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ZSOMBOR DE SZASZ

In the spring of the current year a new political review was started in the United States under the title of "Journal of Central European Affairs". The first two numbers, of April and of July, are now in our hands. According to the Editor's statement, this review is subsidised by two prominent American Universities, Colorado and Harvard, and the editorial board consists of the Professors of three educational institutes of similarly high standing. The Editor's Note says: "The policy of the Editors is to encourage free and divergent expressions of opinion so long as moderate statement and sound scholarship underlie these honest opinions and conclusions. Under no circumstances, however, will personal, racial, or national polemics be considered for publication."

All this augured well.

Some natural misgivings arose in us, however, when we saw that one of the consulting Editors was Professor Seton-Watson, who is only too well known in Hungary, and that the leading articles of the first and second numbers were written, respectively, by ex-President Beneš and the Hungarian emigré Professor Oscar Jászi; that most of the other articles emanated from the pen of Czechoslovak writers, while one contribution concerning Hungarian affairs and entitled "Ordeal in Transylvania", was by a writer who, whether from fear or shame we know not, withheld his real name and signed himself "Transylvanus".

All this was not very promising; we seemed to breathe the air of the defunct Little Entente.

Apart from this, the articles have a decided interest for students of Central European affairs. Mr. J. Hanc's "Last Mile of Appeasement", which deals with the last phases of
Czechoslovakia's independence, Professor O. Odložílík's essay on the "Dawn of the Small Nations", the bibliographic article on "Ukrainian Sociology" by the well-known Professor Roucek, all in the first number, Mr. D. Tomašiće's "Struggle for Power in Yugoslavia", which narrates the preliminaries of Croatian independence, although from a hostile angle, and Mr. Leo Wollenborg's article on Italy's role in the Triple Alliance, are all well worth reading. And more interesting than all of these are the above-mentioned articles by ex-President Beneš and Professor Jászi, both of which deal with the prospective readjustment of Central Europe after the present world war. With these we hope to deal in a subsequent article.

Our own interest was naturally enough centred on Transylvanus's article, "Ordeal in Transylvania".

We must confess to being somewhat startled, both by the title and by the introductory sentences. We suspected, of course, that the article would deal with the reannexation of the northern part of Transylvania to Hungary. But what has a scholarly article to do with so pompous a word as "ordeal"? In the first lines of the text the author writes: "...Rumania was robbed for the third time in her history of her eastern province", and further: "...what she (Rumania) might have saved from the exaction of the usurper..." (the italics are mine in each case). Can such expressions really be regarded as "moderate statement and sound scholarship"? Do they not rather recall the style of the most blatant propaganda? Would Transylvanus write in a similar strain now that the Soviet Union is an ally of the United States?

We told ourselves that even though the style might not be all it should be, the text would probably present incontrovertible facts and figures which would make clear to us wherein lay Transylvania's terrible ordeal. But as we read on, we were startled by the following statement: "...Hungary was and is the beneficiary, while Rumania was and is indubitably the loser. The immediate victims are 'the thirty millions of Rumanians losing many of their vital rights and passing under the domination of the masters that speak a foreign tongue'."

True, the last part of this sentence is a quotation from
the Christian Science Monitor, but it is evident that Transylvanus accepted without hesitation the statement that by the Vienna award thirty million Rumanians had lost their rights and passed under the terrible domination of their former masters, the Hungarians who, it must be admitted, speak Hungarian and not Rumanian. Thirty million Rumanians in the northern half of Transylvania alone! To the best of our knowledge, Rumania even at the time of her largest territorial expansion embraced no more than thirteen million inhabitants of Rumanian tongue. After these introductory lines Transylvanus settles down in earnest to blacken Hungary’s and Transylvania’s past and present — the former even more than the latter. The first part of the article begins with the well-worn catchword that Hungary is the land of “feudalism”, — feudalism in this case meaning, naturally, not the medieval system of common law, which never existed in Hungary, but the “exploitation of the peasantry” by the “large landowners and millionaires... living in luxury and pomp unequalled anywhere in Western Europe; nor has the peasant class that bears the yoke of servitude a counterpart in any other civilised State”. This is sheer propaganda, recognizable as such by the absence of dignified and sober impartiality. Nobody, least of all the writer of these lines, will take it upon himself to deny that the situation of the agrarian proletariat of Transylvania — not of the peasantry in general — is far from enviable and much in need of amelioration. But for many centuries it was far better than that of the peasants in the provinces of the old Rumanian kingdom; and at present it is at least no worse. Rumania was the only country in Europe where the peasants revolted against their landlords as late as the twentieth century. Transylvanus talks of “the Rumanian feudal helots” being “freed from serfdom ninety years ago after a great revolution”, but he omits to mention that the liberation of these same “feudal helots” was accomplished in 1848 by their own “feudal” barons who that very year had fought a magnificent struggle for liberty and social reforms against Austrian despotism, a struggle in which the Rumanians had
sided with the oppressors. The Rumanian peasants of Transylvania, no less than the Hungarians, received freehold land through the generosity of their Hungarian landlords and became the owners of their farms. Their national pride and racial consciousness dates from this time. “After the liberation of the serfs in Transylvania” said M. Grofșoreanu, a Transylvanian Rumanian member of the Rumanian Chamber, in 1924, “the Rumanian peasantry took a great stride forward. They had land and healthy homes; they were culturally and economically, as the villages were financially, in a much better position than those of the Regat”. Even at the present day, Transylvanus can offer these peasants of the Rumanian kingdom nothing better than the hope of a better future. In Rumania, he says, quoting his Christian Science Monitor, “the administration was not good; civil officials were far from exemplary; confusion abounded; graft was common, bribery an ordinary practice; partizanship was a curse. But in spite of all those sad defects, little men made progress. They lifted up their heads, and though sighing, dared hope for better things.”

Transylvanus wishes to convey the false idea that the peasant risings of 1437, 1514 and 1784 were the revolt of the Rumanian peasantry against the “Hungarian latifundary nobles”, that is, not merely an agrarian, but also a national rebellion.

This is completely misleading.

These risings were not a revolt of Rumanian peasants against their Hungarian landlords, but of the serfs of whatever nationality — Magyars and Székelys no less than Rumanians — against landlords in general, who might just as easily be Székelys or Saxons, or even Rumanians. During the period which lay between the fifteenth and the eighteenth centuries the idea of nationality did not enter into them; that was a product of the late eighteenth century. Rumanian national consciousness developed, as national consciousness did elsewhere in Europe, in the course of the nineteenth century.

In this connection Transylvanus mentions the “union of the three nations”, presenting it, according to his wont, in a completely false light.
The question of the *unio trium nationum*, the Magyars, Székelys and Saxons, is not so simple as he would make out when he says that it was formed "for the exploitation of the other races".

Transylvania as a State was founded by the Magyars and the Székelys, to whom in the thirteenth century a third people was added, the Saxon settlers. The two former were the nobles, the latter the free burghers, and they made up the three Estates of the country. Each people had extensive territorial self-government and was independent of the other two. They were called the three *nationes*.

The peasant revolt of 1436—37 broke out on Hungarian territory, and the Magyar nobles, unable to cope with it, appealed for help to the other two nations, the Székelys and the Saxons; the rebellion was crushed by their common efforts, after which the three nations assembled in Kápolna and there made a covenant which in 1459 was set down in writing and was subsequently renewed again and again. In this document the nations pledged themselves to remain loyal to the king; to defend their liberties and privileges by their united efforts; if oppressed by the voyvode, to address a common protest to the crown, and finally, to defend themselves by concerted action against all enemies, external and internal.

This act of union was a kind of "*contrat social*", between the three nations, "a sacred agreement to preserve the unity of the nation", as Prince Gabriel Bethlen put it. The victory over the peasants had merely furnished the occasion for the codification of a few principles on which the constitutional organisation of the country could be built up; and the declaration of mutual defence against "internal enemies" was a natural result of the strained relations, obtaining in those days everywhere in Europe, between serfs and landlords, and the defensive alliance against "external enemies" was made necessary by the Turkish menace.

The fact that the Rumanian people had no part in this union was a natural outcome of their historical past and of their actual cultural situation. As later immigrants into the country or, as Rumanian historians maintain, as the conquered and subjugated early inhabitants, they were serfs,
without a political organisation of their own, and with a very low social and cultural standard. But their position was no worse than that of the Hungarian serfs. They could be ennobled, and many of them were, in fact, raised into the ranks of the Hungarian nobility. It was not as a separate race that they lacked the rights and the liberties of the three nations; it was simply that, belonging as they did to the class of the serfs, they bore those burdens and duties of villeinage which were common to all serfs, not only in Transylvania but everywhere in Europe.

Nowhere does Transylvanus betray his partizanship more openly than in the lines relating to the Uniate or Greek Catholic Church of the Transylvanian Rumanians.

He starts with the assertion that as a consequence of the Vienna Award the unfortunate Rumanians "must return to a régime that has a long record of religious intolerance". He is safe in saying this, because very few of his American readers can be expected to know the facts. The fact is, that he is determined to find fault with the conversion of the Transylvanian Rumanians to the Greek Catholic faith. What connection is there between religious tolerance and the facts to which he objects, namely, that the Uniate Church was founded as late as the beginning of the eighteenth century and that only a "fraction" of the Rumanians joined that "schismatic sect"? (As a matter of fact about half of the Transylvanian Rumanians belong to the Uniate Church, and the Uniate Rumanians represent 39.1 per cent. of the population in the reannexed territory as against 11.8 per cent. of the Orthodox.)

Another "essential fact" concerning the conversion mentioned by Transylvanus as proof of the religious intolerance of the Hungarians is that "the founding of the Church, far from being an indication of freedom, is the most eloquent proof of oppression".

Leaving aside the question whether freedom is or is not the aim usually set themselves by the founders of religions, the facts concerning the beginnings of the Uniate Church in Transylvania are briefly as follows:

When, at the end of the seventeenth century, the independent Transylvanian Principality came to an end and
the Catholic Habsburgs came to rule over the country, the emperors started an intensive anti-Hungarian and anti-Protestant campaign with the object of turning the Principality into a Roman Catholic country and its inhabitants into loyal supporters of Habsburg rule. As there seemed little hope of attaining this object by the re-Catholicization of the Protestants alone, the Jesuits decided to win over to the Roman Catholic Church the Orthodox Rumanians of the country. The union was an anti-Hungarian and an anti-Protestant weapon, but it was not the instrument of an oppressive policy. "Indeed", writes Transylvanus himself, "the Uniate Church has as its *raison d'être* not the motives found at the basis of all new creeds, but the necessity of securing recognition by the State of the belief of its communicants as a first step towards their *attaining political and economic equality*". But can the Hungarians be held responsible for the fact that the conversion of the Rumanians was inspired by materialistic rather than by religious motives? In any case there is no denying that great advantages accrued from it. Transylvanus is prevented by lack of space — and perhaps also by other considerations — from dwelling on the enormous spiritual and national value of the Uniate Church to the entire Rumanian people. He omits to mention the immense cultural incentive derived from the connection with Rome and Western Europe in general, and the far-reaching political significance which the invention by Uniate students of the theory of the Daco-Roman origin had for the national development of the Rumanian nation.

Transylvanus, being a Transylvanian, is sure to know Rumanian and can, if he will, read in the original text Canon Augustine Bunea's valuable book "*Autonomia bisericească*", published in 1903, in which he will find the following lines: The Uniate Church "opened to the Rumanians not only all the Roman Catholic schools of Transylvania and Hungary, but also those of Vienna and of Rome; a cultural class came into being whose efforts awakened in the people a consciousness of its lofty origin and a sense of its human dignity, which caused it to demand the abolition of the Transylvanian system of the three united nations and four accepted religions... These advantages alone sufficed to
elevate the moral standard of our people... The Rumanians realised that by going over to Rome, by subjecting themselves to the laws which secured the existence of Catholicism in Transylvania, and by appealing to the protection of Vienna, they could afford to await a better future."

As regards religious intolerance in Transylvania — it would be easy to cite instances, not from the times of the religious wars, nor from the period of Hungarian or Habsburg domination in the seventeenth and eighteenth centuries, but from the days of the Rumanian régime in the twentieth century.

On May 7, 1924, a mass meeting of Greek Catholic clergy and laymen was held at Szatmár, and a manifesto was issued, signed by a hundred members, protesting against Orthodox propaganda and persecution. It was pointed out that these had destroyed not only internal peace but also the country's prestige abroad. A religious war even more destructive than the world war was tearing the country to pieces. Misstatements, corruption, lies, promises impossible of fulfilment, with the resulting demoralisation and vulgarisation of the people — these were the weapons used in the struggle to force men to leave Rome and join the Orthodox Church.

The concluding sentence of the Manifesto runs thus:

"We demand that this propaganda shall cease. We demand that the spiritual calm of the Greek Catholics be left undisturbed, and that this work of hatred and discord on the part of Orthodoxy shall not be supported by the State, but shall be suppressed as an action endangering the interests of the country and our race.

"We have no acceptable reason for abandoning our creed... and therefore solemnly declare that we shall unswervingly adhere to the Church of our forefathers, to Rome the Eternal, and that we are prepared to defend our faith even at the sacrifice of our lives."

Is not this "a most eloquent proof of oppression", though not on the side Transylvanus would have us believe?

He dismisses in a few lines the complicated language question which is the central problem of the nationality struggles. He only touches on it in order to be able to drag into prominence the tragic death of the Saxon Pastor L.
Roth, who, by a most regrettable blunder, was executed by the Hungarian revolutionaries in 1849. Needless to say, the details of his death, as given by Transylvanus, are wholly inaccurate.

If the important questions of the agrarian situation, the historical significance of the Uniate Church, and the language problem of a territory in which three separate languages are spoken, are dismissed in a few lines, all the greater emphasis is laid on the ethnic situation.

"There is", says Transylvanus, "general agreement on the ethnic aspect", by which he means that no one contests the incontestable fact of the numerical preponderance of the Rumanians in the population of Transylvania. He quotes Professor Ph. E. Mosely, who in an article which appeared last year stated that "since 1918 the Hungarian claim to Transylvania has perforce rested on historical, geographic, strategic and economic — and not ethnic — arguments, for Rumania's ethnic claim to the region is certainly stronger now than it was in 1918". That may well be, considering the wholesale expulsion and forced emigration of the Hungarian inhabitants. But Professor Mosely's statement to the effect that Hungary's désinteressement in the ethnic side of the question dates only from 1918 is erroneous; Hungary's claim to Transylvania was never based on ethnic grounds, as is proved by the fact that in 1919 the Hungarian Peace Delegation proposed that a plébiscite should be held in Transylvania, in the conviction that not all Rumanian votes would be based on racial sentiment but many on historical, cultural and traditional motives.

It is curious to observe how even statistical figures become hazy and inaccurate in Transylvanus's handling.

He states that the Rumanians "have always constituted the majority" of Transylvania's population. This is not so. They were not in a majority until the beginning of the eighteenth century, at which time the Phanariote rule began in the two Principalities, causing the oppressed inhabitants to escape in large numbers to Transylvania, where they swelled to an unnatural degree the percentage of the Rumanian population. Transylvanus quotes unverifiable figures concerning the increase of the Rumanians in Tran-
sylvania, without giving us the corresponding figures in regard to the other nationalities or the entire population, so that there is no possibility of estimating their relative strength, and the reader must blindly accept his statement that the figures represent what he means them to represent, — a Rumanian majority in the population. Can this be taken seriously?

It is, however, unquestionable that in 1919, that is, about the time when Transylvania was annexed by the Rumanians, the Rumanian inhabitants of the country represented about 53 per cent. of the entire population, so that a majority of 4 per cent. formed the ethnic basis of the Rumanian claim.

As regards the numbers and the racial distribution of the population in the ceded territories, we have the figures of the Rumanian Census of 1930, revised on the basis of current vital statistics; neither version is reliable. Transylvanus quotes the following figures:

| Rumanians:       | 1,171,000 (49.07 per cent) |
| Magyars:         | 910,692 (38.16 per cent)  |

The figures of the Hungarian review Magyar Kisebbség published in Rumanian Transylvania, are as follows:

| Rumanians:       | 1,166,434 (48.70 per cent) |
| Magyars:         | 1,107,170 (42.10 per cent) |

The difference is immaterial.

Against attacks such as that of Transylvania we are defenceless. His article is pure propaganda — and not very elevated propaganda at that. How can we make our truth prevail against it? The questions he has raised are too big to be answered in the limited space the Journal would place at our disposal, even supposing that we were admitted to its columns, which is by no means certain. For what we should write would needs have to be polemical, and the Editorial Note tells us that "under no circumstances will... racial or national polemics be considered for publication".

It is our misfortune that the Journal of Central European Affairs will be read by a far wider circle than the Danubian Review can at present hope to reach. Our only hope must lie in the knowledge that too overt propaganda is apt to overleap itself.
The adjustment of the educational affairs of the Germans of Hungary is a classical example of how a difficult problem of the kind may be solved in a manner satisfactory in every respect during the course of sound and organic development.

As a consequence of the Peace Edict of Trianon three and half million Magyars were subjected to foreign rule; while, though the population of Dismembered Hungary was reduced to one-fourth of its previous number, a very considerable German minority was left in the country, besides sporadic groups of other nationalities of no particular significance.

The foreign press frequently published charges brought by hostile propaganda (chiefly the work of Little Entente propagandists) asserting that Hungary was averse to accepting any fair settlement of the minority question and that even in her dealings with the German national minority she was very reluctant to adopt a policy of fulfilment in keeping with the much-stressed St. Stephen State-idea. The utter groundlessness of this accusation is shown most clearly and strikingly by the gradual adjustment of the educational affairs of the Germans of Hungary ensuing since the year 1920.

The very first Government taking office after the overthrow of Communism issued an ordinance relating to the regulation of school matters — a problem then forming the pivot of the German minority question in Hungary. This educational ordinance — the work of the Prime Minister, Stephen Friedrich, and of the Minister for Minorities, Dr. James Bleyer, — made the determination of the language of instruction dependent upon the free choice of the parents.
This fundamental principle was accepted later on also by Count Stephen Bethlen, who on June 21st, 1923, in his capacity as Prime Minister issued an Order in Council establishing 3 fixed types of school for the solution of the schooling matters of the German minority. In the schools of Type A. the language of instruction was German, the Hungarian language as that of the State being taught only as a separate subject. In the schools of Type B. the instruction was given in both German and Hungarian (alternatively); while in the schools of Type C. Hungarian was the language of instruction, German figuring only as a separate subject.

This Order in Council was in force until 1935, when, in terms of Order in Council No. 11,000 ex 1935, the then Premier, Gyula Gömbös, abolished the three types of school, reducing them to a common denominator and introducing the system of a mixed (Hungarian-German) language of instruction in all schools alike. The new ordinance, however, at the same time allowed scope also for the resolutions of parents' conferences and for the free expression by parents of their wishes. The so-called "practical" subjects were taught in the mother-tongue of the pupils and the so-called "national" subjects in the language of the State. The proportion of hours in the mother-tongue and the language of the State respectively was 54:56.

To render the adjustment of the schooling problem as fair as possible the Hungarian Government, however, took other measures too. The first of these measures was the establishment at Baja of a six-weeks' summer course for teachers employed in villages or townships with a considerable majority of German inhabitants; these courses were attended every year by 120—150 teachers. Five years ago a year's course was inaugurated at Budapest for 30 certificated teachers of both sexes; the cost was borne in full by the State, and the language of instruction was exclusively German. Finally, two years ago, a teachers' training college using German as the language of instruction was established in Budapest to ensure the supply of teachers for German elementary schools.

The expansion of her frontiers did not bring about any change in respect of the educational affairs of the villages
in Hungary with German populations. The Hungarian Government took over the German schools and institutions of the re-incorporated regions of Upper Hungary and of Sub-Carpathia and left the same intact. That was done also in North Transylvania and in the Szatmár area too, where all the secondary, "city" and elementary schools were enabled to continue functioning without interruption; and that is true also of the "Bácska" region incorporated in the mother-country in the spring.

Within the territory of the Dismembered Hungary of former days further steps were taken after the signature of the German-Hungarian minority treaty concluded in Vienna on August 30th, 1940, to further the definitive adjustment of the educational affairs of the German "ethnic group". Early in the school-year 1940/41 the Budapest "Bleyer" Gymnasium (Grammar School) was opened; that being followed early in the school-year 1941/42 by the opening of the German Gymnasium at Pécs: the language of instruction in both schools being German. The Budapest German teachers' training college has been expanded, while "city" schools using German as the language of instruction have been established at Bacsalmás, Hidas, Hőgyész, Baja and Németboly. And the introduction of German as the language of instruction during the current school-year in the elementary schools of 372 villages was ordained on September 4th by Dr. Hóman, Minister of Education ("Budapester Nachrichten", September 26th, 1941).

We would only add to what has been said above that the adjustment of the educational affairs of the Germans of Hungary outlined in the present article was effected in keeping with law and constitutional usage, — not, as was done at the time in the so-called Succession States, by ministerial ordinances liable to alteration at any time or withdrawable at will which could not be regarded as in any respect a legally binding adjustment of this grave and delicate question.
At the end of this summer constructive work of a social and cultural nature began afresh with renewed élán in the restored areas of Upper Hungary. The 260 children of Kassa who had been sent on a holiday by the town returned, bringing with them the outward and visible signs of warm, sunshiny days spent in the fresh air. The town of Kassa has appropriated an annual sum of 613.000 pengő for hygiene and popular welfare work. This is 12% of the municipal budget. The first item in the programme was the establishment of a holiday camp for children at Csermely-völgy. There, beside a running brook in the middle of a wood, groups of children from Kassa, boys and girls, spent periods of three weeks each recuperating and laying in a store of energy for the next school-year. Good, nourishing food was provided by the municipal soup-kitchen, and all the children returned home several pounds heavier than when they arrived at the camp.

The Municipality of Budapest proposes to establish a health resort for working people at Bank near Kassa. Towards the end of August a committee from Budapest inspected the spot chosen at Bank with a view to having the work begun as soon as possible; for the Council is determined that the building must be finished before winter sets in. For the present it is proposed to build a two-storied hotel with everything modern in the way of equipment to accommodate 180 persons. Later on, two more stories will be added, and then, summer and winter, a building with accommodation for 400 persons will be at the disposal of the workers employed at the Municipal waterworks, machine factories, electricity works, provision factories, bakeries, etc. The rooms will contain either two or
four beds, running hot and cold water will be laid on in all of them, and there will be four shower-baths on each floor. The building of this hotel will mean much for Kassa, for it will provide employment for a large number of workers. Besides this, the Municipality of Budapest has decided to staff the hotel with local people. A hotel like this, open summer and winter, will certainly do much to attract visitors to Kassa.

At the beginning of the present school-year M. Paul Szent-Imrey, Under Sheriff of County Abauj-Torna, appealed to the men responsible for popular education in the county, asking them to spare no effort in inaugurating the important work of post-school popular education with all speed. At the same time the Secretary of the Board of Popular Education drafted a programme of work for the local committees. In every village of the County the local committees met without delay to discuss in detail a plan of work for the new school-year.

Between January 1940 and the middle of the current year loans aggregating 210,000 pengő were issued in the territory under the control of the Kassa Chamber of Commerce and Industry to craftsmen and tradesmen: 570 craftsmen received altogether 120,000 and 324 tradesmen 90,000 pengő.

This autumn will see the opening at Szerencs of the finest and biggest club-house in Upper Hungary for members of the Levente (a youth organization). This beautiful, modern building, standing on the edge of a fine sports-field, will contain twenty rooms. The Government has contributed 10,000, the County 12,000 and the town 70,000 pengő towards its erection.

A great scheme of river regulation is in progress in Upper Hungary and Subcarpathia. The necessary funds were provided partly by the State and partly by the local communities and corporations themselves. The clearing and dredging of the rivers will lessen the danger of floods, and the draining of marshes will increase the area of land under cultivation. On the Kassa section of the river Hernád the work has already begun, and will cost 700,000 pengő. The greatest work will be the regulation of the river Ronyva in County Zemplén, that having been estimated to cost 2,000,000 pengő.
pengő and to take five years to complete. Work in the forest section is now in full swing.

Since the restoration of these areas a work of scientific prospecting for coal has been going on in the mountains of Szepes and Gőmőr. So far the richest veins have been discovered between Somodi and Szepsi. A mine near Somodi is to begin production this October. It will be the first brown-coal mine in County Abauj-Torna. As the result of trial borings it is estimated that the entire coal deposits in this basin will total from two and a half to three million tons. This year production will be on a small scale, only about 10 or 15 wagonloads a day; but next year the quantity produced may be expected to rise to 25 or 30 wagonloads a day.

The Rimamurány-Salgótárján Ironworks Co. Ltd. has taken over the management of the neglected medicinal baths containing iron at Rozsnyó, and has turned them into a modern hydropathic establishment. The work lasted four months and cost about 250,000 pengő. The hotel, which is situated in picturesque surroundings, affords accommodation for 100 visitors. Special provision has been made for the Company’s workers, who are now able to enjoy a comfortable holiday for the trifling sum of two pengő a day.

The Corporation of Kassa, headed by the Mayor, M. Alexander Pohl, is busily engaged in a great propaganda campaign the object of which is to secure for Kassa the new Technical University about to be established. Prelate Barnabas Tost, Rector of Kassa, himself visited Dr. Valentine Hőman, Minister of Education, to discuss this matter. The Minister has premised his support, but said that in no case would it be possible to establish the new university before next year, as 13,000,000 pengő were required for the purpose, and this sum would not be available until it could be appropriated in next year’s Budget. Since Kolozsvár and Ujvidék have also laid claim to the new university, Kassa realizes the importance of enlisting the sympathies of influential public men by means of a widespread propaganda campaign. Kassa already has three colleges and would then be a university town, which would restore it to the position it held centuries ago when Benedict Kisdy founded the first Kassa University.
THE WORK OF RE-CONSTRUCTION IN
TRANSYLVANIA

BY
LADISLAS SZENCZEI

The mother country is making great material and intellectual efforts to raise the re-incorporated parts of Eastern Hungary and Transylvania to the level of the other provinces of the Holy Crown of Hungary. The Hungarian Government is devoting special attention to the work of developing Transylvanian agriculture and industry. The 1940 Estimates — over and above the amounts figuring in the Estimates of the State Undertakings — appropriated the sum of 20 million pengő for the purpose of raising the level of Transylvanian agriculture. The Estimates included also an item serving to cover the costs of maintenance of the Transylvanian office representing the Ministry for Agriculture. The Estimates provide for the requirements directly serving the interests of agrarian production and of animal breeding. Particular mention is due in this connection to the action for the supply of seeds. The system that has proved so effectual in Trianon Hungary has been extended to Transylvania too; that rendering possible an expansion of the scale of the seed actions. Apart from providing Transylvanian farmers with suitable wheat seed, the Ministry for Agriculture thinks it important to supply seeds of other cereals and agricultural plants too. Great importance has been attached, for instance, to the provision of oats seed. In many counties the Ministry has distributed free of charge rape seed, and has in general taken far-reaching measures to further the growth of oleaginous plants, fodder plants, flax and hemp. For the development of the yield of the plants there is need of a more up-to-date handling of stable manure; so the Estimates include an item ensuring the provision of 400 model manure-dumps for the use of small farmers. To relieve the shortage in evidence
in respect of proper farm appliances several hundred drills and selectors — and in certain cases ploughs, rakes and horse-hoes — are being distributed on very favourable terms. The use of artificial fertilisers is being popularised with the aid of Government. For the purpose of preserving and warehousing the supplies of fodder the silo action is being extended to Transylvania, the Estimates including items serving as contributions towards the building of silos for the use of 300 smallholders.

The Transylvanian section of the Estimates makes special provision also for the development of animal breeding, the actions already in operation to receive increased State grants. Provision has been made to ensure considerable credits for the purchase of sire animals. Brood sheep have been imported from Germany for the development of Transylvanian sheep-breeding. Stud farms have been established at Szatmárnéméti, Alsózsuk and Csikszereda; while a large-scale brood-mare action has been launched for the support of smallholders engaged in the breeding of horses. In connection with animal breeding measures have been taken to improve the Alpine and other pastures and in general to further the development of a rational system of fodder-production.

The wanton depredations carried out during twenty years of foreign rule wrought great havoc in the forests of Transylvania. The Ministry for Agriculture has drafted a fifteen-years' scheme for the afforestation of barren areas and of areas becoming sterile; under this scheme this year's Estimates provide funds for the distribution free of charge of 16,000,000 forest-tree saplings. 8,000,000 saplings are to be distributed either free of charge or at reduced prices for the afforestation of certain clearings and for other afforestation purposes.

There is a considerable upswing also in the development of the branches of industry connected with agriculture or animal breeding. For the manufacture of the surplus of the abundant potato crop of Szeklerland, for instance, — a surplus amounting to roughly 2000 wagonloads a year —, a factory has been established at Csikszensimon for the manufacture of potato starch and potato syrup; the work of
construction has so far advanced already that the factory will be able to start operations in October next. The factory at Csikszentimol is to be equipped to produce 100,000 wagonloads of starch a year. The establishment of a factory at Baró for the manufacture of milk products is also under way. This plant will be able to deal with 15,000 litres of milk a day. The sums to be invested in connection with the establishment of this plant amount to roughly 250,000 pengő. 150,000 pengő is the amount foreseen in the estimates of the factory to be established at Kézdívasárhely for the manufacture of sheep cream cheese. In a few days a cheese factory is to be opened at Csikfalva which will on an average deal with 100,000 litres of milk a month. It is proposed to establish during the coming year a cheese factory at Gyergyószentmiklós too; and negotiations are proceeding also to ensure the establishment of milk products plants at Délos and Szilágysomlyó. The latter plant will require the investment of roughly 300,000 pengő and will be able to manufacture products from some 15,000 litres of milk a month. Large scale electrification works have been begun in the vicinity of Nagybánya. The State Mining and Foundry Directorate is having lines with a 22,000 voltage constructed in its mining establishments in that region. The vast work of construction — involving an outlay of roughly 2,500,000 pengő — has been entrusted to the General Electric Co. Ltd. (AEG). This gigantic establishment will supply the whole amount of current required by the State mines lying in the Nagybánya region. The total length of the wires carrying the current will be 40 kilometres and will be distributed over four branches. The energy needed for the generation of the current will be obtained from the water of the streams Zazan and Bridál — both containing an abundance of water and showing a considerable fall.

The towns of Transylvania have foreseen the expenditure of large sums for the restoration of the level of culture so sadly lowered during the 20 years of Rumanian rule. The town of Kolozsvár, for instance, is itself appropriating nearly 1,000,000 pengő for useful and beneficial investments. The town council is this year to expend an extra-budgetary sum of 500,000 pengő for the re-construction of
the cold storage plant of the slaughter-house. For the build­
ing of houses serving the purposes of people's and family
welfare the sum of 375,000 pengő has been appropriated.
For the re-construction of the gasworks the sum of 600,000
pengő is to be employed. The total cost of municipal public
works is estimated at 1,865,000 pengő. In addition certain
public authorities have planned the execution of large­
scale works within the confines of the town also calculated
to contribute in large measure to furthering economic pro­
gress. The command of the Ninth Army corps is effecting
investments for the amount of 1,500,000, the Francis Joseph
University of Sciences investments to the tune of 750,000
pengő and the National Theatre investments to the tune of
500,000 pengő. For the building of the Degerando Girls'­
Gymnasium (secondary school) 300,000, for the works to
be undertaken for the extension of the State Teachers'­
Training College and secondary school connected therewith
40,000, for the re-building of the Reformed gymnasium
30,000, and for extensions of the building of the theological­
college 150,000 pengő are to be expended. The total amount
to be expended on building and investment works within
the confines of the town is 4,615,000 pengő.

The council of the town of Kolozsvár is making
generous provision also for the welfare of the inhabitants.
The amount of 460,000 pengő has been foreseen in the
Estimates for social expenditure. In addition, the State has
provided a grant of 200,000 pengő (not to be refunded) for
ensuring employment for unemployed who are fit for work,
while the Transylvanian Social Organisation has granted a
loan of 150,000 pengő (free of taxes) for the same purpose.
We see, therefore, that the sums to be expended this year
by the town of Kolozsvár under the head of social expendi­
ture will amount to 810,000 pengő. The State and the social
organisations of the mother country are also hastening to
provide enormous sums in support of the efforts of the
municipal authorities. In the household section of the
Estimates, for instance, the amount of 383,000 pengő figures
under the item "Sundry Receipts" as State grants. The
National Hungarian People's and Family Welfare (Protec­
tion) Fund is providing the sum of 375,000 pengő for the
building of family houses. The amount granted by the State during the current year to help the town to realise its objects is nearly 1,000,000 pengő.

The People’s and Family Welfare Fund is hastening to contribute considerable sums for the improvement of the social conditions in the re-incorporated territories. The County of Marostordá alone, for instance, has been granted 500,000 pengő for the year 1941. Out of this sum during the current year the county authorities propose as a beginning to carry out the objects in view in 10 villages. Plans have been made for the building of modern houses, the establishment of poultry and angora rabbit farms and the creation of model orchards and day homes. The people of Transylvania reduced to destitution during the days of Rumanian rule is once more as a consequence of the highly-developed social legislation of Hungary able to live the life of human beings.
HUNGARY AND SLOVAKIA

BY

LOUIS KARPATHY

I.

An important advance has been made by the Slovaks of Hungary: they have been given permission by the Hungarian Government to form a Slovak Party. That Party has now taken shape and bears the name "Strana Slovenskej Národnej Jednoty", or the "Party of Slovak National Unity". The leaders of the Party have been recruited from the editorial staff of the "Slovenska Jednota", an opposition Slovak newspaper appearing in Ċeskujvár. The formation of this Party is an instance of a political newspaper turning into a political movement and establishing a political party. This interesting development proves that no obstacles are being placed in the way of Slovak organization in Hungary, where a political newspaper has been able to become a political movement. The September 6th issue of the "Slovenska Jednoty" contains the following comments on the significance of the permission to form this new Party: "Signs of a new activity are forthcoming in the life of the Slovaks of Hungary. We hereby notify all and sundry that in future our political activities will be carried on within the framework of the Party of Slovak National Unity. The programme of the Party is national, Christian and social. Its official organ is the political daily, the "Slovenska Jednota". The headquarters of the Party will be in Ċeskujvár and Kassa, but we shall also establish offices in other places inhabited by Slovaks. The aim of the Party is to create unity among all the Slovaks of Hungary. It will protect the interests of the Slovaks in the fields of politics, culture and economy."

In the September 27th issue of the "Slovenska Jednoty" we are informed that the Party of the Slovaks of Hungary
HUNGARY AND SLOVAKIA

has begun a widespread work of organization. The newspaper states that there are many able, intelligent and politically well-schooled Slovak peasants in Hungary, and that the time has come for them to play an active role. The new Party will not ask any Slovak what his former political activities were; it invites every Slovak to join the organization. The "Slovenska Jednoty" has inaugurated a widespread work of propaganda. It has invited all the Slovaks to join in that work, and the leaders hope that by the end of October the organization will be complete. The Slovak newspaper expresses satisfaction at the fact that the Slovak peasants are flocking to join the Party.

II.

The "Új Hírek" of 19th September reports that permission to establish a Magyar elementary school at Nyitra in Slovakia has been granted. For the present that permission extends only to the first class. The newspaper gives an account of the circumstances that led to its being granted. From this account we learn that a petition for permission to establish a Magyar elementary school was filed two years ago by 80 Magyars of Nyitra. The authorities have now granted that request.

The "Új Hírek" — a Magyar newspaper appearing in Pozsony — also gives us further details concerning the school. We are told that it will not be situated in the town of Nyitra itself, but at Zobor, a place some kilometres distant, and it will be a parallel section of the local Roman Catholic elementary school. Thus the Magyar elementary pupils from Nyitra will have to go to Zobor to attend the Magyar school. This they will find difficult, especially in the winter months, when in bad weather the road between Nyitra and Zobor is blocked. In order to overcome this difficulty the Hungarian Party has issued an appeal to the Magyars of Nyitra requesting them to enrol their children as pupils of the Magyar department at Zobor, even if they live in the town of Nyitra, and promising that the Party will provide for their conveyance by bus to Zobor and back. Parents may thus rest assured that the little children will not be exposed
to the inclemency of the weather on their long way to school in the depth of winter. This appeal also contains the following admonition: — "The Ordinance declares that all attempts at denationalization will be severely punished by law, from which it follows that the place of Magyar children is in the Magyar school, and that it is the national duty of all Magyar parents to send them there."

In response to this appeal the Magyars of Nyitra began the work of organizing their school; but, according to the "Új Hírek" of 22nd September, the Slovak educational authorities have postponed its establishment because of technical difficulties.

III.

Two Magyar dailies are published in Pozsony, "Új Hírek" and "Esti Ujság". A year and half ago "Új Hírek" was reduced by the authorities to half its original size, so that now it consists of only four pages instead of eight. Now on 22nd September "Esti Ujság" informed its readers that it has also been forced by the authorities to limit its size to four pages. This curtailment affects the Magyars of Slovakia chiefly from a cultural point of view, for the Sunday supplement always published articles etc. written by the most eminent authors in Hungary in order to supply the Magyars of Slovakia with mental food. In future, owing to the above-mentioned curtailment, the paper will not be able to do so.
POLITICAL MOSAIC

HUNGARIAN PREMIER ON NATION'S TASKS

On 22nd October, before the autumn session began, the Government Party held a meeting at which, after its chairman, M. Béla Lukács, had given expression to the Party’s devotion to the Regent and its appreciation of the Hungarian army, Premier de Bárdossy delivered an impressive speech about the duties of the nation. He said the first task was to maintain political and social order and ensure that production continued undisturbed. This task would be performed, as it had always been performed. Very soon two important Bills would be passed. The object of the one was to develop agriculture, that of the other to develop industry. Besides these two Bills Parliament would also pass a number of useful laws.

Premier de Bárdossy hoped that the reorganization of Europe in a spirit of right, justice and equity would be the foundation of lasting peace. The Hungarian nation must strain every nerve to prevent any disturbance in the system of production, and nothing must be allowed to spoil the harmony which ought to exist among all the Magyars. He quoted Count Stephen Széchenyi’s famous words: — “Order, intelligence and a little renunciation: these are the three elements with which harmony, peace and quiet may be maintained in this country.” The Premier requested everybody to lay the greatest stress on the last of the three, on renunciation. The Hungarian nation had always known how to make sacrifices when necessary. It must be prepared to do so now, the more cheerfully in view of the fact that there is comparatively less privation in Hungary than in any other country in Europe.

The Premier’s speech was greeted with loud applause by all present.

HUNGARIAN MINISTER OF FINANCE SUBMITS “BUDGET OF WORK”

VALORIZATION OF WAR LOANS

On 23rd October, amidst manifestations of unanimous approval, M. Louis Reményi-Schneller, Hungarian Minister of Finance, submitted to the Parliament the Budget for the fiscal year 1941—1942, which he aptly called a “Budget of work.”. He expressed pleasure over the fact that for the first time since many years the revenues and expenses of the restored Eastern and
Transylvanian regions now figured in the Budget of the Hungarian State; those of the restored Bácska would be calculated at a later date. In the new Budget — he said — expenditure was 3082.000.000, which left a deficit of 173.800.000 pengő. In these abnormal times a deficit was unavoidable, and the deficit in the Hungarian Budget was much smaller, not only than the deficits in the Budgets of the countries at war, but also than those in the Budgets of most of the neutral States.

The Minister of Finance also introduced a Bill dealing with the valorization of the War Loans. In terms thereof, 5% will be added to the nominal value of the War Loans issued during the first world war; in other words, for every bond of a nominal value of 1000 crowns a new bond of the value of 50 pengő will be issued. These new bonds will pay 3% interest and are to be redeemed within a period of forty years. The valorization key for bonds with a smaller nominal value than 1000 crowns is to be 10%, and they are to be redeemed within ten years time. The original subscribers and all who count as such, as well as Church, cultural and public welfare foundations and legal persons, will participate in this valorization.

The Minister of Finance stated with satisfaction that taxes had been more promptly and punctually paid during the past Budgetary year than formerly. Ratepayers were probably encouraged to pay when they saw that their money was being put to a good use and also by the sight of a well-equipped army. In preparing the Budget the Government had been influenced by three major aims: a further reinforcement of the army, a more extensive programme of social welfare and the effective development and organization of production. Compared with last year's 386.000.000 pengő, 581.000.000 were being appropriated for the army, besides a sum to cover the cost of better equipment. The sum appropriated for social welfare was 210.000.000 pengő as against 130.000.000 last year. 800.000.000 pengő was to be spent on creating employment, as compared with 400.000.000 in last year's Budget.

M. Reményi-Schneller said that it was not enough to maintain Hungary's industry at its present level; it would have to be considerably developed, for industrialization meant a higher standard of life and would ensure to Hungary the leading position in the Danube Basin which she was entitled to hold. A new Bill dealing with the development of industry would largely contribute towards the achievement of this aim. Care would be taken that the Hungarian industries should primarily use domestic raw materials, and the Government would play a directing role to ensure that production should be up-to-date, profitable and of a better quality, though it had no intention of hampering private enterprize. A large number of new industries had been established, and in certain fields the use of artificial raw materials and
substitutes had proved a success. In Hungary, as in all the other countries of Europe, it was becoming increasingly difficult to obtain imports, but the Government had so far managed to cope with these growing difficulties that Hungary's industrial production was hardly affected and the number of workers employed in factories, foundries and workshops had not changed to any noticeable extent. It was the Government's intention to establish a State Labour Exchange and a Chamber of Labour.

The Minister was not afraid that there would be any serious trouble with supplies, but in order that the machinery should work smoothly, people would have to be content with less; they would have to practice thrift. We should make the necessary sacrifices proudly and bravely and discipline ourselves in the art of renunciation, the more so in view of the fact that in most countries the present state of emergency demanded much greater sacrifices than we had to make. The Government would do all it could to increase agricultural production. It would be necessary to increase wages and salaries, but it was impossible to raise them as much as prices had risen, for that would lead to inflation and there would be no inflation in this country! The value of the pengő would be maintained firmly, for while in the last war 95% of the cost of the war was defrayed by means of loans and only 5% by taxation, we were now able to defray 50% of our emergency expenditure from the taxes and needed loans only to cover the remaining 50%. The inflation that followed the last war was caused by the collapse, but now the recent growth of the country afforded a firm basis permitting of a larger expenditure. The Minister requested the banks to be chary of issuing loans that were not desirable from the standpoint of national economy, and warned the public against rash speculation. The abnormal rise in the prices of shares was — he said — unreasonable. Despite the grave conditions the Hungarian State had every reason to be hopeful as regards the approaching financial and economic year.

The Minister of Finance's exposé was loudly applauded by the whole House all Parties included.

WORK DONE BY HUNGARIAN GOVERNMENT DURING FISCAL YEAR 1940/41.

The Hungarian Government Party — the "Hungarian Life Party" — has published a very interesting pamphlet entitled "Results" summarising the results achieved by the Hungarian Government during the fiscal year 1940/41. From the wealthy collection of figures there enumerated we would quote in illustration merely some of the more striking ones: —

For the relief of the losses suffered by war-loan bond holders during the budgetary year 1940/41 the Government allotted
the sum of 3,077,830 pengő to 39,760 persons and the sum of 821,600 pengő to 310 associations.

For the support of refugees — who numbered altogether about 15,000 — during the budgetary year 1940/41 sums amounting to 8,565,957 pengő were appropriated; since then the majority of these refugees have returned to Rumania and to the districts of Transylvania restored to Hungary respectively.

The National Social Insurance Institute provided holiday recreation free of charge in 1940 for 6500 and in 1941 for 8000 persons under age; the Private Employees Insurance Institute having done the same in 1940 for 1300 and in 1941 for the same number of persons under age.

During the budgetary year in question 41 new town (municipal) and 30 parish (village) health officers’ posts were organised in the re-incorporated districts of Eastern Hungary and Transylvania.

Within the territory of Trianon Hungary the Government in 1940 distributed gratis 155 wagonloads of sugar and appropriated 2,770,000 pengő for the procural of milk supplies, while in the re-incorporated districts of Eastern Hungary and Transylvania in 1940 it appropriated 158,000 pengő for the supply of free milk, 57,000 persons having in 1940 in the latter districts received altogether 755,000 litres of milk gratis; and the Government granted sums amounting to over 1 million pengő in lieu of subsidies to the municipal and county authorities for the purpose of providing with food children attending elementary and infant schools in the villages.

The National People’s and Family Protection Fund began the building in 376 villages of altogether 4783 family houses.

For the maintenance expenses of the Children’s Protection Institutions already in existence the Government during the budgetary year in question appropriated altogether 14 million pengő.

For the purpose of supplementing the estates and leases of dwarf and small holders and of providing land for the landless, during the said budgetary year roughly 60,000 cadastral yokes of land were distributed in the form of freehold or small leases, the value of the land thus allotted amounting to nearly 16 million pengő; during the last five years altogether more than 211,000 cadastral yokes have been allotted to dwarf and small holders and to “landless” persons respectively.

During the budgetary year in question 5000 bulls, 2500 boars, 1500 rams, 3000 cows and heifers, 10,000 sows, 10,000 cow-calves, 15,000 ewes, 12,000 lambs and 20,000 head of poultry were distributed at greatly reduced prices among small holders, parishes and corporations (associations); 526 Siementhal brood cattle were imported from Switzerland, the majority of the same being allotted to small holders.
During the same budgetary year, for the purpose of developing the production of plants, 205,268 metric quintals of autumn wheat, 26,247 quintals of rye, 1,366 quintals of autumn barley, 17,609 quintals of spring wheat, 66,103 quintals of oats, 81,807 quintals of spring barley, 39,185 quintals of potatoes, 38,718 quintals of maize, 7,000 quintals of millet, 3,000 quintals of panicum and 45 quintals of pearl barley were distributed as seeds at reduced prices — chiefly among small holders.

Rapid progress is being made with the construction of the Arpad Bridge over the Danube at 0-Buda which is to be completed by the end of 1944 and is to cost 19 million pengő; the bridge over the Danube at Medve to be completed in 1942 at a cost of 5.3 million pengő is already nearing completion; this year the bridge over the Tisza at Polgár (to cost 3.3 million pengő) is to be finished; the smaller bridges a new one over the Berettyó will soon be ready, as will also the bridges in Southern Hungary being reconstructed after having been blown up by the Serbians.

At the end of April, 1941, there were 54,981 motor-driven vehicles in working — 5,835 more than in the previous year.

In the country aggrandised by the re-incorporation of the territories of Upper Hungary and of Sub-Carpathia 25 new telephone exchanges and in 22 villages not previously possessing telephones public telephone stations were established; in the re-incorporated districts of Transylvania 290 telephone exchanges and 27 public telephone stations, and in the districts of Southern Hungary recently re-annexed 147 telephone exchanges and 6 public stations were opened.

In the last quarter of 1940 the index figure reflecting the development of industrial production (taking the figures for 1929 as = 100) was 169.5; according to preliminary estimates the value of the industrial output of the year 1940 will amount to 4.2 thousand million pengő — as against 2.9 milliards in 1937, 3.05 milliards in 1938 and 3.6 milliards in 1939; while the number of hands engaged in December, 1940, was 802,000 — as against 789,000 at the corresponding period of the previous year.

ENTHUSIASTIC MANIFESTATION OF BULGARO-HUNGARIAN FRIENDSHIP

M. FILOV'S VISIT TO BUDAPEST

On 15th October M. Bogdan Filov, Bulgarian Premier and Minister of Public Education, arrived in Budapest for a three days' visit accompanied by Mme. Filov and his suite. The visitors were welcomed by a large and distinguished official delegation headed by the Hungarian Prime Minister. M. Filov's visit was taken advantage of by the Hungarians to demonstrate
their warm sympathy for Bulgaria in a particularly impressive manner.

The firm friendship between the two nations is very deeply rooted. The Magyars are linked to the Bulgarians, not only by the ties of a common racial origin, but also by those of their histories, which during the thousand years of their life in Europe have so frequently showed a surprising similarity. The Bulgarians have never forgotten that one of their most ardent champions at the time of the Berlin Congress, to which Bulgaria owes her independence, was Count Julius Andrassy, the then Foreign Minister of the Austro-Hungarian Monarchy. Nor can they forget that the Tsar Ferdinand, the founder of the Bulgarian dynasty, had Magyar blood in his veins, his mother having been a descendant of the Hungarian princely family of Kohary, and that before his accession to the throne he was an officer in a Hungarian Hussar regiment, spoke Hungarian well and called himself the Duke of Murany after the historical castle of that name situated in the middle of his estates in Hungary.

The identity of the historical destiny of the two peoples was felt most keenly, however, during the first Great War, in which they fought shoulder to shoulder and after which they suffered the same injustice, when Hungary, the leading country in the Danuba Basin, and Bulgaria, the leading country in the Balkans, were mutilated by the Paris Peace Treaties. This united them in a firm resolve to strive for revision. There is also a deeper significance in the fact that upon the Prime Minister of Bulgaria, who is one of the most learned men of his own nation, was conferred the degree of Honorary Doctor by the Budapest University as a fitting seal to the cultural agreement concluded by the two countries, for there are many cultural links between them and so many Hungarian scholars have laboured on the history of the civilization of that kindred race.

The identity of the historical destiny of the two people was nation on the tomb of the unknown warrior in the Town Park. There and all along the route he was cheered by large crowds. On 15th October the Hungarian Premier and Mme. de Bárdossy gave a dinner in honour of M. and Mme. Filov to which many distinguished people were invited. On this occasion M. Ladislas de Bárdossy made the following speech:

"Your Excellency. I welcome you to Hungary with warm and cordial greetings, such warm and cordial greetings as only old and tried friends are wont to exchange. It is an honour for me to be able to welcome Your Excellency, the head of the Bulgarian Government, the well-known scholar, and above all the representative of the Bulgarian nation. I sincerely regret the absence of M. Popoff, Your Excellency’s Foreign Minister and valuable collaborator. This is all the more to be deplored since
he has been prevented from being here by illness. I send him my very sincerest regards.

"Our peoples are linked together by old, firm and vital feelings of friendship. The roots of that friendship are deeply implanted in the consciousness of our nations, and the minds of their leaders are greatly influenced by it. Perhaps that friendship is the call of the blood of our ancestors, which despite the differences of tongue has kept the feeling of belonging to one race and kin alive in the two nations. It is certain that our destinies, the similarity of our histories for many centuries and their effect on the people, have also helped to lay the foundations of that friendship.

"Where in the world do we find two nations whose histories have run so surprisingly parallel as those of our peoples? History has been a hard task-master to both. Our histories have been a record of bitter and incessant struggle for liberty and independence, for home and country. But these centuries of fighting were not without their good effects. They kept the flame of patriotism alight and gave our peoples unfailing strength to believe in fight and justice and to hope for the future. This ardent patriotism binding them to the soil, that courage and readiness of self sacrifice with which they were always able to defend their countries, and the strength of their firm faith in their future mission: these are the traits that the hard blows of fate have hammered into both our nations, linking them together with identical characteristics. We were made one by the similarity of the blows dealt us by Neuilly and Trianon.

"With these thoughts in mind, I should like to express the pleasure it gives me to welcome Your Excellency here as the representative of one of the countries that have joined the Three Power Pact, that have become members of the great new community whose aim is peace and work. It is my conviction that this contact will bring our two nations into closer fellowship, and that the pleasant duties we have undertaken to perform will ensure our peoples a future of peaceful work that will be of benefit to themselves and will serve the cause of the new European co-operation which is to guarantee peace and prosperity for a long time to the nations of Europe. I drink to the health of His Majesty King Boris III of Bulgaria, to the welfare and peaceful development of the Bulgarian people and to the personal happiness of Your Excellency and Mme. Filov."

M. Filov replied in the following words:

"Your Excellency, it is with heartfelt emotion that I thank you for the extremely cordial welcome extended to us. Your warm words of welcome find an equally warm response in the heart of every Bulgarian. I can assure Your Excellency that it has been a great honour and also a rare joy for me to visit this hospitable country, where every Bulgarian feels at home. In
particular it is a great pleasure that on this occasion the documents ratifying the cultural agreement between Hungary and Bulgaria are to be exchanged, which agreement we concluded in Sofia on 18th February with your honoured colleague, His Excellency Dr. Valentine Hóman. Thanks to that agreement, the contacts already existing between the two nations have been substantially enriched and strengthened.

"Your Excellency has laid stress on the friendship which has always existed between the Magyars and the Bulgarians. This friendship is deeply rooted in the hearts of our peoples. No possible circumstance can ever disturb it, for it is not an artificial or chance growth. I hardly think there are two other nations in the world that have been in contact with one another for such a long period of time with so little friction. Our two nations, which in ancient times sprang from the same stem, have for centuries fought parallel for their independence and their rights. Often we were called upon to make sacrifices for them, but nothing availed to divert us from our historical path, the immediate goal of which was to secure the place due to us in Europe and the ultimate aim of which was to devote our energies to peaceful, constructive work. In recent years the friendship between Hungary and Bulgaria was strengthened by comradeship-in-arms during the first Great War and by the similar sufferings endured in the years following it. Common was our fate, and common was also the firm conviction of our unswerving will.

"For these reasons I feel particularly happy that we who have joined the same Pact, the aim of which is, by inaugurating an era of understanding and co-operation among the nations, to establish a better and juster order in Europe, should be able to greet one another here. I drink to the health of His Highness Admiral Horthy, Regent of Hungary, to the prosperity of the Hungarian nation and particularly to the happiness of Your Excellency."

The Bulgarian Prime Minister was received in audience by the Regent. On 16th October the documents ratifying the cultural agreement concluded between Hungary and Bulgaria in Sofia last February were exchanged. When this had taken place Dr. Valentine Hóman, Hungarian Minister of Public Education, as President of the Hungarian Historical Society, handed M. Filov an illuminated address. Dr. Hóman spoke of the two nations and proudly stated that neither Bulgaria nor Hungary had broken down during the bitter period of dismemberment and humiliation. They had risen to their feet again and secured their rights. He expressed the hope that the spiritual links between the two countries would grow stronger and stronger.

In the forenoon the Bulgarian Premier paid visits to several scientific institutions and schools. A lunch was given in his and
Mme Filov's honour by the Regent and Mme Horthy. M. Filov also paid his respects to Archduke Joseph. The same day the Budapest Peter Pázmány University conferred upon him the degree of Honorary Doctor. At the ceremony the Chancellor of the University, Dr. Navratil, and the Dean of the Faculty of Philosophy, Dr. Zambra, spoke of the important work done by M. Filov in the field of archaeology. M. Filov thanked the University for the honour conferred upon him, first in German and then in Hungarian. On 16th October he also saw the representatives of the Press, to whom he expressed his conviction that the Magyars were a people endowed with a sense of order and a specially strong creative spirit. In the evening the Hungarian Minister of Education and Mme Hóman gave a dinner in honour of the distinguished visitors, who were also present at the gala performance in the Royal Operahouse. Next day they made an excursion to Esztergom, where they paid a visit to the Cardinal Primate of Hungary.

CONSTRUCTIVE WORK PROGRESSES IN SOUTHERN HUNGARY

Today, in all the countries of Europe endeavour centres on battling with the difficulties arising from the war and on procuring the materials to supply the daily needs of the population. Hungary is perhaps, the only country where besides this a work of construction is being carried on. The Hungarian Government and the nation are making incredible efforts to re-establish normal conditions in the areas lately restored. In Southern Hungary, which returned to the mother-country only a few months ago, the work of reconstruction is going on with such fervent zeal that those who were acquainted only with the work of the Serbs can hardly believe their eyes to see how roads have been built, how houses have sprung up, and how life pulsates in a region that barely six months ago was a sleepy Serb colony. Nothing escapes the notice of the Hungarian Government and the nation. There is no single aspect of economic and cultural life to which their attention does not extend, and no problem that they do not strain every nerve to solve.

The primary task of the Administration, of course, is to overcome the difficulties caused by the war, one of the most important of which is the question of supplies for Southern Hungary. The Government’s first act was to organize its food supplies, lest that district where food is so plentiful should be left unprovided for owing to the increasing demands made upon it by other parts. Southern Hungary has no coal or wood, and its industry is undeveloped. Provision has therefore been made to supply it with the most necessary raw materials and industrial
articles. Today we may safely say that Southern Hungary has now been provided by the mother-country with the fuel needed in the winter months.

Besides supplying the needs caused by the war, the Government is also engaged in constructive work. The first, and perhaps the most important, task was to modernize agriculture. During the past twenty years the Yugoslavs, who were prepared that Southern Hungary would sooner or later return to the mother-country, pursued a cut-throat policy in that region. In many places, owing to this exploitation, the soil grew poorer, and the Hungarian Government's first duty was to improve it again. Agricultural experts were sent to inspect the soil and determine for which crops the various parts were best suited. To improve sandy soil dogwood was planted. The cultivation of plants bearing oil-seed, which the country requires so much, was started. Landless peasant families were given the fields abandoned when the Hungarian troops arrived by the Serb peasants from the Balkans, who had been settled on them during the Yugoslav era. Last month 146 peasant families received land at Zentaörs. The Hungarian Government is well aware that the lot of the agricultural population cannot be improved without developing industry and commerce and providing a network of roads. With this aim in view a trade office has been established at Szabadka, which will deal with all the produce of Southern Hungary, in order to ensure organized distribution and the best prices for the producers. A branch of the O. K. H. (Central Credit Institution) has been set up as an independent bank to provide the necessary credits. The building of railways and roads is proceeding. Last month a road between Kiskunmajsa and Szabadka costing 226,000 pengő was completed. Roads are also being made leading to the farms around Szabadka, while others that will soon bring the outlying farms nearer to their natural markets, the towns, will be constructed. The industrial tangle left by the Serbs has been straightened out. Measures have been taken to protect certificated craftsmen against unskilled rivals, and schools for apprentices have been established. Last month, to assist the industrial population of Southern Hungary, the Government arranged an exhibition of industrial articles made in those parts. At Zombor and Obecse the building of houses for labourers has been completed. Poor workmen and peasants have received houses with garden-plots and out-buildings for their domestic animals.

The Government and the nation are doing what they can to raise the cultural level of the restored areas. In the Hungarian university towns colleges have been built where students from Southern Hungary can pursue their studies. In Ujvidék a college has been built for Magyar secondary-school pupils repatriated.
from Zagreb and Serbia. In the villages, as for instance at Topolya, cultural institutes have been built to house the various societies. The University of Szeged will organize a course of lectures at Szabadka as part of its university extension movement. The Magyar Cultural Alliance of Southern Hungary has begun to organize lectures and concerts in all the towns of that region. Southern Hungary's one literary magazine, which was on its last legs, is being reorganized, and a new one is to be published in Szeged.

SOUND ECONOMIC PROGRESS IN SUBCARPATHIA

The committee delegated by the Ministry of Industry has been making a study of the progress of industrial and commercial reorganization in Subcarpathia, and is very satisfied to be able to report that conditions are flourishing. The great bulk of the craftsmen and tradesmen have been able to make a comfortable living, and the financial results of their work are very satisfactory. After inspecting the various workshops and shops, the committee has reported that the smaller village shops manage to make a monthly net profit of three or four hundred pengő, while larger stores in many cases make as much as seven or eight hundred a month. In several cases where the need was pressing the Önellősítási Alap (a fund for establishing young men in business) issued small extra loans in order to ensure the independence of its protegés. Results prove that this Fund, which has issued loans to every branch of economy, from grocer's shops to furniture factories, has achieved the object for which it was created.

The endeavour of the Government to raise the standard of life of the population has also, as results show, been a success, thanks in the first place to the network of co-operative societies dealing with the products of the cottage industries. The assistance granted by the State has been usefully employed by all the small co-operatives. In the various villages where a year ago the same committee found the merest beginnings of an attempt to do business, it now reports that these co-operatives are in full swing, and that the results are very satisfactory. The co-operative societies of the carpet-makers of Gánysz, the linen-thread spinners of Ilosva, the basket-weavers of Bereg, etc — in a word all the village co-operatives, which are directed by the intelligentsia — provide well paid employment for people who are not able to find any other work, sometimes for 10, sometimes for 20 or an even larger number of persons.
COUNT JOHN ESTERHÁZY DISCUSSES ACTUAL PROBLEMS OF MAGYARS IN SLOVAKIA

At the meeting of the United Magyar Party of Slovakia held on October 5th, Count John Esterházy, President of the Party, presented his report of the situation. In the introductory part of his speech Count Esterházy paid tribute to the deceased members of the Magyar community of Slovakia; then in the main body of his speech he paid homage to the memory of the "Greatest Hungarian"; and in conclusion dealt exhaustively with the latest development of Slovak-Hungarian relations, in this connection discussing the new situation of the Magyars of Slovakia. He spoke also of the Magyar Memorandum submitted to the Slovak Government in July in which the actual demands of the Magyars were formulated. He stressed that the Magyars of Slovakia were actuated by the principles of discipline, respect for the laws, peace and order, and that today, when in the East the greatest campaign in history was being carried on, — despite the prevailing unrest — the Magyars of Slovakia were not open to even the remotest suspicion of subversionary intentions. This was being provided for also to an increased degree by the leaders of the Party.

The concluding part of Count John Esterházy's speech ran as follows: — "We Magyars of Slovakia — however our destiny may shape itself — whether now in the immediate future or later on — will at all times cling loyally and unswervingly to our race and our nation. We are conscious of our duty towards the State, but we are equally conscious of our duty towards ourselves and our nation: and we shall live our life in keeping with that consciousness. We must gather self-confidence from the past of our Hungarian history. The diagram of that history has often reached a low point; and the members of our nation have suffered much in consequence. We have no reason to lose our self-confidence; and we shall hold our ground with the aid of organised discipline and obedience."

FRESH BROADCAST MESSAGE OF GENERAL NEDIC, PRIME MINISTER OF SERBIA

The exceptional gravity of the situation into which Serbia has been plunged by the ruthless terrorism of the "Chetniks", komitadjis and other irresponsible elements, may be gathered from the latest broadcast message of the Serbian Premier, General Milan Nedić, addressed on October 12th, to the peasantry of Serbia. For the information of our readers we publish below a literal translation of the Prime Minister's broadcast message, which is of such interest from many points of view: —

"My dear farmer brethren! Recently I have received numbers of letters from cultivators of the soil — war comrades
of mine — who ask me what they should do and beg my assistance. One of these correspondents writes as follows: — "Send your army and help us, for life is no longer safe from these bands of robbers. Today we are suffering more than our ancestors suffered after the battle of Kosovopolje". It is to these innumerable messages that I am replying today. I am speaking the language of the people, as I have always done during my public career of thirty-four years. When a month ago I was invited to form a National Preservation Government, I was perfectly well aware of the difficulty of the task I was undertaking. I had only two alternatives, — either to look on with folded arms while our nation bled to death in civil war and under the blows of punitive expeditions, or on the other hand to throw my whole authority and my conviction into the balance and do everything in my power to save my country from utter destruction. As a Serbian and a Serbian officer with whom my soldiers during the war shared good and evil alike I had not much difficulty in making up my mind to choose the second alternative and to place myself entirely at the service of the Serbian nation against murderers, pillagers and incendiaries. I refuse to allow the Serbian nation to disappear from the Serbian soil which has suffered so much. That is why I ask above all those who have been overcome by the power of madness, — What are you fighting for? Do you believe that you can really achieve anything? You can do nothing!! You will perish like tools, for there will be a succession of punitive expeditions and your villages and forests will be destroyed, and in this fight the innocent will suffer just as much as the madmen and the criminals. What have you in store for the winter? Though you had millions of bayonets and thousands of cannon, you failed to hold the land, — your country; and now you believe that with a few rifles you can overcome the occupying Power which has beaten all the armies of Europe? What is the use of all your foolish pillaging and incendiariism against numbers of divisions marching against you equipped with aeroplanes and tanks and guns and trench-mortars? Has the unfortunate Serbian people been completely blinded by folly? On four occasions already I have warned you not to interfere in the feuds of the mighty. Today you can only lose. This purposeless recalcitrance can only lead to one thing in the end — to the extirpation of the Serbian people... Rouse yourselves! and defend your nest against the pillagers and robbers! By the force of arms or without arms you must destroy the brigands wherever you find them; for that is your sole way of salvation. Even if you fall in this struggle, you will save your home, your children and the Serbian people. God be with you; for it is He watches over Serbia. My troops shall hasten to your aid in order to save you and your children."
WHAT IS THE "USTASHA"?

A short time ago Dr. Anthony Pavelitch, leader of the Ustasha and Head of the Croat State, celebrated his birthday. In the stormy history of the Croat nation Dr. Pavelitch is the man who has done most for his people, for, after 839 years of struggle and waiting, it was he who with the effective support of Hitler and Mussolini created an independent and free Croat State. Croatia was never so large as it is today at the time of its late re-birth, and it is with high hopes that the Croat people look forward to the future.

The founder of the new State, Dr. Anthony Pavelitch, was born in Bradina, a village in the Hercegovina mountains. His father was a poor navvy who worked on the railway. Later, when the Bosnia-Hercegovina railroad was ready, he became a railway employee and had charge of a siding. His son attended the village elementary school, where he proved so much better a scholar than his class-mates that his father decided to send the intelligent little boy to the Jesuit secondary school at Travnik. There, too, he made great progress, and with steady application to his studies passed all his examinations well. From the Jesuit secondary school he went to study law at Zagreb University, where he took the degree of Doctor of Civil Law.

It was when he was a lawyer's clerk that he first began to make his mark in politics. Already as a law student he decided that there was only one Party in Croatia in which he could find his niche, the Law Party; but he was not inclined to play an active rôle in it until he had completed his studies. The young lawyer's clerk — he was only twenty-two — was soon a well-known member of the youth of Zagreb, and although of a retiring disposition, with no ambition to play a leading rôle, thanks to his logical mind, perspicacity, diligence and self-sacrificing labour, he soon became a central figure around which gathered those of the young Croats who unselfishly and honestly wished to work for a Croat State.

The Croat Law Party was founded on 10th April 1861 by Dr. Anthony Starchevitch, the great protagonist of the idea of a Croat political State, and exactly eighty years later the free and independent State of Croatia was formed. From the very first Pavelitch was a member of the Starchevitch Party, and fate decreed that it should be he who was to realize the aims of Starchevitch, the "father of the country".

"Bog i Hrvati": God and the Croats, was not merely a form of greeting with Pavelitch and his young followers; it was a creed, a slogan which meant that the Croats did not expect help from anyone but God.

After the conclusion of the war of 1914—1918 Dr. Pavelitch saw with sorrow how things were shaping. He openly opposed the Serbs.
"The Serbs do not approach the Croats as brethren, but as unscrupulous exploiters who wish to destroy everything that is Croat" — he said.

Many there were who understood Pavelitch's warnings, but those who had the guidance of the Croat people in their hands chose the line of least resistance and acquiesced in the idea of union. This was how, contrary to the will of the Croat nation, the S. H. S. Kingdom came into being. In it Pavelitch was the first to sound the battle-cry:

"We shall oppose violence with violence. It is impossible to fight the Serbs on paper."

In 1919, at the age of thirty, Pavelitch, supported by a section of the Croat intelligentsia, started the first revolutionary movement against Belgrade. Among his supporters was Dr. Milan Suflay, a university professor who was murdered later on by the Serbs in the street in Zagreb. The first revolutionary movement failed; Pavelitch and his associates were arrested, but as soon as they were released from gaol, they immediately began to organize the Croat peasantry and the working classes. Pavelitch was extremely popular with the young people. All his predictions proved true: the Serbs did not treat the Croats as brethren but as the enemies of the country.

Dr. Pavelitch was in close co-operation with the late Stephen Raditch, the martyred leader of the Croat people, as long as Raditch was an avowed advocate of political independence. But on 27th March 1925 Raditch on rather the Croat Republican Party, turned aside from the path marked out in the Party programme: the representatives of the Party went up to Belgrade and took office in the Government, thus recognizing the right of the Serbs to rule over Croatia. Pavelitch and his supporters were left in the lurch. They announced that they were not prepared to co-operate with the Karageorgevitch dynasty, whose rights and rule in Croatia they refused to recognize. It was on 27th March 1925 that the first Serbo-Croatian agreement was concluded. This agreement was opposed by Pavelitch, who launched a campaign against it. This made a rift between himself and Raditch. In 1926 Pavelitch joined forces with Dr. Anthony Trumbitch, a lawyer of Zagreb who was born in Spalato; and together they created the Croat Law Party and later on the Croat Bloc. In 1927 Dr. Pavelitch was elected member of Parliament for Zagreb by an impressive majority of votes.

In parliament Pavelitch continued his fight against the Serbs, using scientific data to prove the falseness of the assertion that Serbs and Croats were one race.

"Serbs and Croats are totally different races" — said he — "they have nothing in common either in their racial characteristics, or spiritually, or in their political aspirations, much less as
regards their culture. For this reason alone the Croats cannot be compelled to live in one political State with the Serbs."

These were weighty and significant words, and they were heard more and more frequently in the S. H. S. Kingdom. The Serb authorities took no steps against Pavelitch himself, since he was protected by his privilege as a member of Parliament, but his Party and its adherents — the so-called "Francovatgians", or members of the Franck Party, — were persecuted, for the Serbs were well aware that the one aim of Pavelitch’s followers was to bring about the disintegration of the State created in Trianon.

Pavelitch’s pessimism was justified by the events of 25th June 1928, when Stephen Raditch and several other members of the Croat Peasant Party were assassinated in the Skupština. That their murder was deliberate was proved by documents found among Raditch’s possessions after his death. The aim of the Serbs was clear to all thinking people, and on the day of the outrage Pavelitch, speaking to the people of Zagreb at the railway station, said: —

"Relations between the Serbs and the Croats cannot be settled except by the force of arms."

Foreseeing events, he created a revolutionary organization called the "Hrvatska Domobrân" (Croat National Army) in 1928, and began the work of undermining Serb hegemony. Not all applicants were enrolled as members of this organization, only Croat men of tried integrity, gentlemen and peasants alike, to whom no sacrifice, not even the sacrifice of their lives, was too great when Croatia and the welfare and future of the whole Croat nation was at stake.

On 6th January 1929 a dictatorial régime was introduced, and despite the protests of the Croats the name Yugoslavia was given to the country by the King. His object was to crush the last attempts of the Croats to achieve independence and to break Croat resistance. Most of the Croat leaders either yielded and took orders from Belgrade or retired from public life, refusing to take part in any struggle. Anthony Pavelitch, however, was not intimidated by the dictatorship. He was the first who refused to yield, for he clearly realized that a bitter and bloody struggle between the Serbs and the Croats was inevitable, and that it was not to be avoided by any kind of compromise.

After the dictatorship had been proclaimed Pavelitch formed a revolutionary organization in Zagreb, the Ustasha. All members of the Hrvatski Domobrân joined it in order to fight for the independence of Croatia. On 17th January Pavelitch and a few of his fellow-workers fled to foreign countries to escape from the agents of the Serb Police and to organize the Croats — in number about a million — scattered over Europe and America.

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While he was engaged in organizing Croat public opinion in Europe and America, in Yugoslavia everything possible was being done to annihilate the individuality of the Croat nation. Innocent peasants and members of the middle-class whose only crime was that they loved their own nation, were cast into prison. Scarcely any Croat family escaped bereavement and martyrdom during the twenty-two and a half years of bitter struggle.

It was not only in the fields of politics and diplomacy that Pavelitch laboured. He devoted much attention to the Ustasha, to the organization of that distinguished Croat body. He intended it to play an important rôle in the free Croat State. The Ustasha answered violence with violence, gave blow for blow and bomb for bomb.

Many were the victims of its activities, but the end justified the means and the sacrifices demanded were not made in vain, for the rising of 1932 showed the world that the Croats were determined to achieve their independence.

Pavelitch's work of two decades was crowned with success on 10th April last. On his return to Zagreb he brought with him the recognition by all its neighbours of the new, free and independent Croat State in which at last only God and the Croats themselves rule. Pavelitch intervened in time to save the Croat nation from bloodshed and the Croat territories from the horrors and havoc of war. He has added lustre to the crown of King Zvonimir, which after 839 years will this autumn be placed on the head of King Tomislav II.
POLITICAL ECONOMY

CROATIA

CROATIA'S PRODUCTION OF CEREALS

During the past ten years on an average the following quantities of cereals were harvested in Croatia (the figures in brackets show the average crop per hectare): maize, 17,200,000 quintals (15.7); wheat, 7,400,000 (11.2); barley, 1,660,000 (9.1); rye, 620,000 (9.2); and oats, 1,690,000 quintals (9.7). The total quantity of maize produced and its average yield per hectare were satisfactory; but it would be desirable to make the cultivation of wheat and rye more intensive. Croatia has no surplus cereals, but with careful management the needs of her own population may be regarded as covered. The first thing needed in order to increase production would be a radical land reform. For at present by far the greater part of Croatia's agricultural land is cut up into tiny holdings. To improve matters it is planned to settle small farmers from the over-populated northern parts in Bosnia and on the land to be reclaimed by draining the marshes at Posavina (in the Basin of the Save). With soil improvement it is expected that about 56,000 yokes will be added to the arable land in Dalmatia and Hercegovina, 150,000 in the Lonja district and 60,000 in Slavonia. This land will be particularly suitable for wheat and should yield much more than it does at present. ("Statisztikai Tudósító" Sept. 6.)

FRUIT-GROWING IN CROATIA

The northern parts of Croatia are particularly suitable for fruit-growing, and Bosnian plums are famous all the world over; but during the Yugoslav era not much attention was devoted to fruit-growing, so that it declined by 30% in the past twenty years. The new Croat Government is now endeavouring to encourage this branch of agriculture. Croatia's average yearly production of fruit may be judged from the following statistics. She has 22,000,000 plum-trees yielding — in excellent years — 4,000,000 quintals of fruit, 3,500,000 apple-trees yielding 500,000 2,000,000 pear-trees yielding 400,000 1,000,000 cherry-trees yielding 150,000 500,000 mahaleb cherry-trees yielding 40,000, 500,000 peach-trees yielding 50,000, and 170,000 apricot-trees yielding 14,000 quintals. ("Statisztikai Tudósító", Sept. 5.)
POLITICAL ECONOMY

HUNGARY

ECONOMIC RE-CONSTRUCTION OF NORTHERN TRANSYLVANIA

As already explained by us on several occasions, in the territories of Eastern Hungary and Transylvania re-incorporated in the mother-country a far-reaching economic activity is in progress. The most important of the relevant measures is that providing for the supply of agricultural machinery, seeds and brood animals, the Ministry for Agriculture having appropriated 19 million pengő for the purpose. For the re-afforestation of the forest-land which has been so seriously stripped 24 million saplings have been distributed among the forest properties; numerous model farms have been established, granaries built and agricultural experimental stations organised. At the same time steps have been taken to ensure a more intensive exploitation of the sources of energy and deposits of raw materials.

The Government has spent large sums on the improvement of communications. 35 million pengő have been spent on the repair of roads; 45 millions have been spent on railway construction; while a further sum of 4 millions has been spent on the improvement of the postal service. A broad-gauge railway is being built; and other building operations are in progress. The re-construction of the economic life of the province is served also by the credits granted by the Government, the National Bank and the Budapest banking companies. The co-operative societies, for instance, are to be allotted a line of credit of 2 million pengő, 5 millions being allotted to the lumber undertakings and 1.5 millions to young Transylvanians desirous of entering commerce or industry. The furtherance of the improvement of the financial conditions is the object in view also in the establishment of branches in Transylvania by certain atruistic banks.

In the Hungary aggrandised by the re-incorporation of territories the length of the navigable waterways is considerably greater than that of Trianon Hungary. Of the waterways of the Greater Hungary of pre-Trianon days 6011 kilometres were navigable; steamboats plied over a length of 3502 kilometres. After the Treaty of Trianon the greater part of the navigable waterways of Hungary were subjected to foreign occupation, the quota of the reaches of the rivers of Hungary navigable by rowing boats and rafts left in the possession of the dismembered country being 30.9% (altogether 1856 kilometres), while that of the reaches of the rivers navigable also by steamboats left in Hungarian hands was 40.5% (1418 kilometres). After the re-
incorporation of the Magyar regions of Upper Hungary, of Sub-Carpathia and a part of Northern Transylvania the length of the waterways navigable by rowing boats and rafts increased to 2736.7 and that of the waterways navigable by steamboats too to 1517 kilometres. The increase resulting from the re-incorporation of Southern Hungary is an even greater one; for the "Bácska" region is surrounded on three sides by waterways navigable by steamboats, that meaning that the total length of waterways in Hungary navigable by steamboats has increased to 2460.3 kilometres — a length representing 70.3% of the total length of the waterways of pre-Trianon Greater Hungary navigable by steamboats. Particularly important is the fact that the Tisza has once more become Hungarian from its source to its mouth.

In the lower reaches of the Tisza the bridges blown up by the Serbians will shortly be cleared away and it will once more be possible to open those reaches to navigation and rafting. The rafts composed of 60—70 cubic metres of lumber (logs) will be once more able to start on their long journeys from the northern side of the Swidowec and the Bliznic in Transylvania down the Bogdan and from the slopes of the "Ivan Pop" Transylvanian Alp down the Krasznik and the White Tisza. This year the Viso too will join in the work of floating logs downstream: for the work of felling the ancient pine-trees has begun in the Borsa Alps of Transylvania and also on the slopes of the "Nicholas Horthy" Peak. For here there are pine forests the felling of which proved unprofitable during the Rumanian era as a consequence of the unnatural demarcation of frontiers.

**RUMANIA**

**GERMAN—RUMANIAN INDUSTRIAL CO-OPERATION**

Important developments have taken place of late in the industrial co-operation between Germany and Rumania. Among these developments one of particular note is that the Hermann Göring Works have secured a share in the company formed by the Rumanian State for the purpose of managing and exploiting the "Malaxa". The Hermann Göring Works have also obtained a seat on the management of the "Resica".

The significance of the entry of the Hermann Göring Works into Rumanian heavy industries is that it marks the beginning of systematic production in those industries and of their adaptation to the new Europeans order. The co-operation of the Rumanian
with the German heavy industries will, when the time comes, facilitate the great task of changing over to peace-time production.

The first meeting of the representatives of the German and Rumanian heavy industries took place in the summer, with very satisfactory results for both Parties. These results mark an important and notable stage of progress towards the industrial co-operation so indispensable in European economy. In the course of the negotiations hitherto conducted it was decided that systematic contact must be established between the German heavy industries and the U. G. I. R. (General Alliance of Rumanian Manufacturers), and the necessary steps in this direction have already been taken. In the course of the negotiations a number of very important problems were discussed, such, for instance, as the rational use of the raw materials and sources of energy available, the intensification of agriculture, the increased production of textile raw materials, the simplification of the customs system and the extension of credit organizations. Particularly worthy of note is the circumstance that the industrial delegations have mapped out the programme of their future negotiations at which the establishment of new branches of production and the development of these existing at present will be discussed. The problems of the chemical, textile, paper and pottery industries were discussed by separate committees, and their future programmes of work were determined.

No less important is the co-operation established in the petroleum industry. The beginnings of this co-operation reach back to a date long before the first Great War. At that time was formed with German capital the "Steaua Romana", which was later on drawn into the sphere of interests of the "Disconto Gesellschaft Bank". Later still, during the first Great War, it was thanks to German initiative and German work that the devastated oil-fields were restored and the wrecked refineries rebuilt. Immediately after the present war broke out three big Rumanian oil companies established contacts with groups representing German capital, and, first in 1939, then in 1940, two German concerns made their entry into the Rumanian petroleum industry. In 1941 negotiations were opened with the Belgian and French shareholders of the "Concordia" and "Columbia" companies as a result of which their shares passed into the hands of a German concern, and the situation that had obtained before the first Great War was restored to the advantage of German capital. All these shares are now in the hands of the Reichs German
company, the "Kontinentale Öl A. G." also know as the "Kontinentale Öl G. m. b. H.". This company is the leading firm at the head of all the German petroleum companies, and it has the biggest German banks behind it. Its president is Dr. Funk, Reichs Minister of Economy. Its share capital is 120,000,000 marks. The organization of a branch in Rumania is now in progress, and parallel with this a research institute is being established, which, employing native and foreign experts, will carry on a systematic work of prospecting for oil in Rumania's subsoil.

The "Kontinentale Öl A. G." has entered into friendly co-operation with the "Astra Romana", a Dutch company. In terms of their agreement the concessions held by the "Astra Romana" will be jointly exploited and for this purpose the latter company will place its experts at the disposal of the former. Besides this, the "Kontinentale Öl" has concluded other agreements in terms of which it is drilling for oil in several places.

SERBIA

THE SERBIAN NATIONAL BANK RESUMES ITS FUNCTIONS

(100 dinars = 8 pengő)

According to a report from Belgrade, the Serbian National Bank, which was originally established with a share capital of 100,000,000 dinars, has begun to re-organise the economic life of Serbia. The Bank has been nationalised. The shares have been transferred to the possession of the Treasury.

The respective values of the dinar and the pengő are as follows: 8 pengő = 100 dinars. The Serbian National Bank is to stamp all notes in circulation in Serbia. Later on the older Yugoslav dinar-notes will be exchanged.

SLOVAKIA

SLOVAKIA'S INDUSTRIAL PRODUCTION IS OF THE SMALL INDUSTRY TYPE.

Before the first Great War the Hungarian Government carried out a great work of industrialization in Upper Hungary. This work of industrialization was so extensive that that region, present-day Slovakia, came to be regarded as the industrial part of the country. The industrial policy of the Czechs, as we all know, carried out a widespread disindustrialization of the areas
wrested from Hungary. The Czech industrial statistics, however, carefully omitted mentioning the closing down of the Slovak factories, so that it was hardly possible to express in figures the havoc wrought by the industrial policy of the Czechs.

It was with the hope that industry would assure them a livelihood that the Slovaks began their existence as an independent nation. Industry was of particular importance to them, because agricultural production in Slovakia is inconsiderable and backward. The National Bank of Slovakia has now for the first time published the industrial statistics of the new State, and from these the surprising fact emerges that Slovakia's industrial production is of the small industry type. This is a very serious matter for an agriculturally weak country, for as things stood previously Slovakia had a large surplus of agricultural labourers for whom she could not provide except by securing seasonal work for them in foreign countries.

Let us examine the figures of the first Slovak industrial statistics. On 15th June 1941 there were about 1000 manufacturing concerns in the country. This number does not include those industrial undertakings that do not rise above the level of crafts. These 1000 medium-sized and big undertakings employ a total of 80,000 hands. This gives only 80 workmen on an average to each firm, from which it follows that none of the concerns listed in this category are really big undertakings, and that it is only relatively, i.e. for Slovakia, that they can be spoken of as such. Almost as large a number of hands are employed in the Slovak crafts as in the so-called big industries, — viz. 60,470.

Another interesting fact that emerges is that about 20% of the hands employed in the Slovak industries are women. The significance of this figure will be better appreciated if we remember that the number of the Slovak men employed in foreign countries is 200,000.

From these statistics we also learn which branches of industry are busiest. The most work is being done by the building and metal industries and the capital goods industries. Many branches of industry are sorely handicapped by the lack of raw materials.

SLOVAKIA'S CLEARING ASSETS

According the the latest official report issued by the Slovak National Bank, Slovakia's clearing assets now total a sum of 1500,000,000 crowns.

If we examine the development of Slovakia's foreign trade,
we see that her clearing assets have been steadily increasing since the creation of the independent State. The relevant figures are as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Clearing assets</th>
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<tbody>
<tr>
<td>1940, Jan. 19</td>
<td>508,985,000 Slovak crowns</td>
</tr>
<tr>
<td>,, April 30</td>
<td>876,000,000</td>
</tr>
<tr>
<td>,, June 4</td>
<td>922,000,000</td>
</tr>
<tr>
<td>1941, Sept. 27</td>
<td>1,537,000,000</td>
</tr>
</tbody>
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As we see, according to these figures, Slovakia's clearing assets have increased by 200% in a year and a half.

As regards the nature of these assets, the major part of them consists of the sums owing to Slovakia for goods exported to foreign countries. M. Karvash, President of the National Bank of Slovakia, describes those items as "for the present unrealizable assets", and to make their significance in Slovakia's national economy clear he adds that the sum of Slovakia's industrial working capital is 1,900,000,000 crowns.

This state of her foreign trade balance forces Slovakia to make every effort to conclude commercial agreements that will bring her commodities in exchange for her exports. Thus in the first place she is trying to come to an agreement with Hungary in terms of which it would be possible, on a quota basis, to increase the volume of trade between the two countries. On 10th Oct. trade negotiations were opened at Budapest between Slovakia and Hungary, the aim of which is to discuss ways and means of increasing the exchange of commodities. Slovakia is offering Hungary timber and industrial articles in exchange for foodstuffs and the industrial articles she herself lacks.
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