, an *élite Member*) of the community of humanity — to which side we desire to belong. As I have already stated, *this decision has been taken*. It is not a question of a new decision — of an *ad hoc* decision —; for *we decided already before we became the allies of Germany and Italy, — when Germany was not yet the greatest Power in the world, and when Italy was only just beginning to enter the triumphal path of Fascism. We should not be Magyars — not worthy successors of those ancestors of ours who a thousand years ago linked up with European culture and civilization and nevertheless maintained their full independence —, if we failed to be present where a struggle is being carried on against Eastern barbarism, — where Christianity claims our defence — in the ranks of those from whom we may hope to obtain a realization of our great Hungarian ideals. Our place is by the side of our Allies, Germany and Italy; our fate will be decided on the battlefields of Russia: every soldier there is fighting for us; that is why our place is there, for our Magyar honour too forbids our allowing others to fight for us but without us!*

"It is this struggle, this war, that above all determines the duties devolving upon this Cabinet, — and we must place at the service of those duties both our soldiers taking part in the struggle against Bolshevism and our internal policy — our work and every one. *Of our soldiers we know that they will do their duty; but we must give them the maximum of all that is indispensable to success, — good leadership, the best possible equipment, provision for those members of their families who have been left behind, and peace in the country, for without these essentials not even Magyars can fight well. Remember, that the soldiers who are sacrificing their lives at the front are entitled to expect that those remaining at home should be ready for every sacrifice. And when our soldiers are fighting at the front shoulder to shoulder with their German and Italian comrades — with our great friends and Allies —, the only policy which we can pursue is one of the like unity and the like interdependence.*"

NICHOLAS DE KÁLLAY: BIOGRAPHICAL DATA

Nicholas de *Kállay*, the new Prime Minister of Hungary, is a scion of one of the most ancient Hungarian families. *The founder of the family, Sömjén Balog, a lieutenant in the service of Duke Arpád, was one of the 108 Fathers of the Country who acquired estates in Hungary by right of primary occupation.* One of the descendants of this lieutenant of the period of the Conquest of Hungary — a man of exceptional intelligence and distinguished gallantry — early in the eleventh century obtained from King Andrew II. a charter of nobility entitling him to the use of a coat-of-arms: this descendant — his name was *Ubul* — also acquired in County Szabolcs estates which have ever since been uninterruptedly the possession of the family of the *Kállays de Nagykálló*. This eminent family has given Hungary many distinguished soldiers, diplomats and statesmen. In more recent history too the *Kállay* family has figured in the Hungarian roll of fame, — *Nicholas*, the famous Sheriff of Szabolcs County, who was made the hero of one of his novels by *Vas Gereben*; *Edmund*, Deputy in the Age of Reform, who in 1849 was condemned to death and only escaped by accident from suffering the penalty of his patriotism; *Benjamin*, the Austro-Hungarian Minister of Finance who was also Governor of Bosnia and Herzegovina, one of the greatest of Hungarian scholars and diplomats. After the Collapse of the Monarchy in 1918 two members of the *Kállay* family — *Tibor* and *Nicholas* — held office as minister; the latter has now been appointed Prime Minister of Hungary.

Nicholas de *Kállay* was born in 1887. He studied law in the universities of Budapest, Paris, London and Geneva. When still quite young he acquired a many-sided, European knowledge. After the completion of his studies he entered the service of his native County of Szabolcs, the ancestral home of the *Kállays*. In 1922 he was appointed Lord Lieutenant of the united Counties of *Szabolcs* and *Ung*. He was known as a first-rate expert on matters of public administration. *At the same time, however, he pursued serious studies in agriculture and commerce; the result being that already at this early period of his life he was delegated by the Government to represent his country at several conferences in foreign countries.* In 1929 he was appointed Under Secretary of State in the Ministry for Commerce; then for the first time taking a seat in Parliament.

In the House of Deputies he attracted universal attention by his great knowledge and his thorough mastery of the questions in which he interested himself; *and this young Secretary of State was shortly afterwards — in 1931 — called upon by the Prime Minister, M. Gyula Gömbös, to take office in his Government as Minister for Agriculture.* He rendered signal

service by developing our economic connections with foreign countries; and when taking part in the negotiations for the purpose gave evidence of an eminent diplomatic sense and unusual diplomatic ability. It was during his term of office as Minister for Agriculture that the problem of agrarian debts was adjusted and the up-to-date Hungarian Forest Law passed. It was he that elaborated the first far-reaching scheme for the afforestation of the Hungarian Lowlands; he also began the work of carrying the provisions of that law into effect. At this early period already he drew the attention of public opinion to the advisability of rendering the rivers navigable and to the importance attaching to the construction of a large-scale irrigation system in connection with the work of river improvement. It was he that began the work of rendering navigable the upper reaches of the Tisza too.

In 1935 he resigned office as Minister, the Regent of Hungary then conferring upon him the Grand Cross of the Hungarian Order of Merit. *At the same time he undertook to act as Chairman of the Commission appointed for the purpose of developing agricultural conditions in the Hungarian Lowlands.* Later on he realised the far-reaching scheme suggested by him at an earlier date; and the National Hungarian Irrigation Office was established, Nicholas de Kállay being appointed its first President: its programme of operations was elaborated by the President himself. The work was begun at once; and the first irrigation works are already in operation.

In 1937, as a further token of appreciation for the services rendered by him, the Regent of Hungary appointed Nicholas de Kállay Life Member of the Upper House: and since that period M. de Kállay has taken a most serious part in the work of the economic committees of the Upper House. *In 1939 he was elected President of the Sixth International Congress of Agricultural Industry.* On that occasion he presided over the deliberations of the most eminent economic experts of Europe; and he had conferred upon him the Grand Cross of the French Legion of Honour.

CAROL I OF RUMANIA (III*)

BY

ZSOMBOR DE SZASZ

In 1880 Rumania's independence was recognised by the Great Powers, and in the following year the country became a kingdom. Both events were the result of Prince, now King, Carol's assiduous endeavours and admirably restrained policy.

But the international situation of the new State was far from enviable. It stood alone, without friends or supporters, both at the Congress of Berlin and after its conclusion. France, Rumania's old patron, had not yet recovered her influence after the shock of the lost war. Italy, the other Latin sister, was absorbed in her internal affairs. England was far away and nourished little sympathy for Rumania. Lord Derby said of her that she had "made war as a matter of speculation and had only her own government to thank." Russia's ingratitude as evinced in the annexation of Bessarabia, had revealed her once again as Rumania's eternal and inveterate enemy; it brought home to Rumanian statesmen the full meaning of Panslav expansion. Germany might have lent her support to a small nation ruled over by a Hohenzollern; but Bismarck was annoyed by Rumania's handling of the Jewish question, as well as by her launching a railway enterprise which threatened German shareholders with financial loss. He charged the Rumanians with "dishonesty and arrogance", and regretted that "they were not within reach of his arm, so that he might administer to them the whipping they deserved."

There remained Austria—Hungary, Rumania's powerful neighbour; and as long as Count Julius Andrassy was Minister for Foreign Affairs, he honestly endeavoured to

* See previous articles under the same title in the January and February 1942 issues of this review.

maintain friendly relations with the small and unruly neighbouring State. In a letter addressed to King Carol by Andrassy immediately after his resignation, and dated May 4, 1880, he outlined concisely Rumania's political situation and the direction which her future policy should take.

He stressed the point that the interests of Austria—Hungary and Rumania were identical. "It is the mission of both States", he wrote, "to form an effective barrier against the Slavisation of Eastern Europe; it is their common task to hinder the union of the northern and southern Slav elements. Any deviation from this course would involve great dangers for Austria—Hungary and the certain destruction of Rumania . . . The good relations obtaining between Germany and Austria-Hungary," he continued, "are not of an ephemeral nature; they are not based on personal predilections, but on a healthy *Real-politik* . . . The alliance is confined to a natural defence against a natural danger. It means that an attack on Russia's part against either of these two Powers would find them united. As far as Rumania is concerned, it will suffice for her to express her willingness to be a third partner in the alliance; she has only to declare that she is resolved, in case of being attacked, to seek the assistance of the two empires."

However, in the years that followed the resignation of Count Andrassy, the role of Germany and Austria underwent a notable change. The Jewish question as well as that of the railway were satisfactorily settled, whereupon Bismarck altered his attitude and became all at once friendly instead of hostile towards Rumania. Ever since 1880 he had toyed with the idea that the efficacy of the dual alliance between Austria—Hungary and Germany would be much enhanced if the Balkan States, and first and foremost Rumania, could be drawn within its orbit.

On the other hand, Baron Haymerle, Andrassy's successor, was decidedly averse to the Rumanian collaboration, and Bismarck's conciliatory policy could make no headway while he was at the head of affairs.

In 1882 relations between Rumania and Austria—Hungary became so strained in consequence of the unyielding



attitude of both States in the Danube question, the Rumanian Government deemed it advisable to try and find a way out of the difficulty. In December of that year Peter Carp was appointed Rumanian Minister in Vienna, with the task of paving the way towards a better understanding. The following details of Carp's mission form part of the as yet unpublished memoirs of Lupu Kostaki, an intimate friend of Carp's, and have appeared in the two-volume *Life of Carp* written by C. Gane. Carp was an admirer of German culture, a friend of the Central Powers, and a decided enemy of Russia. It is said that, having met Prince Lwow one day, the latter said to him: "*On dit, Monsieur, que vous êtes Germanophile.*" "*On se trompe,*" answered Carp, — "*je suis Russophobe.*"

Count Kálnoky, Haymerle's successor, proved unsympathetic, however, wherefore Carp decided to enlist the help of Germany. Prince Reuss, the German Ambassador in Vienna, lent a ready ear to his representations concerning the need of a strong and satisfied Rumania, and tried to convince Kálnoky, the next time he met him, that it was against the interests of the Austro—Hungarian Monarchy to drive that country, weakened and humiliated, into the arms of Russia.

Carp drew far-reaching conclusions and sanguine plans from the goodwill manifested by the German Ambassador. He rushed to Bucharest and told the Prime Minister, Ion Brătianu, that the Danube question was no longer of paramount importance, since the idea of Rumania's joining the Triple Alliance was viewed with sympathy by the German Ambassador and had thus become a possibility. He explained to Brătianu the immense advantage it would mean for Rumania to be accepted as an equal partner in the *bloc* of the three Great Powers: Austria—Hungary's hostility towards her would cease automatically, and she would enjoy a long term of peace, so essential to her development, and be able to prove to Europe that she was an important factor in the service of order and civilisation.

Brătianu was convinced, and Carp returned to his post. Not long afterwards — the date is not mentioned by

Kostaki — he was asked, through the medium of Prince Reuss, to present himself at Friedrichsruh for an audience with Prince Bismarck.

The Iron Chancellor received him with cordiality and — if credit can be lent to Kostaki's statement — started the conversation by referring reproachfully to the unfriendly attitude taken up by both King Carol and his government in regard to Germany. Rumania, he said, would fulfil her European mission (Kostaki does not make it clear what that mission was supposed to be), not by assuming an aggressive political attitude, but by settling down to honest work, by raising the cultural standard of her people, and by exploiting her rich soil to better advantage.

Rumania, he went on, should not covet Transylvania, which for a thousand years had been dominated by Magyars, Saxons, Swabians and Serbs;* even if she could annex it, she would not thereby become a European factor. A people wishing to be received into the concert of European States must have economic and civilisatory aims. The Rumanians of the Dual Monarchy were far more civilised and industrious than their kinsmen of the kingdom, so that, were they to be annexed by the latter, a prolonged struggle for domination would ensue. For the rest, the annexation of Transylvania would have to be preceded by the dissolution of the Monarchy, which would be a disaster from the point of view of the European equilibrium.

"In 1866", said Bismarck, "we could have destroyed Austria, but we refrained even from weakening her unduly: the Dual Monarchy is of importance as a stabilising influence in Europe and consequently has to be preserved. . . . It is to Rumania's interest," he continued, "to become a powerful State on the Black Sea, possessing such important ports as Odessa, and a preponderant voice in Constantinople. Don't forget the Black Sea, which is the key to the Dardanelles.

* It is unlikely that Bismarck made so erroneous a statement. It was the Magyars alone who dominated Transylvania for a thousand years, ever since the end of the ninth century. The Saxons settled in the country in the twelfth century and the Serbs and Swabians as late as the eighteenth century, and that not in Transylvania proper but in the Banat. Nor were they ever a dominating element there.

You have your independence; you have your links with the West, but you must have a door open towards the East. If you become a productive, orderly, civilizing element, you will be able to rule the Balkans. What you need is greater seriousness, honest work, and a firmer character."

To this homily Carp, according to Kostaki, made a long and incoherent reply.

Rumania, he said, had settled down to work in earnest, but she needed peace and stable conditions in order to continue the task of organization. For this reason it was a necessity for her to participate in a defensive alliance against Russia. Unfortunately Magyar chauvinism was apt to manifest itself in the persecution of the Rumanians living on Hungarian soil, a fact which could not but affect the Rumanians of the Regat. The Magyars would have to change their policy before the relations between the two countries could become such as to form a real dam against the Slav menace.

Carp affirmed (not quite accurately) that feeling in Rumania was throughout hostile to Russia, in consequence of the sufferings which the Russian occupation had entailed on the people. Notwithstanding that Rumania had rendered Russia every possible assistance in 1877, the latter had humiliated her by refusing to let her take part in the San Stefano Peace Conference and by annexing the three Bessarabian counties. The deep wound caused by the rape of Bessarabia would never be healed. Apart from this, Russia's denationalisation policy was much more pernicious than that of Hungary; the Russification of Bessarabia was going on apace, countless numbers of Rumanians being transported to the Don regions, to be replaced by Russian colonists, while the Transylvanian Rumanians had not been denationalised in a thousand years. From an economic point of view Rumania had nothing to gain from Russia, for they produced and exported the same things. Both political and economic interests bound Rumania to western Europe, so that if the European equilibrium were to be endangered, this would be as much Rumania's concern as that of the western States.

As a result of Carp's luminous exposition — so at

least thinks Kostaki — it was decided that Rumania should join the Triple Alliance. Bismarck categorically declared that he had no intention of interfering in the Austro—Hungarian Monarchy's domestic affairs, least of all in favour of the Rumanians of Transylvania, but he offered his mediation through other channels, and declared himself willing to receive the Rumanian Prime Minister.

With these results Carp rushed back to Bucharest, where Brătianu received him with tears in his eyes: "You have made Rumania", he said to him; "from now on we may say that her future is secure."

So far Kostaki. The rest is told by more reliable witnesses, and may be found in more authentic records, the official documents of the German Foreign Office. In these the importance of Rumania, so dwelt upon by Carp, is somewhat less in evidence.

In August 1883, when King Carol's visit to Vienna and Berlin was pending, Bismarck intimated to Prince Reuss, the German Ambassador in Vienna, that the time had come to consider whether "it would not be natural and possible to extend our League of Peace also to the East and to guide thereby the policy of Rumania and perhaps also of Serbia into a firmer track? . . . In any case", he continued, "it would be worth examining whether such a situation would carry with it a promise of permanence?" He directed the Ambassador to discuss the matter with the Austro—Hungarian Minister for Foreign Affairs.

The Ambassador saw Count Kálnoky and afterwards sent an exhaustive report to the Chancellor.

Kálnoky told him that he had never abandoned the idea of a closer political connection with Rumania. He was sometimes forced to use strong language in dealing with the Rumanian Government, but he had always expressed his willingness for a more intimate collaboration. They, the Rumanians, had never made a step towards a *rapprochement*; nevertheless he was ready to enter into negotiations with them. "It is, however, a question", said Count Kálnoky, "whether such a situation admits of any guarantees. In this case guarantee means reliability, and that is a quality in which the Rumanians are conspicuously lacking."

(Bismarck's marginal note at this point was: "only too true!") "The king", continued Kálnoky, "has every intention of honourably keeping his word, but he is weak." In Kálnoky's opinion the Foreign Minister, D. Sturdza, had no influence whatever on public opinion; the only influential person was Ion Brătianu, the Prime Minister. He it was who must be won over.

Two weeks later, in September, Bismarck received Brătianu in Gastein.

From the Chancellor's dispatch to his Vienna Ambassador we know that the impression made on him by Brătianu was none too favourable. He was "rhetorical instead of business-like", protested too vehemently that Rumania wished to side with Germany and collaborate with Austria-Hungary, stressed his aversion to Russia "more emphatically than was credible", especially in view of his recent Russophile tendencies, and talked of the necessity of recovering the Dnjester frontier. He also complained that Russian agents disguised as Rumanians fomented trouble among the Austrian Rumanians and caused Austria to look on Rumania with suspicion.

Bismarck interposed to remind him of the Gradişteanu affair, which had not been the work of Russian agents but a characteristic manifestation of Rumanian irredentism. The true story of this incident was as follows:

In June 1883 the statue of a Rumanian Prince, Stephen the Great, was unveiled in Iassy, and at a public banquet given in honour of the occasion, King Carol being present, a well-known politician, Peter Gradişteanu, made a speech in which he said that "two pearls were missing" from the crown of Stephen, — manifestly meaning thereby Austrian Bukovina and Hungarian Transylvania. The Vienna Foreign Office protested against this open and tactless irredentism, but the Rumanian Government was in no hurry to make amends. The French journalist who had published the incident in the paper *L'Indépendance Roumaine* was expelled from the country, and King Charles offered personal apologies when, a few weeks later, he arrived in Vienna. But on the whole the incident had revealed the real feelings of the Rumanians.

It was to this affair that Bismarck had alluded.

Brătianu, on being taxed with it, stammered and prevaricated. He protested that he regretted Gradişteanu's speech, but asserted that it had been aimed, not against Austria and Hungary, but against Russia. Stephen the Great had not ruled over Transylvania, but over Bessarabia, — and also, —he had to admit it, — over Bukovina. Yet, while Austria-Hungary had protested forcibly, Russia had taken no notice whatever of the matter.

On the whole, Bismarck gained the impression that Brătianu was bent more on a "defensive and offensive alliance with a due share of the spoils", than on a "defensive preservation of the peace".

"I told him", wrote Bismarck, "that a Russian war, even if victorious, was for both Germany and Austria an eventuality which neither State had any wish to conjure up".

On the Chancellor's intimation of a possible agreement between the two Empires and Russia, Brătianu expressed his misgivings lest Rumania should be sacrificed. Bismarck endeavoured to dissipate his anxiety by assuring him that the preservation of the non-Slavonic Rumanian elements was an Austrian interest, while Germany could not but have the maintenance of the Hohenzollern kingdom at heart. He finally advised Brătianu to conclude an agreement with Austria-Hungary, to which Germany would accede.

Such — wrote Bismarck — was the practical result of these conversations, in the course of which Brătianu repeatedly expressed his conviction that Rumania could only preserve her independence, which was threatened solely by Russia, by relying on the support of Austria-Hungary and Germany.

"I do not believe", Bismarck summed up the matter, "that we should act rightly if we refused to conclude an agreement with Rumania, provided that it can be done in a suitable form. So long as King Carol rules we are safe; but we do not know whether in the long run the destructive, Francophile elements in the land will not be stronger than the king." "The best policy, — concluded Bismarck — "would be to accept Rumania as an ally, without prejudice to a possible understanding with Russia."

A week later, on September 15, he reverted once again, in a letter to Prince Reuss, to his conversation with Brătianu. The latter's unmistakable, if vaguely expressed, desire to conclude a treaty which would secure territorial aggrandisement to Rumania, seems to have made an unfavourable impression on the Chancellor. He warned Prince Reuss and through his medium the Austrian Foreign Office of the "cupidity" of the Rumanians, which would undoubtedly manifest itself in the course of the Viennese negotiations. It will be necessary, — he wrote — "to emphasise very strongly the peaceful and defensive character of the alliance and to embody in the Convention the pledge of the contracting Powers to refrain from every provocative act against other Powers which might endanger peace; in fact to make the alliance an instrument, not for the gaining of advantages, but for the preservation of peace."

The difference in the attitude of the Great Empire and of the insignificant but ambitious small State was manifest: Germany wanted the collaboration of Rumania in order to safeguard peace, while Rumania offered her collaboration with a view to imperialistic aggrandisement.

The negotiations between Austria-Hungary and Rumania were started forthwith and concluded without a hitch, both Parties, and especially the Austrian Foreign Office, being in a conciliatory mood. The latter's draft was accepted with a few alterations by Brătianu, and sent to Berlin for approval, whence it was returned with one modification, but that an important one.

Clause 2 of the original draft, under which both Powers undertook to tolerate no political propaganda directed from their territories against the other Power, was omitted at the request of Brătianu, who saw in it a sign of mutual distrust which had better not be so openly expressed.

In two clauses which mentioned the "aggression" or "attack" of Russia against the contracting Powers, the name of Russia was struck out at the direct request of the German Emperor, so that in the definitive text the term „aggression" was used in a general way as applying to any Power.

For the rest, the Treaty followed the lines usually laid down in defensive alliances. The contracting Parties under-

took to maintain mutual "peace and amity," to abstain from entering into any alliance against one other, and to render each other mutual assistance within the limits imposed by their own interests. In case of an unprovoked attack on Rumania, Austria-Hungary bound herself to assist her against the aggressor; in the same way a *casus foederis* would arise for Rumania if any part of the Austro-Hungarian Monarchy adjacent to Rumania, were to be attacked. In case of war no separate peace would be concluded. The treaty, which was to be kept secret by the contracting Parties, was to be valid at first for five years, and afterwards to be automatically renewed for successive terms of three years unless denounced.

The Convention was signed by the representatives of Austria-Hungary and Rumania on October 30, 1883. Germany's adhesion followed the same day, and Italy's five years later, in 1888.

It might be thought that with Rumania's adhesion to the Dual Alliance her foreign policy would gain a firm basis and a decisive direction. It was not so. Alliance with the Central Powers, and especially with Hungary, was so unpopular that it could not be made to serve as the foundation for a new orientation. Nor can the attitude of the Dual Monarchy be said to have been helpful.

Thus the second half of King Carol's reign saw a continuation of Rumania's former foreign policy, which was characterised by the endeavour to play a preponderant role in the Balkans and by irreconcilable hostility towards Hungary. These tendencies led her, in the course of the first world war, into the arms of the Entente Powers.

The account of this phase will form the subject of the last of our articles on King Carol of Rumania.

RE-CONSTRUCTION WORK IN TRANSYLVANIA

BY

LADISLAS SZENCZEI

The districts of Transylvania restored to the mother-country are taking part on an increased scale in the intensive work in evidence in the whole of Hungary. The attention of the persons in authority is riveted in particular upon one of the most important problems awaiting a solution — that of restoring and improving communications. The work of constructing the Szeretfalva—Déda line — the railway line ensuring direct connection between Széklerland and the mother-country — has already made such progress that it will be possible already this year to place this railway line of such vital importance at the service of the general public. *After the Szeretfalva—Déda line has been completed it is proposed to begin the work of building the railway line between Csikszereda and Székelyudvarhely; the opening of this line for public traffic is bound to contribute very considerably to further the economic prosperity of Széklerland. At the same time a new automobile road is to be built in County Udvarhely at a cost of 3,200,000 pengő.*

The various county authorities are also participating to an increased extent in the work of improving the system of communications. *A single county — the dismembered County of Kolozs — has appropriated the sum of 500,000 pengő to cover the costs of repairing the county roads.* The technical survey has been completed; and indeed the various engineering operations are already in full progress. Very

shortly the work of rolling the sections of the roads leading to the seats of the several hundreds will be begun; and the road metal required for the purpose has already been delivered at the places appointed for the purpose. Great importance attaches to the road-building operations, not only as a means of improving the system of communications, but also as a source of great advantage to the populations of the villages concerned, seeing that these operations provide unlimited possibilities of labour for those who are prepared to undertake the work of road-construction.

The town of Kolozsvár has also appropriated the sum of 500,000 pengő to cover the initial cost of repairing the town roads. The actual amount foreseen for this purpose is — to be quite exact — 563,000 pengő; out of this amount 173,000 pengő are to be devoted to the upkeep of the paved streets, the sum of 120,000 pengő to be employed for the re-paving of certain streets, while the sum of 158,000 pengő is to be appropriated for the construction of pavements and asphalt roads.

It will be worth our while to glance for a moment at the enormous work performed in a period embracing altogether not quite nine months by the "ERIMI" (Industrial Labour Organisation Institute of Transylvania). In an article contributed to a Budapest economic journal Dr. Géza Bornemisza, former Minister for Commerce, *has estimated at 12,000,000 pengő the amount invested in Transylvania by the said Labour Organisation Institute.* The Institute provided capital for the exploitation of the water energy of the "Gyilkos-tó" (Murderous Lake) and the "Békásszoros" (Frog Defile), for the electrification of the Lower Csík Basin and for the full development of the large power plant at Beszterce. Recently the "ERIMI" provided the means required for the establishment of the Olt District Electric Co. Ltd. The object of the establishment of this undertaking

is to provide with electric current Tusnád and several villages in the Lower Csík District. The Olt District Electric Co. Ltd. is to establish a hydro-electric power plant in the vicinity of Tusnád to utilize the water energy provided by the river Olt. *The cost of the establishment of this largescale undertaking will amount to 1,000,000 pengő.* The quota of this amount to be supplied by the "ERIMI" is 650,000 pengő; the remainder is to be provided by persons financially interested in the undertaking.

The industrial life of Kolozsvár has received the addition of two undertakings. Dr. Ladislas Farkas, of Budapest, has transferred his textile establishment to Kolozsvár. *The "ERIMI" has advanced a loan of 200,000 pengő for the furtherance of the undertaking.* Joseph Józsa, of Budapest, is establishing at Kolozsvár, a cork factory, for the purpose of which *the "ERIMI" has also advanced a loan — of 60,000 pengő.* During the period of Rumanian occupation the Fanto Works were in operation at Telegd, in County Bihar. The undertaking is at present being wound up; and its plant has been taken over by the Bihar Chemical and Mineral Industry Co. Ltd., the object in view being the manufacture of the raw material to hand in the asphalt mine at Dermatataros in the vicinity. The new undertaking has received assistance from the "ERIMI" in the form of a loan of 70,000 pengő.

The Szilágy Region is far-famed as a fruit-growing district. To facilitate the industrial utilization of the fruit crop of the Szilágy Region, *it has been decided to build a jam and fruit-preserve factory; the works undertaken for the purpose are already in so advanced a stage that it will in all probability be possible to manufacture the yield of this year's crop.*

The Ministry for Industry reports *that it has been decided to erect large-scale establishments for the*

manufacture of artificial fibre. Three factories of the kind are under construction — one each at Marosvásárhely, Kézdivásárhely and Székelyudvarhely respectively. *The sums foreseen in the building estimates amount altogether to 900,000 pengő.*

Despite the difficulties impeding the procural of raw materials Dr. Joseph Varga, Minister for Industry, has proved able to ensure the carrying into effect of the more important schemes proposed by other Departments. The greatest interest attaches in this connection to the new agrarian schools which the Department of Agriculture proposes to establish; the building of these institutes has either been begun or is to be begun in the spring.

A large-scale secondary agrarian school and a dairy farming professional school are being built at Marosvásárhely; the aggregate cost involved — including the expenditure required for the erection of the experimental institutes attached to the schools — will amount altogether to 3,000,000 pengő. A secondary-grade agrarian school and home are being built at Sepsiszentgyörgy at a cost of 600,000 pengő.

We see, then, that the economic life of Transylvania is taking an intensive part in the many-sided activity being carried on for the exploitation of the economic treasures of the Hungary territorially aggrandized in recent years.

SOUTHERN HUNGARY, NOW IN PROCESS OF RE-CONSTRUCTION, LINKS UP WITH THE MOTHER-COUNTRY

BY

GÉZA RUBLETZKY

A year ago the districts of Southern Hungary which had for twenty years been detached from the mother-country, were restored. During the twenty years of foreign rule these districts retrograded so enormously both in economic and in cultural respects — the twenty years of rule by a foreign race so fully succeeded in balkanizing them, — that the Hungarian Government has to use the utmost efforts to raise them once again in every respect to a European level. The efforts being made for that purpose have already yielded fruit; and today these districts of Southern Hungary are already just as completely a constituent part of Hungary — just as able to fulfil all European requirements — as any other section of the country.

In our Review we have from time to time published reports dealing with the work done in the liberated districts of Southern Hungary by the creative genius of the Hungarians. Our present report treats of the work done during the past two months.

In the first place, *as a consequence of given circumstances Southern Hungary is an agrarian living-space; and as a result the greatest importance attaches to those measures which have been carried into effect for the development of agriculture or for the furtherance of agricultural industry.* The courses in agriculture organized in every town and every village are being held regularly; the students are trained to be complete farmers and are made familiar with the inevitable requirements of modern farming. The Government is endeavouring gradually to eliminate the consequences of the inequitable character of the Serbian land

reform measures; so far already a very large number of destitute families with many children have been allotted land. *In the month of February, in the vicinity of Szabadka, 11,500 cadastral yokes of land were distributed among 3,000 families with many children.* The most important measures have been taken in recent months in connection with the development of agricultural industry. In all the larger villages the work has been begun of building cold storage plants and preserve factories; such progress having indeed been made that there is every prospect that in the immediate future the output of the Southern Hungary preserve factories will not only prove sufficient to enable us to completely secure the needs of the home market, but will leave a considerable surplus also for export purposes. Great importance must be attached to the meat and lard preserving plants of the "Hangya" Co-operative Society at Szabadka, which have been modernized and extended. At these establishments 600 pigs are killed a week and their meat and fat preserved; and in addition a large number of horned cattle are also dealt with there.

The Government is devoting particular care to the encouragement of the cultivation of industrial plants. At Ujvidék the hemp mills — which have been incorporated in its sphere of interests by the most social textile undertaking in Hungary, the Kispest Textile Manufacturing Co. Ltd. — are being modernized and enlarged. In County Bács-Bodrog premiums amounting to 250,000 pengő have been distributed among sericulturists, this measure having so effectually furthered sericulture there that very shortly that district will be the most important area in Hungary for the cultivation of silk-worms. *In the field of industry the National Association of Hungarian Manufacturers has organized a branch in Southern Hungary and thereby incorporated the industry of those districts in that of the mother-country.*

A very important role is played in economic life and culture by roads, bridges and railways. In recent months County Bács-Bodrog alone expended 6,200,000 pengő, partly for the repair of neglected roads already in existence, partly for the building of new roads. Last year, at Ujvidék, dur-

ing the operations in the Balkans, the Serbians blew up two bridges (one a railway bridge) connecting the two shores of the Danube. The first of these bridges to be rebuilt was the railway bridge; we have every reason to hope that the work of re-construction will be completed before the end of the present year.

In cultural respects special mention is due to the "Kalot" courses for the training of the younger generations of agrarians to become in the future leaders of the public life of their villages. A sum of 200.000 pengő has been appropriated for the purpose of distributing grants of material assistance among pupils showing proficiency, the object of this measure being to further raise the general standard of culture in the country. In the month of January an ordinance of special interest was issued providing that the Serbian language — as being that of one of the important minorities of Southern Hungary — should be taught as an ordinary (obligatory) subject in the secondary schools of that region. In the days of Serbian rule the largest ethnical group was that of the Magyars; yet even in Magyar schools Magyar pupils had the greatest difficulty in obtaining the opportunity to learn their own mother-tongue. *A circumstance deserving special mention in the field of social policy is that everywhere in Southern Hungary the introduction of the system of paid holidays has been made obligatory. The system of marriage loans has also been extended to this part of the country: under this system poor young persons desiring to contract a marriage receive from the State a loan which is repayable over a period of ten years in trifling instalments At Ujvidék 270 children have been granted relief in the form of gifts of winter clothing. At Szabadka the Red Cross Society is engaged in the benevolent work of allaying the sufferings inflicted by the war.*

INTERNAL CRISIS IN SERBIA

BY

IMRE PROKOPY

The latest reports from Serbia inform us that, despite the public amnesty promised early in the autumn and despite the exceptionally severe winter, there are still groups of insurgents active in various parts of the country. This is proved also by the broadcasts and grave warnings addressed repeatedly and at rapidly recurring intervals to the Serbian people by General *Neditch*, the Prime Minister, and Members of his Government: for the information of our readers we give below certain passages from these broadcasts and warnings: —

On February 8th. General Milan Neditch, Prime Minister, broadcast from Belgrade an appeal to the workers of Serbia. In his speech he laid particular stress upon the fact — very remarkable in itself, in any case — that a *considerable section of the Serbian intelligentsia brought up on money provided by the State had placed themselves at the head of the bands of insurgents devastating the country. There were no workers or members of trade unions to be found among the communist murderers, thieves and incendiaries.* The Serbian workers had repudiated the allurements of the Red Internationale of Moscow, for they were well aware what those allurements meant. While the "partisans" (irregulars) hiding and fighting in the forests and mountains were engaged in incendiarism, plunder, devastation and murder, the Serbian workers were toiling with the sweat of their brows from dawn till late at night and doing their share of the work of re-constructing Serbia. Unfortunately, the communists included in their ranks many well-fed members of the intelligentsia educated at the public expense — officials, teachers, school-masters, doctors, etc. *The women found in their ranks were all suffering from some form of hysteria, — the spoiled daughters of wealthy*

parents, women teachers, university students or perverse women in quest of adventure... Such were the persons of whom the general staff of the provincial and urban murderers and thieves was recruited... In contrast to these persons the workers had shown that they were true Serbians upon whom the Government could rely implicitly under all circumstances... So labour must be given the rights to which it was entitled: for when those who had been educated by the Serbian people were murdering and devastating the country, the Serbian workers had loyally and honourably stood their ground: and for that they deserved a full meed of gratitude and appreciation.

In terms of a resolution of the Serbian Cabinet Council, the example of Premier *Neditch* was followed by certain Members of the Government, who toured the larger towns in the country for the sake of enlightening the inhabitants. At *Nish*, for instance, a speech was made by the Minister for Agriculture, who stressed that the Serbian people had had enough of political adventures. *Serbia would never again be a theatre of war, and was not prepared to sacrifice herself for the sake of soi-disant friends who were really her enemies.* At *Valjevo* the Minister of Education spoke at a mass meeting. He spoke in terms of the severest condemnation of the attitude of the "refugee" Serbian Government now in London which was so terribly detrimental to the interests of the country. That Government had plunged the country into war and had then acted disgracefully in leaving the people to its fate and fleeing to London. These Serbian "refugees" had forfeited the right to call themselves Serbians. Further on in his speech the Minister spoke in terms of disparagement of the British Government too, which, not satisfied with having plunged the Serbian people into war, was still — after the disastrous issue of that war — causing unrest in the country. Serbia must revert to the older Serbian national idea. Communism must be nipped in the bud, and the lying propaganda of London and Moscow must be defied. At *Shabatz* the Minister for National Economy made a speech in which he stressed that it was only by maintaining order and peace that the difficulties could be overcome, the State

re-built and the future of the Serbian people ensured. (Belgrade papers and "*Reggeli Ujság*", February 21st.).

Of the numerous articles of a similar tone and tenor published in the Serbian Press of Belgrade we would refer only to the article by Dr. Dragutin *Jankovitch*, former Minister, which appeared in the February 24th. issue of the "*Novo Vreme*" (New Age), from which we quote the following passages: — "*A senseless coup d'État*" — writes *Jankovitch* — "*plunged the Serbian people into utter misery. Scarcely had the Yugoslav State collapsed, when a civil war demanding further serious sacrifices broke out. And now that a state of tranquillity is beginning to return, siren voices are heard once more broadcasting from London. We must realise fully that these siren voices have lurking behind them, not only the destruction of individuals, but the annihilation of the whole nation. What is it that London wants the Serbians to do? It was on behalf of British interests that the Serbians entered the war and lost the war. It was British interests that unleashed the dogs of civil war — a war that has already plunged into deep mourning thousands of Serbian families. Great Britain never moved a finger to help the Serbians... But we hear the same enticing strains broadcast from Moscow too; only there is a difference in the words... In the name of Slav brotherhood we were expected to go to the aid of the Soviet Russians; but when the first blow fell, the assistance promised by the Slav brother never came... Why should the Serbians bleed to death again in a civil war? For the national ideals, say London and Moscow. These ideals were realised by us in Yugoslavia; but the Serbians were nevertheless incited to war. For democracy and liberty — is again the message of London and Moscow. This democracy which they praise and laud to the skies — which was introduced into Serbia on March 27th., 1941 — was of such a character that a general was placed at its head with dictatorial powers... After their bitter experience in the past the Serbians can keep in mind one object only, — the need to be united, that they may preserve their existence...*"

From the broadcast of General *Neditch* addressed to the Serbian people on March 8th., 1942, we quote the

following interesting and remarkably characteristic passages:

"We are on the threshold of the spring of the year 1942; and the secret forces are again attempting to undermine the peace and order of the country. Everywhere attempts are being made to dig the grave of the Serbian people and of Serbia. You will still remember what last year was like, and how the people stood on the brink of the precipice of destruction. Then we escaped, because the Serbian people supported me and trusted me. *The secret forces are again doing all in their power to drive the people into suicide. That is what London and Moscow desire. The agents of Moscow and London, who trade in human blood and human flesh, keep advising you not to cultivate your fields.* These men are the evil geniuses of the Serbian people. What they want is that the Serbian people shall once more wade in blood, incite to civil war and bite the dust. That is how they would fain destroy the Serbian people and engineer the disappearance of Serbia from the map of Europe. You who hear the satanic voice of London, tell me frankly whether the voice that speaks to you through the London radio is the voice of a Serbian, or not? Certainly not, you will say. Then whose voice is it? The answer you can guess yourselves. It is the voice of the corrupters of the soul of the Serbian people!"

"A life-and-death struggle is being fought today in the world", continued *Neditch*. "The Powers now facing one another have thrown into the balance themselves and everything they possess. *The poor peoples of the world are fighting against those who have accumulated all the wealth of the world. The struggle is being fought therefore to ensure an equitable distribution of natural resources.*

"What business have we Serbians with this struggle? The consequences of the war will be incalculable all over the world; but to us it matters precious little who is master of Singapore. Maybe the weak-minded English lords regard the Serbian people as Zulu Kaffirs in duty bound to defend the British colonies, as well as their shares and dividends? The Serbians have on two occasions already fallen into the trap. And when we had the brightest prospects in view — when no danger whatsoever threatened us —, we were betrayed.

For whom or for what was all this done? You saw how Britain supported us, — how she supported those eight other European States too! The only thing she cares about is how to save her wealth. Yugoslavia fell to pieces in the twinkling of an eye; and the Serbian people has paid a horrible price for the collapse. Everywhere in the country may be seen cemeteries, destitution, towns and villages burned to the ground, starvation. Was there any need of this, I would ask. None at all. Could it all have been avoided? Certainly. To save a country and its people is a matter for the wisdom of statesmen and politicians. *To demolish and destroy — any fool can do that. After the collapse of Yugoslavia the Serbian people was guilty of the greatest historical folly. Allowing itself to be guided by London, which had cast it into perdition, and by the advice of Moscow — of that Moscow of which King Alexander for twenty years boycotted the very name —, a section of the Serbian people took up arms. The Serbian people had been trapped by Moscow and London.* You know the result of the insurrection. You know what happened at Rudnik, at Kraljevo, at Uzhitze, at Tsatsak, in the Matchva district, at Kragujevatz, at Gornij Milanovatz. . . . The Serbians have paid for the second time the price of their own stupidity. The Serbian people allowed itself to be cajoled by the "communist-national" troops and bled and bled . . .

"London and Moscow are now engaged in blazoning far and wide "warmed-up" lies. Their message to the Serbian people is to the effect that in the spring Britain will land troops on the Continent; while Moscow proclaims the gross lie telling us that the Russians will succeed in breaking through the German front. These glaring lies are being propagated orally among the people everywhere in the country by the agents of Moscow and London. The people must not allow itself to be duped by false news and must remember that *all the use London and Moscow have for the Serbian people is to use it as food or cannon.*

"The catchwork "Serbian punitive expedition" is splendid propaganda for the British Press and affords some amusement for the crack-brained English lords.

"The biggest battle known to history will soon be raging on the Eastern front for the possession of St. Petersburg,

Moscow and the Crimea. Both Parties are preparing vigorously for the spring engagement. We cannot either help or harm; we have neither the power nor the equipment required. There can be no doubt that the Germans will win in this great battle too. Yet the British and the Soviet keep inviting the Serbian people. They are inviting us to destruction and would fain plunge us into perdition. What they want you to do is to foolishly and unthinkingly sacrifice your lives and your property. They keep inciting us against the occupying forces, who treat us humanely! They keep shouting in your ears — "In the spring you must again to the woods, Serbians! In the spring you must once more take rifles in your hands!!" They are all old friends of yours!! Moscow and London and Drazha Mihajlovitch, the traitor!! Mihajlovitch the agent of Great Britain and the commander of the "communist-national" army of "liberators"!! What is his object? and that of his employers? To engineer the ruin of Serbia for foreign interests!! What they want is that in spring you should go out again into the verdant woods and there commit suicide in order that the lords may feel safe and secure. *What they want is that communism should master the whole of Europe and that you should be driven to your deaths!! I know that is not what you want!! For such an issue would hurl catastrophe on the Serbian people too and would involve the destruction both of the people and of the country. And these monsters — these foreign agents — presume to call themselves liberators.*

"So great is my affection for the Serbian people and Serbia that there is no power — no force, no treasure — on earth for the sake of which I would betray my people and my fatherland. That is why I am speaking to you now; for I see that the agents in foreign pay have wormed themselves in among you and are inciting you to rebellion. Do not listen to them, — only to your Serbian conscience. Twice already you have paid a heavy price for foreign interests; do not allow yourselves to be dragged a third time into trouble. For, should you attempt a third time to drag the Serbian people into perdition, you will succeed!! Serbia will then be one big cemetery. Then the knell of death will be tolled for the last time over the Serbian people!! Do not

perpetrate any foolishness; do not allow the enemy to plunge you into destruction!! Listen once more to me!! I cannot save you, if you listen to Drazha Mihajlovitch, to London and to Moscow!! Our very existence as a people, our future, is in your hands!! *Let this coming spring and summer be seasons of peace and order and work!! That is the only way out and the only salvation open to us. To choose any other course would be equivalent to exterminating the Serbian people root and branch, — the senseless, purposeless, treasonable extermination of the Serbian people!!* Do you love your Serbian family homes? I know that you too desire that the Serbian people and Serbia shall live on!! Listen, Serbian brethren, to the advice of Milan Neditch, and take it to heart, and listen to your own consciences, lest misery and misfortune should again visit us!! This is my spring message. The fate of the country and the people is in your hands — in your hands alone!!"

OSZK

Országos Széchényi Könyvtár

SLOVAKIA'S ECONOMIC PROBLEMS

BY

LOUIS KÁRPÁTHY

The third general meeting of the National Bank of Slovakia was held on 1st March. On this occasion the Governor of the Bank, Dr. *Karvas*, spoke of Slovakia's economic problems. "Last year" — he said — "the circumstances incidental to the state of war made themselves felt in Slovak economic life to such an increased extent as to necessitate the mobilization of all our resources to cope with the difficulties. Compared with the previous year agricultural production showed a decline in almost all branches. Special attention must be paid to the unsatisfactory state of agriculture in Eastern Slovakia, where the volume of agricultural production was considerably below the average. *It is only by means of systematized economy that the quantities produced by agriculture can be made to supply the needs of the population.* In many instances passing difficulties arose in connection with the distribution of meat and cereals. In consequence of the state of agriculture, attention in 1941 was increasingly directed towards the problems of supplies, and it has been found necessary to elaborate an economic plan calculated to improve agricultural production."

Here and there in the manufacturing industries an improvement is observable. Slovakia has not been able to increase her output of cement and cellulose. Some of the Slovak manufacturing concerns have laid in adequate stocks of raw materials and half finished goods, thus to a certain measure ensuring undisturbed production. Here, however, we must be cautious in our assessment of the situation, for the use made of the stocks accumulated has not always been such as to maintain production in the most rational way. Another growing danger is that if those stocks are not replaced as they are being used up, there will be a hitch

in production later on. This might be prevented in two ways: *Slovakia must either provide an adequate quantity of raw materials to take the place of her dwindling stocks, or obtain suitable substitute materials.*

The National Bank and the Government have been forced to do all they possibly could to assist industry to obtain such raw materials as are still to be found here and there in the open markets. For this purpose the National Bank introduced a system of so-called "foreign exchange credits", and lent its support to all endeavours to buy raw materials and half-finished goods in the international markets within reach. These purchases, however, had to be made at high prices and by means of a liberal use of foreign exchanges, which in effect is as much as to say that Slovakia's stocks of foreign exchanges are of necessity steadily on the decline.

The Slovak Government has done all in its power to stabilize prices. Here, however, the Government is up against gigantic difficulties. Insurance premiums on international consignments have risen, and this has put prices up. Another factor in the rise of prices is the lack of raw materials in other countries. Slovakia has had to choose between two alternatives: either to pay the high prices demanded or to go without the most necessary raw materials. Compared with the previous year the price index in 1940 rose on an average by 16%, —6% falling to the first six months of the year. In 1941 the average rise was 12%, thus the rise in 1940 was greater. But the price level of certain foodstuffs was much higher. For instance, the foodstuffs index in 1941 rose by 19%, as compared with 8% in the previous year. The index figures for clothing rose in 1940 by 26% and by a further 16% in 1941. The cost of heating and lighting was also considerably higher, for, whereas in 1940 the rise had been 9%, in 1941 it was 15%.

According to Dr. Karvas, from all this it follows that in 1941 Slovakia was not entirely successful in stabilizing the prices of vital necessities, for last year the rise in prices was greater than in the preceding year. Added to this, even the prices of articles produced in the country itself have risen. In many cases the prices of agricultural

commodities in Slovakia are higher than the highest prices paid for the same commodities in the adjacent countries.

The National Bank of Slovakia did its best last year to ensure that no hitch should occur in the transaction of payments to foreign countries, a task rendered extremely difficult by the international situation. For the number of countries to which payments could be made in free foreign exchanges had grown smaller, *so that by the end of 1941 there were practically only two countries left whose markets were open to Slovakia: Sweden and Turkey. At the beginning of 1941 the war extended to new countries, which consequently ceased to play a role in international trade.* Finally, on 22nd June, Slovakia declared war on the Soviet, and this meant a further narrowing of the possibilities of foreign trade. All this led to a decrease in the quantities available of the primary commodities required by Slovakia either for consumption or manufacture. The only country from which they could now be purchased was Turkey. *The result was that the quantity of free foreign exchanges flowing into Slovakia was smaller than the quantity paid out.* In 1941 Slovakia paid out free foreign exchanges to the value of 417.000.000 crowns and received only 384.000.000 in free foreign exchanges from other countries. In other words, *her balance in free foreign exchanges was adverse — to the tune of 33.000.000 crowns.*

An apparent increase is noticeable in Slovakia's foreign trade. The total value last year (not including the month of December) was assessed at 6,100.000.000 crowns, of which amount the quota of imports was 3,200.000.000 and that of exports 2,900.000.000. *The debit side of Slovakia's foreign trade balance-sheet is therefore 300.000.000 crowns more than the credit side.* On this balance-sheet Germany, including the Protectorate, occupies the first place, the second and third places being held by Italy and Hungary.

POLITICAL MOSAIC

VITEZ STEPHEN DE HORTHY

The Hungarian nation has with unanimous enthusiasm chosen as Deputy Regent Stephen de Horthy, the son of the Regent. The moving solemnity of the ceremony of election showed a remarkable resemblance to the dignified atmosphere of that historic day on which the Hungarian people raised to the dignity of Regent one of the most glorious figures of Hungarian history and one of the greatest personalities known to that history — Nicholas de Horthy. This event is rendered unforgettable, however, not only by this similarity of externals, but also — and indeed chiefly — by the fact that on the present occasion too, as twenty-two years ago, the Hungarian nation once more stood united as one man in setting its seal amid constitutional forms to its unanimous will.

The background twenty-two years ago was one of collapse and destruction; and today a fresh and vigorous Hungary risen from her ashes: sublimely manifesting a strong will steeled in days of trial.

Twenty-two years ago Hungary was bleeding from a thousand wounds and writhing under the devastations and shameful insults of a communistic rabble-revolution and Rumanian depredation which crowned the horrors of the collapse of the Monarchy. And the political instinct of the Hungarian people found the leader sent by Providence who was the only man capable of raising from its state of apathetic lethargy the dismembered country which had been disfigured, plundered and trodden in the dust.

To Nicholas de Horthy is due the return of the Hungarian people's self-respect and self-consciousness, faith and will-power. It was he that consolidated the nation reduced to a state of lethargic stupor; it was he that led that nation back to the path of unconditional constitutionalism. It was his wise government that converted a country already regarded as doomed to extinction into a strong and hard-working country which has achieved surprising results. It was he that pointed the way leading to creative work and social progress, — that created the really excellent and strong Hungarian army. He has never lost sight of the mission of the Magyars in the Danube Basin or of their duty as heirs of the St. Stephen traditions. Nor has he ever made a secret of his conviction that to Hungary is due the leading rôle in the Danube Valley.

Thanks to his splendid government four sections of the territory stolen from Hungary have returned to the thousand-year-old kingdom, of which they form inalienable, inseparable parts; and this fact in itself is one of the sources of that uncompromising conviction that according to the eternal logic of reason, historical inevitability and history all the other legitimate demands of the Hungarian people are bound to be fulfilled.

This is in the interest, not of Hungary only, but of Europe generally. During the whole course of its history of a thousand years the Hungarian people has always had to bear the burden of a serious mission for the protection of Western Europe; and today also the Hungarian nation has a very important role to play in the struggle against Bolshevism. In the New Europe, therefore, the Hungarian people must be ensured a worthy place, — that place which it has so far claimed as exclusively its own in the Danube Valley.

It was the Hungarian people's ardent affection for and gratitude to the Regent that was reflected also in the spontaneous resolve to elect as Deputy Regent the Regent's son, an eminent scion of his family with qualities similar to his own who stands nearest to him and has been trained to act as his most fitting collaborator in his own family circle.

Stephen de Horthy is an engineer possessing eminent qualifications who has seen the world and has utilised the experience gained during his travels, with the aid of an exceptional power of organisation, to develop into one of the most up-to-date industrial establishments in Europe the wagon-factory of the Hungarian State Railways; he initiated the manufacture of aeroplanes in Hungary; and has rendered his country signal service by the re-organisation of the State Railways. He is a magnificent airman, his great feats as a flyer being known all over the world; at the same time he is a skilled constructor of aeroplanes. He is a highly cultured and strong-willed Magyar — in everything he does or thinks. He is the predestined upholder of the Horthy tradition, — the man who is most familiar with this tradition and best qualified to develop it. He is the exceptionally gifted son of an exceptionally gifted father.

TWO SERBIAN MEMBERS OF HUNGARIAN HOUSE OF DEPUTIES TOUR SOUTHERN HUNGARY

On several occasions in recent years — most recently in our January issue — we have adverted to the decidedly anti-minority procedure of the former Yugoslav Governments in allotting to *the Magyar minority (500.000 souls) only one seat in the House of Deputies and only one seat on the Senate*. The Hungarian Government has not followed their example; but as

representatives of the Serbian ethnic group living in the Bácska region (143.000 souls = only 20.6% of the total population) *has invited to take seats in the House of Deputies of the Hungarian Parliament for the present 2 Serbian politicians.* Early in March these two Serbian Deputies — Milan L. Popovitch and Bogdan Dungserszki — visited the *Zsablya* and *Titel* hundreds for the purpose of properly enlightening, instructing and reassuring the inhabitants of those districts, who are mostly Serbs. Their first meeting was held at *Titel* in the assembly hall of the local Greek Oriental (Serbian) church community and was attended by many hundreds of Serbian farmers residing in the hundred of *Titel*. According to the "*Nova Pošta*", a Serbian paper appearing at Ujvidék, Deputy Milan L. Popovitch made a long speech in which he stressed above all that the Serbians of Hungary should as soon as possible and as sincerely as possible accommodate themselves to the new conditions and the new State order. He requested his fellow-Serbs in particular not to allow themselves to be led astray by suspicious elements with subversive intentions; for the latter made it their object to upset the mental equilibrium of the Serbian people by all kinds of sensational news and lies. The Serbian farmers had however never allowed themselves to be cajoled by unscrupulous individuals anxious to lead the Serbian people astray and to involve that people in the suspicion of being ready to neglect its duties towards State and society. Even today, when Hungary was at war and the whole world was in a travail of uncertainty, the Serbian people would prove able to preserve its peace of mind and to show that the self-conscious Serbian farming class regarded it as its chief interest that it should be able to safeguard its home, its welfare, its country and its Christian faith.

The audience listened with the greatest attention to the words of Deputy Popovitch and expressed its approval of the sentiments voiced by him.

After the meeting the Deputies asked the Serbian inhabitants to state their grievances and wishes, and promised to submit the same to the competent authorities for redress or fulfilment respectively.

From *Titel* the two Serbian Deputies went to *Zsablya* and *Csurog*, where, in the presence of several hundred persons, they explained the object of their mission. At the meetings held there Deputy Milan L. Popovitch *inter alia* made the following statements: — "The ancestors of the Serbian farmers set an example which must be followed; you must endeavour to provide *that our country shall receive from you, in this time of war, the best soldiers, and, in days of peace, the best tax-payers. We must all of us work to achieve that end. The power of our country, Hungary, is based upon the hard-working, industrious*

and courageous farmer class, who must take their due share of the work of re-construction. For the performance of this work the Serbian people needs peace of mind and a rested body.

"The Serbian people must however in these critical days take care to avoid everything inducing groundless unrest and keep aloof from all actions calculated to throw doubt on its loyalty to the State. It should not tolerate paid foreign propagandists or the London or Moscow radio to keep it in a state of constant mental tension or to incite it to commit sabotage and resist the authorities; for the insidious words of foreign hirelings might easily encourage the credulous people to indulge in foolish dreams such as have already brought much horrible suffering upon the Serbian nation. The continued existence and the future of the Serbian people alike imperatively demand that it should await the end of the war in peace and without spiritual upheaval. The greater the number of men — the greater the number of healthy races — that are left alive, the better for the future; and then after the war is over it will be all the easier for the Serbian people to adjust itself to the new situation as being a people which commands respect. That is the only way to avoid the Serbian people being overwhelmed and completely cut to pieces.

"Our people, which in Hungary is fighting against communism, is defending, not only the country and the existing social order, but also its own property and its children. It is my firm conviction that our fellow-Serbs living in the Bácska will not be deceived by lying promises and will not tolerate the annihilation of its culture and the undermining of its economic development by senseless propaganda. The attitude it has so far displayed has ensured it a worthy place among the cultured peoples; and if in the future too it preserves this quality and its creative power, it will be allotted in the new European order the place due to its intrinsic value. That is why we have to defend the warm homes inherited from our fathers and to safeguard our fathers' faith, language and traditions. Let our lives continue to be guided by trust in God and in the authorities. We must remain true to our Church — the Church of St. Save — it we would preserve our own lives and those of our children and the future of our people."

If the Serbs of the Bácska take to heart the serious, wise advice of Milan Popovitch given for the benefit of his racial brethren, there will be no more obstacle to their joining in the national work of re-construction, and the Magyars will in any case be delighted to welcome the co-operation of the Serbian people in the work of furthering the welfare of the common fatherland.

CULTURAL EFFORTS OF MAGYARS OF SLOVAKIA

During the Czecho-Slovak era the Magyars of the northern counties wrested from Hungary created a large organization, the Magyar Cultural Society of Slovakia, which was destined to play a leading part in their cultural life. When independent Slovakia came into being, the Slovak Government refused to allow this minority organization to function. As this decision struck a blow at the very foundations of Magyar cultural life in Slovakia, the Magyars who remained there launched a campaign for the resurrection of their old organization; but it took them three years of hard work to obtain permission for that society to begin functioning again.

The reorganized Magyar Cultural Society of Slovakia held its first general meeting on 22nd February last. At this meeting *Count Michael Csáky*, the cultural leader of the Magyars of Slovakia, described the aims of the Society as follows:

"All strength is relative, and however strong a man may feel, there are tasks which he may not have the strength to perform unaided, but which may be accomplished if he is backed by the confidence and help of hundreds of his fellow-men. This help increases his strength, steels his will, and makes the accomplishment of the most difficult tasks possible. It is with the knowledge that I can rely on help of that kind that I now take the chair as President of the Society, and I promise, with your active help, to realize its aims.

"Our Society is about to enter on a new lease of life. I have before me its new statutes, which, however eloquently the aims of the Magyar Cultural Society of Slovakia are set forth in them, are so far merely a dead letter. To breathe life into them human work is required — our work, — and, therefore, I beg you to allow me to give you briefly an idea of what I consider our aims to be and of the means by which I propose to achieve them.

"Class distinctions are more marked among the Magyars than in the surrounding nations. This in itself would not matter much, were it not that certain classes of Hungarian society hold themselves rigidly aloof from the rest. This is illustrated by the fact that certain social classes have a certain intellectual level, a certain fixed educational standard, by which I mean that *the different classes usually attend different types of schools, and the moment they change their schools and reach a higher educational level, they move from one class of society into another.* In practice, therefore, the different classes of society as such never rise to a higher level, although that would be desirable.

"I have paid visits to the Magyar villages here in Slovakia, and the feelings with which I returned were contradictory. For

although my soul rejoiced in the evidence of clear thinking, ability, skill, resourcefulness, thirst for knowledge and the desire for progress I found in them, and although I came back with the feeling that we have no reason to worry about the future and every reason to be proud of the Magyar race; on the other hand I had to see how neglected and uncared-for those villages are.

"I also visited the Magyar towns and scattered Magyar settlements, and I saw with what tenacity Magyar labourers, craftsmen and tradesmen are struggling to earn their daily bread, and how they have to use up the last ounce of their energies to make good. I also saw that they have no time or energy left for self-education or to make proper provision for the bringing-up and education of their children. Yet if they were better educated, they would stand a much better chance of holding their own against competition.

"What is our task? Not to make the Magyars better Magyars. *We do not recognize the need for this.* Our task is to educate them to be more *efficient* all round. We Magyars set great store on being appreciated. As I see it, the task of the Magyar Cultural Society is to perform work that will result in the Magyars, both as individuals and as a nation, winning the respect and admiration of the whole world by their culture, their knowledge, their character, their work, and all that those things mean.

"The Magyar Cultural Society of Slovakia is fighting with spiritual weapons, and its aim is to raise the intellectual level of the Magyar minority. This implies the care of their souls, the strengthening of their characters and their morals, and the solution of their economic problems. For what should we gain by adding to their store of knowledge by means of lectures if we neglect the spiritual side of their education and forget that our work must always aim at strengthening character and raising the standard of public morals? And what will be the use of all our labour if the Magyars lack a secure economic basis? It would only be a futile effort, an iridescent bubble that vanishes in thin air.

"From the theoretical let me now turn to the practical. *It is our intention to deal systematically on the one hand with the villagers and on the other with the town-folk and the scattered Magyar populations. A whole year's programme of work will be drawn up at the beginning of every year, a separate programme for the villages and another for the towns.* I propose circulating pamphlets containing the programme of work for each season. Lecturers will be sent out from headquarters, but I shall also insist on local lecturers being trained for the work. We shall also devote attention to singing, to the establishment of choirs, which will receive the scores of

genuine Magyar folk-songs chosen systematically. I am well aware of the educative value of amateur theatricals, of the opportunities they afford of bringing out latent talent; and I shall see that they are directed from headquarters. Here there will be greater difficulties to overcome: the finding of suitable plays, the providing of properties, and so on, but I hope to be able to cope with these difficulties soon.

"I should very much like every branch of the Magyar Cultural Society to have its own local premises. In many places the difficulty is that there are no halls big enough for our purpose. This difficulty must be solved in time by the erection of concert halls. I intend seeing about libraries immediately, for in my opinion nothing yields such good results of an educational nature as do libraries. Unfortunately, we shall not be able to increase their number as quickly as I should like, for libraries are mainly a question of money; but we shall certainly make a beginning.

"We cannot begin to think of creating courses of instruction until the work of organization is finished and our resources can be reviewed, and until we are able to provide teachers and suitable premises.

"We shall maintain intercourse with Magyars in every part of the country and make our links with them stronger by frequently visiting them. The object of these visits will not merely be to surmount the difficulties of personal contact caused by geographical distances and bring the people closer together in spirit in order to create a feeling of unity and of a community of interests, but also to see how people in country places react to our efforts, to control and guide their steps and when necessary set new branches going.

"It would be easy to speak for hours of the things to be done and still leave much unsaid; for many of our tasks will emerge unexpectedly in the course of our work. I beg all of you, those present and those who have been prevented by distance or any other cause from being with us today, to do your share of this self-sacrificing and noble work as becomes honest Magyars, remembering that you are labouring for yourselves and for the future of the race.

"I have set a high aim. I had to set it high that no one should ever lose sight of it. To reach it we need the strength of steel, a tough will and the help of the Almighty. I know that strength is ours, I know that our wills are tough, and I believe that God will not deny His blessing to noble work of this kind. If we accomplish it, we may be proud to call ourselves Magyars."

AGRICULTURAL TECHNICAL EDUCATION IN BULGARIA

The great strides made by agriculture during the past few years have made the establishment of new agricultural institutes and schools necessary. *As early as the school-year 1936/37 there were 179 such schools with 12.843 pupils in Bulgaria. By 1940/41 the number had increased to 239 with 14.379 students.* In the course of the present school-year 8 more have been opened, 5 in Macedonia, 2 in Thrace and 1 in the Dobrudja. This means that in the course of the past 5 years the number of agricultural schools has increased by 31.8 per cent. Extra-school courses of instruction in practical agriculture provide for the training of the youth of Bulgaria. The number of these courses in 1941 was 220, or 47 more than in 1936, an increase of 29 per cent. During the past 5 years 59.164 boys and girls attended these courses, which are maintained by the Ministry of Agriculture. The political communities contribute towards their upkeep and the State issues interest-free loans for the building of new schools. In 1940, 13 villages received 900.000 levas for the erection of new school buildings. *In the first half of 1941, the Ministry of Agriculture issued credit to the value of 11.340.000 levas to 14 villages.*

The staffs of the agricultural schools do not confine their activity to teaching in them; they also help their pupils who have left school with practical advice and instruction on their own farms. Repetition courses and courses of practical added to theoretical instruction train the youth of Bulgaria to be skilled agriculturists. Girls are trained chiefly in domestic science and certain branches of agriculture.

The State also maintains agricultural secondary schools. Their number in 1940 was 4: —3 for boys and 1 for girls. *In 1941 a fifth was opened in Macedonia.*

The teaching staffs for the agricultural schools are trained in two State institutes. The Ministry of Agriculture is now elaborating a Bill the object of which is to extend the scope of agricultural education. Besides this it is working on a plan which if carried through will provide a further 200 million levas for the establishment of the agricultural schools still required. ("La Parole Bulgare", November 1.)

POLITICAL ECONOMY

BULGARIA

CO-OPERATIVE FARMING OF SMALL HOLDINGS IN BULGARIA

Some years ago a movement was started among the peasant owners of small holdings in Bulgaria the object of which was to increase the profits of the dwarf peasant farms by getting their owners to cultivate them on a co-operative system, profits being shared according to the size of the farm and the number of hours of labour spent in cultivation. In 1939 this movement was taken in hand by the "*Banque Agricole et Cooperative de Bulgarie*", since when it has prospered well.

By the end of 194 the number of societies farming land on a co-operative basis had grown to 21, as we see from the last report issued by the Bank. *These 21 co-operative societies embrace 1601 small farms*, the smallest consisting of 11 and the largest of 329. The area farmed by the societies is 29.590 decares, 24.322 of which are the private property of their members, while 1435 are owned by the societies. Besides this the co-operative societies farm 3833 decares which they rent from the villages.

The chief product grown in the areas jointly farmed was rice, the land under that crop being rather more than half of the total territory farmed. The following place was occupied by cereals on an area of 10.926 decares, the remaining 3200 decares being devoted to the production of fodder, vegetables, flax, potatoes and grapes.

The report issued by the Bank states that result so far have been very satisfactory. In the sections entitled "Inventory" and "Lue Stock", for instance, a saving of 4% is shown. In general the profits shared are about 40% more than those obtained on the same land before it was farmed on a co-operative basis. In the case of rice the increase of profit has been more than 100%. This explains why the larger half of the land farmed by the co-operative societies is devoted to the production of that plant.. ("Stud", Jan. 21.)

CROATIA

HUNGARIAN-CROATIAN AGREEMENT FOR REGULATION OF FERRY TRAFFIC

An agreement has been concluded between Hungary and Croatia relating to the regulation of traffic on certain sections

of the rivers Danube and Drave. *In terms of this agreement the ferries at present licensed to ply on the common sections of the Danube and Drave may continue to run where that is really necessary for private or public traffic.* The receipts are to serve exclusively to cover the operating and personnel expenses involved by the maintenance of the ferry services; and they must be calculated and fixed accordingly. The ferries are to serve the purposes of river-crossing or small-scale frontier traffic. Fares (or freight charges) must be determined in the currencies of both States in keeping with the exigences of local conditions. Persons working these ferries are required to accept fares (freight charges) in the currency of either country.

The distribution of the ferry-licences as between Hungarian and Croatian citizens shall continue in force as at present. New licences are to be issued — with the approval of the local authorities of the neighbouring State — by that country in whose territory the number of "double proprietors" (persons possessing land in both States) living in the vicinity of the ferry service in question exceeds that of such proprietors residing within the other country. The Governments of the two countries propose to advise the authorities of the towns of *Ujvidek* and *Pétervárad* respectively that they should come to an agreement for the fair and equitable distribution of ferry services in that district. (*"Reggeli Ujság"*, January 10th., 1942.)

CLEARING AGREEMENT BETWEEN HUNGARY AND CROATIA

The *National Bank of Hungary* has concluded with the new Croatian bank of issue an agreement relating to the adjustment of payments and the regulation of traffic. In terms of this agreement persons travelling to Croatia may receive 12,000 kuna per head monthly, the quota of this amount to be paid such persons in bank-notes not to exceed 500 kuna. The rest of such amounts may be given in the form of travellers' cheques drawn on duly authorised Croatian banks. The agreement also adjusts clearing payments connected with export and import transactions. Hungarian debtors are to pay the amounts of their debts due to Croatian firms in pengő to the credit of the collective account opened for the purpose by the National Bank of Hungary. *The basis of conversion is to be: 100 kuna = 8.29 pengő, or 100 pengő = 1206 kuna.* Croatian debtors are to pay the sums owing by them to Hungarian firms in kuna into the special account kept for the purpose by the Croatian State bank of issue, and their creditors will receive the pengő equivalent of the amounts thus paid in from the National Bank of Hungary on the aforesaid basis of conversion.

The National Bank of Hungary is already officially too

quoting the rate of exchange of the Croatian kuna. The rate of exchange of drafts on Zagreb is at present 6.79 — 6.88 pengő, to which sums a premium of 2.75% must be added (*"Délvidéki Magyarország"*, January 10th., 1942).

CROATIA ISSUES AN INTERNAL LOAN OF THREE THOUSAND MILLION KUNAS

In Croatia measures have been taken in connection with the country's first internal loan. *The Government has authorized the Treasury to issue bills to the value of three thousand million kunas.* The face value of these bills will be from 5000 to 10.000.000 kunas, and by the Government's decree they are to be exempt from all State or other taxes. The rate of interest has not yet been fixed.

In connection with this loan the Croat Ministry of Finance has published an official statement explaining why it was necessary. According to that explanation, this first internal loan had to be issued in order that Croatia should be able to avail herself of all her economic resources in preparation for close economic co-operation with Germany, and Italy and take part along with these two leading European countries in the work of European economic reconstruction.

In the past twenty years Croatia was sadly neglected and this loan is needed to raise the country to a level that will enable her to play a role in the new European order.

According to the rest of the statement the loan was needed partly for the proposed work of draining the soil and providing protection against floods as well as for the building of modern working-men's houses which will cost many million kunas. The ordinary State revenues are insufficient to cover all these expenses and so Croatia — like other States — has been compelled to provide these large sums by way of an internal loan. The issue of this loan — says the explanation — is proof that the Government wishes to avoid inflation. Within a few days the loan was over-subscribed, an unquestionable proof of the economic soundness of the new Croat State. (*"Reggeli Ujság"*, November 29.)

HUNGARY

SPLENDID RESULTS IN RESTORED HUNGARIAN SALT-MINES

With the restoration of *Aknaszlatina*, *Aknasuhatag*, *Désakna* and *Parajd* Hungary only recovered possession of 23% of her former salt-mines, but the output of these mines, increased so largely in a few months' time that last year Hungary was able, not only to supply the growing needs of the domestic markets, but also to export a considerable quantity of salt.

Immediately after their restoration, work in the salt-mines began; the water was pumped out of them, equipment that had been destroyed was replaced, obsolete machines were thrown out and modern ones installed, and new offices were established to deal expertly with the output and see that the various requirements of consumption were properly met.

The Government was also careful *that social points of view should receive attention in the mining districts, that the mines should provide employment for the greatest possible number of people, and that, without raising the price of salt, the sale of this indispensable article of consumption should prove as great a source of revenue to the state as possible.* Rationalized management of the State Salt Régie resulted in the receipts from that commodity, which in 1938 were 28.000.000 pengő, rising to 48.000.000 last year, *despite the fact that the inland price of salt remained on the same level as in 1925.*

It is certain that the quality of Hungarian salt facilitates the Ministry of Finance's task; for it is equally suitable for human consumption and for animals. Because of its white colour, hardness and high chloride of sodium content, it is of first-rate quality and entirely free from any traces of organic impurity or other unwholesome matter.

Thanks to these excellent qualities, Hungarian salt was exported in considerable quantities before the first Great War. At that time Bulgaria and Serbia imported the greater part of their requirements from Hungary, and certain quantities were also exported to Southern Russia. As an experiment the Hungarian Salt Régie even exported salt to some African countries, as well as to Brazil, Uruguay and Australia. Polished slabs of Hungarian salt were very popular in the French African colonies, where they were used by the natives in their barter trade in lieu of money. Australia and Brazil were chiefly interested in briquettes of salt used for animals. The following figures will show the development of Hungary's exports of salt during the past 40 years.

1910—1905	44.000 tons per annum
1906—1910	116.000 tons per annum
1913	264.000 tons per annum
1941	110.000 tons per annum
1942 probably	150.000 tons per annum

With only 23% of Hungary's former salt resources available the Hungarian Minister of Finance, adhering to his programme of surplus production, has been successful in raising Hungary's salt exports to almost 60% of their pre-war volume.

In 1913 the salt exported was not more than 10% of Hungary's inland consumption, while in 1941 it was over 70%.

With a population of 21.300.000 souls, home consumption in 1913 was as follows:

table salt	185.360 tons
salt for animals	25.380 tons
industrial salt	57.750 tons

Total 268.490 tons

With a population of 14.675.000 souls, in 1941 the salt consumption in Hungary (including the restored areas) was 157.000 tons.

Salt for animal food is sold to farmers by the State Régie at a reduced price, in order to promote rational cattle-farming; and the attention of cattle-breeders is constantly being drawn to the importance of salt for animals. *Thanks to this propaganda, the consumption of this kind of salt has risen satisfactorily. In something less than two decades it has increased to eight times its former volume.*

The consumption of salt for animals was as follows:

1923	1.200 tons
1931	3.780 tons
1941	9.820 tons

A large increase is also observable in the consumption of industrial salt. Here the figures are:

1923	5.060 tons
1930	11.290 tons
1941	26.900 tons

In other words, about five times as much industrial salt was used in 1941 as in 1923.

This considerable increase, besides being caused by the rapid development of industry — chiefly of the big chemical factories —, is due also to the Ministry of Finance's decision to let the factories have salt at a reduced price in order to encourage industry. This further reduction of the low price of salt amounts to 900.000 pengő, the chemical and the leather industries enjoying each a reduction of about 300.000 pengő.

Now that Hungary has regained possession of some of her salt-mines, the fine table salt sold in packets is produced in the country itself. It is becoming increasingly popular, so that last year 115 wagonloads were sold to the trade. During the two Trianon decades Hungary imported her fine table salt from Germany at the rate of about 30 wagonloads a year. Having lost her salt-mines in consequence of Trianon, Hungary was dependent for all her salt requirements on imports. In 1920 the domestic consumption of salt was at its lowest level, the entire

quantity handled that year by the Salt Régie being 32.210 tons. As conditions gradually improved there was a corresponding improvement in the quantity of salt consumed. In 1923 it was 69.300 tons.

With the restoration of Subcarpathia and part of Transylvania Hungary is again self-supplying in respect of salt, and the populations of the regions round the salt-mines again enjoy the privilege of being able to buy the salt they need themselves at a reduction of more than 40% of the ordinary price. This of course means a loss of several million pengő per annum to the State Régie, but it is offset by the growing receipts ensured by the expert management of the salt-mines and mills.

SERBIA

PLANTING FLOWERS PROHIBITED IN NISH

In connection with the planned economy introduced in Serbia for the present agricultural year, the Mayor of Nish has issued an order *instructing all owners of land in the town and its surroundings under pain of penalties to grow food in their fields, gardens and even in those parts of their courtyards that hitherto have been used for other purposes.* The strips of soil in front of houses in the wider streets must not be left uncultivated. Fields must be sown with the crops for which they are best suited. Vegetables must be grown in front gardens and courtyards. This year it is strictly forbidden to plant flowers in Nish and its surroundings. Control will be very strict; those who disobey this order will be regarded as *saboteurs* and the penalty inflicted on them will be extremely severe.

SLOVAKIA

STEADY DETERIORATION OF SLOVAKIA'S FOREIGN TRADE BALANCE

The "*Budovatel*", a Slovak economic organ, publishes a detailed account of Slovakia's foreign trade in November 1941 and in the first eleven months of the year respectively. *According to this account, Slovakia's foreign trade in November 1940 amounted to 490.400.000 Slovak crowns, while in November 1941 it was 498.000.000.* But whereas in November 1940 imports totalled 221.500.000 and exports 268.900.000 crown, in November 1941 the balance showed imports of the value of 280.000.000 as against exports of the value of 218.000.000 crowns. In November 1940 the Slovak foreign trade balance showed an excess of exports of 47.400.000 crowns, but by November 1941 there was an excess of imports of 62.000.000. In the first months of last year the unfavourable balance was caused chiefly by imports from

Germany, but by November Slovakia's foreign trade balance was "passive" with all the countries with which Slovakia maintains anything like a brisk trade. It was certainly most "passive" with Germany, for the value of Slovakia's imports from that country exceeded the value of her exports to it by 43.700.000 Slovak crowns. Slovakia's trade with the Protectorate showed an excess of imports of 46.000.000 crowns by the end of last November.

The only country with which Slovakia's foreign trade balance was to any considerable extent "active" was Sweden, the value of her exports to that country being 5.000.000 crowns, while imports from Sweden did not total more than 1.100.000.

By the end of last November Slovakia's foreign trade balance with Bulgaria showed an excess of exports of 1.400.000 crowns. In the first eleven months of the year the Slovak foreign trade balance was 5,683.000.000 crowns, as compared with 5,096.000.000 in the same period of the preceding year (1940). The value of imports had risen from 2,474.000.000 crowns to 2,989.000.000, but that of exports, which in the first eleven months of 1940 had amounted to 2,622.000.000 crowns, had not increased beyond 2,694.000.000 by the end of November 1941.

OSZK

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