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The Effect of the Treaty of Trianon on Hungary

by

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The Effect of the Treaty of Trianon on Hungary

I. Introduction-

On June 4, 1920, the Treaty of Trianon between the Allied Powers and Hungary was signed. Sufficient time has elapsed since that date for the general effects of the document to become manifest. Although the entire truth may not yet be known I shall endeavor, in the following thesis, to describe Hungary as she was before the World War, her part in European politics, the recognition which she received from the Allied Powers at the Peace Conference according to the Treaty of Trianon, and some of the post-war problems created thereby.

II. History of Hungary-

Old Hungary was in itself a geographical unit, and has been likened to a soup-bowl. The fertile, low plain was the bowl, with the rim of mountains resembling the Swiss Alps in relief. The country had theoretically three parts:[1] first, the low plain, known as the Alföld, a very wealthy granary; second, the mountains on almost all sides of the plain, and thirdly, Hungary's natural waterways and outlets. The port of Fiume was her own outlet to the Mediterranean Sea and points beyond. In addition, the Danube and its tributaries within the country made its location important, and the wealth which nature had given the territory gave Hungary an opportunity to supply world markets. She was both strategically located and economically well-equipped. Hungary contained formerly one hundred and twenty-five thousand square miles of territory, and had a population of twenty million people.

Hungary was originally inhabited by the Huns, but the predominating race through its history was the Magyar race. The origin of the Magyars is obscure, and authorities differ greatly on this point. Practically all

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1. Bass, The Peace Tangle, 195-6.

theories agree that the Magyars came from central Asia. The majority of writers contend that the Magyars are a nation of Finnish origin, which only at a later period came under the influence of the Turks and Slavs.[1]

The first authentic movement, but apparently not the first movement, was from the Black Sea to the Don basin, which was occupied by people known as the Chazars. The Magyars were finally expelled from here by the Patzinaks, but settled nearby, in territory inhabited by Slavs. They spread beyond the Bug, Dniester, Pruth and Seret Rivers, and occupied lands of southwestern Russia, Bessarabia, and Moldavia, carrying on predatory raids.

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1. Hunfalvy is the champion of this theory. "To Vambery the language is not of such decisive weight as the social life and civilization. The whole mode of living, the first appearance in history, the political organization of the Magyars, shew clearly that they belong in origin to the Turco-Tartar races." Camb. Med. Hist. IV, 194-195.

According to Vambery, even the names by which the Magyars are called by foreigners are of importance. The Byzantine and Arab-Persian writers call them "Turks." Vambery is, therefore, inclined to believe that the Magyars belonged originally to the Turco-Tartar peoples, and that they in course of time adopted into their vocabulary Finno-Ugrian words. Vambery, The Story of Hungary, p.27 ff.

The ethnical blending of the two races began in times so remote that it escapes historical observation. Winkler found in the Magyar language a still greater mixture. He thinks the Finnish foundation was influenced by the Turkish, Mongol, Dravidian, Iranian, and Caucasian languages. C.M.H. IV, page 195.

Although Vambery's fundamental opinion may not be quite correct, it can be observed that the cultural influence of the Turks on these people was so great it changed their mode of living, "and that from hunters they became a nomadic people, one of the most warlike of nations." C.M.H. IV, 195.

The nomadic tendencies of the Magyars became less when Geza, who was prince of the Magyars in the tenth century, realized that his people were strong enough to hold out against other nations if they would settle down in peace. As an early step in his plan he welcomed the Bishop of Prague who introduced christianity. Geza's young son, Vajk, took the name 'Stephen' in baptism. When the Magyars finally settled, they occupied land formerly controlled by the Huns. Because of this they were referred to as "Hungarians."[1]

The Magyars have long considered themselves to be natural rulers- a fact which served as a continual threat to their neighbors and enemies, and of material benefit to their friends.[2] Other nationalities came in as these people settled down. Nevertheless, the Magyar race developed an impetuous, fighting people, dominating the less developed nationalities of the Hungarian kingdom. "They governed the peoples and the territory comprising the old Hungarian monarchy for a thousand years."[3] The Magyar domination in Hungary has allowed no innovations. This has made reform difficult, and the usual rule has been revolution rather than actual reform when any change has been contemplated. This system of Magyar domination

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1. Birinyi, ThetTragedy of Hungary,7,f.n.
2. Mowrer, Balkanized Europe, 187.
3. Bass,190.

had its beginning as early as the fourteenth century when eight millions of Magyars were united under the Holy Hungarian Crown, a much stronger bond of union than the feudal system of the West. Under Stephen its purpose was the increase of royal power by rendering it as independent as possible of restrictions on the part of the nation, and the introduction of such institutions as would prove most valuable in the defense of the integrity and unity of the nation and the country. Stephen allowed the nobles to pursue their ancient rights undisturbed when such rights did not interfere with his own. He introduced an innovation with regard to the tenure of their property, which he changed from tribal to individual possession, using his authority to protect each man in the possession of the states thus allotted to him. The nobles exercised a great deal of freedom among themselves- governed themselves, administered justice among themselves through men of their own selection, and the king interfered only if he was especially requested to do so. The nobility was exempted from paying any kind of taxes into the royal treasury, and joined the king's army only if the country was menaced by a foreign foe, or if they chose to offer their services of their own free will. Stephen controlled large domains to offset the power which the nobles exercised in their

freeholdings. He acquired much of the public domain from vast tracts of unowned land scattered over the realm and around the frontiers. These areas were very often occupied by foreigners, and the King declared their land state property when he wished to take possession. He divided these pieces of territory into small domains called counties or circuits, and placed an official at the head of each division with the title of Count. The people of one-half of this territory paid taxes in produce, and the other half paid in military service to the King. Thus, a standing army was at his disposal on demand.

While Hungary's land system was developing, other events were occurring which illustrate the height to which Hungary arose culturally. The University of Pècs was founded by Louis the Great; the world-famed Corvina Library at Pozony University was the contribution of King Matthew Corvinus.

The fourteenth and fifteenth century were filled with attacks on the Magyars by the Turks. The invasions continued even after the House of Jagellon occupied the throne. When Louis II of the House of Jagellon died,[1]

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1. King Louis was drowned in escaping across a brook near the Danube. The Sultan advanced at this time and took Buda, but not permanently. He was not yet prepared to annex Hungary on account of demoralized conditions of his army and difficulties arising at home. Camb. Med. Hist. I, 97.

the country split into two factions- one supporting the Hapsburg family, the candidate being Ferdinand, brother of Charles V, Emperor; and the other selecting John Szapolyi, a powerful magnate of the country. The Hapsburg faction won out. For a century and a half the only unity in the country was fighting against the common enemy. The Hapsburgs succeeded in ruling only the northern and western sections of the country. The fertile plain and river district, ~~were more~~ thickly populated with people of pure Magyar blood, ~~This~~ was the section more completely controlled by the Turks. The third section (the eastern mountain land), became the independent Hungarian principality of Transylvania, the stronghold of national Hungarian rule. By the end of the seventeenth century Transylvania had been united again to the Hungarian Crown, the Turks had evacuated or were driven from most of Hungary, and that kingdom had been subjected to the Hapsburgs.[1] The Hapsburgs continued to do everything within their power to stunt the growth of the Hungarians. They encouraged the coming of the Germans, the Serbs, and many other nationalities whom the natives did not want. The Magyars realized that such a program would weaken themselves, and they also realized that this was

English?

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1. C.M.H. I,99.

the purpose for which the Hapsburgs had embarked on this program. Many nationalities date their presence in Hungary from this period.[1] The Germans inhabited the territory bordering on the Austrian crownlands, Slovaks bordering on Bohemia and Moravia, Jugoslavs south of the Drave, and Rumanians in Transylvania.[2]

Relations between Austria and Hungary were becoming more clearly defined. By the Pragmatic Sanction of 1723, Hungary and the Austrian provinces were declared inseparable, and the ruler of both was to be the same person- a member of the Hapsburg family, in regular order of succession in the male and female lines. Other than this, however, Hungary was to remain independent, and was to be governed by her own laws. After the revolution of 1848, Hungary reorganized her government on a broader constitutional basis- on the principles of liberty, fraternity, and equality. The government was vested in a ministry responsible to the parliament, all the inhabitants were declared equal before the law, and the privileges of the nobility were abolished, soil declared free, and the right of free worship was accorded to all.[3] National guards were formed, freedom of the press

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1. Buday, Dismembered Hungary, 9, estimates that 45% of the different nationalities represented within Hungary date their presence as early as this period.
2. Graham, New Governments of Central Europe, 110.
3. "All" meant all Magyar stock. Graham, 115. "In Hungary, the theory of responsible government was translated into a concrete fact, but all other than the Magyar were practically deprived of political power."

when was it lost?

secured, and Transylvania again became a part of the mother country.

In order to understand the part Hungary has played in the political situation of Europe, it is necessary to study the relations between Austria and Hungary. Following the revolution of 1848 in Hungary, Austria inaugurated a state of siege on Hungary which she did not lift for five years, and it was 1857 before amnesty was granted. In that year the Emperor visited Hungary, and seemed anxious to heal the wounds that had been inflicted in 1849. Four years later the old constitution was restored to Hungary, and the possibility of a deeper friendship between Austria and Hungary looked promising.

From 1867 to the World War, relations became more settled. The Hapsburg family at last realized after failure in Italy and Prussia, that the strongest section of their realm was Hungary. In 1867 the union between Austria and Hungary was consummated. Hungary did not become a part of Austria. She remained a separate kingdom. The agreement dealt only with foreign relations, military and naval affairs when connected with common defense, and finances when the two nations had a problem in common.[1] The Dual Monarchy was the result of negotia-

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1. Clark, Old Homes and New Americans, 3.

tions between Francis Déak, the leader of Hungarian liberalism, and Baron Beust, Chancellor of Austria. "It raised Hungary from the plane of a dependency, or an ordinary province, to a status well-nigh approximating independence. By establishing certain joint organs of government, it enabled the hitherto conglomerate crownlands to be divided into the two halves of the new structure. The lands of the Austrian Crown were permitted to have their own internal administration, as were those of Hungary, but for Foreign Affairs, War, and Finance, Joint Miniatries were created, responsible to no parliament for their actions, but only to the person of the Emperor-King."[1] A joint parliament was created in the form of Delegations, bodies of sixty representatives from the parliament of each country, forty being chosen by the Lower House and twenty by the Upper House in each instance. In these bodies German and Magyar were the official languages. When in joint session only an equal number of members could participate in voting. Each language was equally valid. Although Austria intended to dominate the situation, in practice Hungary was the stronger. Her representatives were solidly Magyar, and therefore had a concerted policy, which was hardly pos-

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1. Graham, 113.

sible among the polyglot representation of Austria. Hungary's interests were solidly Magyar. The county was the unit for local government and administration. Yet these units were controlled by the Magyar landlords and highest taxpayers. The non-Magyar elements were excluded from participation in political life, and were left to shift for themselves. Within the Hungarian Parliament the Magyars divided into definitely organized parties. The most important, and the one in power at the outbreak of the World War, was the National Party of Work. It stood firmly for the "union of a close economic and political affiliation with Austria, and was the defender of the interests of the agrarian Magnates."[1] Opposed to this Calvinistic group was the Popular Catholic Party, which stood for the interests on the non-Magyar population. The Constitutionalist Party, led by Andrassy and Batthyanyi, ardently defended the Triple Alliance and Hungarian coöperation with Germany to weaken Austrian power in Hungary. The Party of Independence and of 1848 recognized only a personal union between the Austrian and Hungarian States and demanded complete economic separation from Austria. At the outbreak of the War, the majority of this party were led by Count

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1. Graham, 116-117.

Apponyi, remaining faithful to the ideal of the alliance with Germany. The more democratic element, led by Count Karolyi, formed the Karolyi Party. It stood for universal suffrage, separate Hungarian army, and immediate agrarian reforms. It opposed economic or military agreements which would bind the country with Germany.

Hungary's more recent history has been influenced by her political position among the States and Powers of Europe and by her foreign policy. For years a pan-Slav movement was developing. During the Balkan Wars of 1912 and 1913, the Serbs, in carrying out their plans for a "Greater Serbia," enlarged their territory somewhat at Austria's expense.[1] The Serbian program was encouraged by Hartwig, the Russian Minister at Belgrade. It is reported that he told his Rumanian colleague that Serbia "could not possibly renounce her outlet on the Adriatic; Serbia must be the Slavic advance-post in the Balkans, and must annex Bosnia, Herzegovina, and the South Slav districts of Hungary; Rumania, he hinted, had better look out for her interests in the same way and annex Transylvania."[2] Although Sazanov denied that Hartwig could have made such a statement, it is generally conceded that "Russia was energetically supporting the Serbian claim to Northern

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1. Fay, The Origins of the War, I, 439.

2. Ibid, I, 439.

Albania and ports on the Adriatic. Reports came from St. Petersburg that the Pan-Slav and militarist party of the Grand Dukes was using pressure upon the Tsar to resort to war, if necessary, on Serbia's behalf."[1] Austria and Italy were not pleased at Serbia's victories. Likewise, the Albanians did not rejoice at the prospect of Serbian rule in place of Turkish. Austria and Italy both urged the establishment of an Albanian State, though for different reasons. They both agreed in their motive of excluding Serbia from the Adriatic, but both wanted to dominate that territory themselves. Italy favored a weak Albania so that she herself might develop more strength in the Adriatic. In the Albanian question, Russia backed up the Serbs in the policy of actually possessing Northern Albania. Austria and Italy were determined to support the Albanian leaders in their opposition to Serbia. Russia began to mobilize part of her forces against Austria, who in turn had already started preparations for war against Serbia.[2] Russia did not continue her action when war became imminent. Poincaré of France, however, encouraged Russia to uphold Serbia. " He saw that the new Balkan Alliance was virtually equivalent in strength to a Great Power. With this on the side of Russia, the prospects were

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1.Fay, I,440.
2. It was believed that Austria had mobilized three army corps in Galicia against Russia. Fay, I, 442.

highly favorable for French revanche, if Austria should attack Russia, and thus involve France and Germany in a general war. He counted on Italy's doubtful loyalty to the Triple Alliance, and he hoped for England's armed support to the Triple Entente."[1] Concessions were made on all sides in this crisis, however, and peace was preserved. The London Conference of Ambassadors accepted Sir Edward Grey's compromise proposal for an independent Albania. Unfortunately neither of the two countries intimately interested were satisfied. Serbia felt very bitterly at being deprived of her economic outlet on the Adriatic. Austria felt that she did not get the support she should have had because the majority of the Conference took sides against her. She was dissatisfied with the boundary lines of Albania.

Although the Albanian settlement prevented immediate war between the Great Powers, it remained a source of friction until the outbreak of the World War.

Serbia had made great strides toward accomplishing a "Greater Serbia" by the close of the Second Balkan War. By her acquisition of part of Novi Bazar and the Upper Vardar valley, and her running frontier with Montenegro, she would effectively bar Austria's progress toward Sa-

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1. Fay, I, 442-443.

loniki. To be sure, Austria had lost no territory, nor had she taken part in the Balkan Wars. Nevertheless, she felt weakened in power and prestige as Serbia grew stronger. Austria's subject-nationalities grew more restless. Austria continued to distrust Italy more and more. The situation was again becoming ominous. The Second Balkan War was localized because of Bethmann's warning to Berchtold on July 6. Berchtold was becoming nervous for fear that Rumania was about to fall upon Bulgaria and so weaken her that Serbian danger would become greater than ever. He advised the officials at Bucharest to keep Rumania from advancing on Bulgaria. Bethmann refused to comply because he thought the way to hold Rumania in position was for Austria to exert pressure at Sofia to induce King Ferdinand to satisfy King Carol's justifiable demands for territorial compensations. He further communicated to Berchtold that "Austria-Hungary from the outset declared that in the present Balkan crisis she is striving after no territorial conquests. She has defined her interest as to the outcome of the Balkan War to the effect that Serbia must not reach the Adriatic, and that a viable Albania must be delivered. The first point she has smoothly accomplished. As to the boundaries of Albania, she has

triumphed in the Scutari question, and along with Italy also in the question of the southern boundary of Albania along the coast. The questions still open- the southern boundary on the mainland, the constitution, and the choice of a ruler, etc., (sic) will, it is to be hoped, be satisfactorily settled. At any rate the hostilities which have broken out between Bulgaria and Serbia-Greece in no wise disturb as yet the rule of policy hitherto traced by Austria- Hungary.--- How the present hostilities between Bulgaria and Serbia will end, no man knows.-- Austria-Hungary should not interfere with this result. Even if Serbia should win, it is still a long way to a Great Serbia. For even then, Serbia will not reach the Adriatic, and a few strips of land more or less will not put the fat in the fire. Should Austria-Hungary now try by diplomatic means to chase Serbia out of her newly-won territories, she would have no luck, but would certainly arouse deadly hatred in Serbia. Should she try to do this by force of arms, it would mean a European war.--- I can therefore only express the hope that the people of Vienna will not let themselves be upset by the nightmare of a Great Serbia, but will await further developments from the Serbo-Bulgarian theatre of war. Only insistently can I warn against the idea of wanting to gobble up Serbia,

for that would simply weaken Austria."[1]

On the same date that Bethmann sent the words of warning to Berchtold, Count Tisza, the Magyar leader, became Minister-President of Hungary. Although he recognized the Serbian danger, and believed that the London Conference had been of no advantage to Austria-Hungary, he was inclined to strike out on an independent diplomatic policy for Austria-Hungary. Berchtold had no definite policy, although he continued to inform Germany that Albania's existence was necessary as a barrier against the Slav advance to the Adriatic, and hoped that Germany would stand firmly in back of Austria in "damming the Slav flood;"because as far as he could see, it would be only a question of moral support, since neither Russia nor France wanted war." The Berlin Foreign Office assured Berchtold of the moral support, and instructed Germany's diplomatic agents to back up Austria's efforts in preserving the life of Albania. It also urged that Sir Edward Grey use his influence at Belgrade and the London Conference to see that the decisions of the Powers were respected. If not, Austria might pursue her program independently. Grey was out of town during this development, and his Under-Secretary believed that Grey

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1. Fay, I, 451-452. Requoted from Bethmann to Szöyenyi. and Zimmermann to Tshirschky, July 6, 1913. G.P.XXXV, 129 f.

would not favor as drastic action as an ultimatum from Austria to Serbia for evacuation. Neverthless, October 17, Berchtold sent an ultimatum in the middle of the night to Belgrade, on the strength of the support of Germany. It insisted that Serbia respect Albanian territory and withdraw her troops within eight days. Otherwise, Austria would be obliged to use force. Serbia decided at once to yield, and gave orders for her troops to evacuate the occupied Albanian territory, not, however, because Austria had brought pressure, but because she regarded the friendly advice of Russia as valuable. Austria found that by acting quickly and independently she had accomplished whatsshe wanted- a dangerous precedent to the peace of Europe.

The real Balkan problem was that the subject-nationalities of the decaying Ottoman Empire were beginning to make their desires for political freedom and national unity a reality. However, many of these peoples were still under Turkish or Hapsburg rule, and could succeed in their ambitions only by a more complete disintegration of Turkey, and the partial dismemberment of Austria-Hungary. Austria had to preserve her very existence as a State; Serbia to satisfy ambitions of political liberty and national unity. Each, in carrying out its program,

came in conflict with the other.

As Turkey declined in power jealousy between Russia and Austria over their respective influences in the Balkans became more intense. Russia apparently urged Serbia to realize her policy of a "Greater Serbia." With Russia's assistance, Serbia could achieve this ambition at Austria's expense. Serbia was to wait until Russia was ready, however. Already alliances and loyalties were becoming firm.[1]

Because of the events of 1912 and 1913, suspicion among the Great European Powers,(especially England and Germany) and the Balkan States themselves. This resulted in an increase of armaments. Tenseness and distrust were particularly evident in Austria and Serbia. Serbia had been thwarted in her Adriatic policy, but compensated for this by friendship with Macedonia. This brought about the hatred of Bulgaria. Therefore, Serbia tightemed her relations with Greece and Rumania with the assistance of Russia. The Rumanians were ready to embark on a "Greater Rumania" policy, but would cast their lot with the side from whom they could get the greatest concessions.[2] In the spring of 1914 Russia was seeking the friendship of Rumania. She wanted to build up a strong Balkan

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1. Fay, I, 543.
2. Ibid,I, 544.

bloc under her power. The bloc was to include also Serbia and Greece. Austria was developing a counter-bloc with Bulgaria and Turkey as a nucleus.

As these alliances and understandings were growing in the Balkans, a friendship which was to be of great significance was growing between Austria and Germany. The archduke Ferdinand had married a lady-in-waiting in the Austrian Court. This very much displeased his uncle, the Emperor, although he accepted it as a morganatic union. Countess Chotek was raised to the rank of Duchess of Hohenberg. Neverthless, Vienna rebuffed the Duchess. However, the Kaiser once invited the Archduke and Archduchess to visit him at Potsdam, where the Archduchess was received with all the honors due her as the Archduke's wife.[1] From this incident, the Archduke and the Kaiser became very friendly. In June, 1914, the Kaiser went to Franz Ferdinand's beautiful villa at Konopischt in Bohemia, ostensibly to see the Archduke's beautiful gardens. Admiral von Tirpitz and the Austrian Foreign Minister, Berchtold, accompanied the Kaiser. Important discussions of internal Austrian politics took place. Among them was the problem of Tisza's treatment of the Rumanians in Transylvania and its dangerous effect upon

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1. Fay, 20,ff.

public feeling in the Kingdom of Rumania. It was felt that Tisza's domination of Hungary was developing into his domination of Austria as well. This situation had probably arisen from the fact that Austria-Hungary was generally represented at Berlin by an Hungarian Ambassador, and it resulted in the Berlin Foreign Office being "too inclined to look at conditions in Austria-Hungary through Hungarian spectacles."[1] Von Tirpitz was present at the conference probably to lend his advice in the upbuilding and reorganizing of the Austrian navy, and to interpret the rumored navy agreements between France and Russia (of 1912) and Russia and England, then under discussion. The most important result was, however, that the Kaiser was becoming a better personal friend to Franz Ferdinand, and when Franz was assassinated a few days later, the Kaiser became more extravagant with his instructions to Berchtold to express sympathy for his firend's fateful ending. The Kaiser had been restraining Austria from acting against Serbia, but the "roses of Konopischt"[1] were so vivid in the Kaiser's mind that he was willing to change his policy.

The intrigues about the assassination of the Archduke may or may not all be known at the present time. Certain it is that the general public have not had access to the information. It is believed, however, that the

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1. Fay, II,43.

Archduke's trip through Bosnia was for the purpose of military inspection, and he went as a duty. Evidence has been brought to light by Stanoje Stanovevitch[1] that a leader of one of the less well-known Serbian secret revolutionary societies was responsible.[2] Stanojevitch also claims that the Chief of the Intelligence Department of the Serbian General Staff, Colonel Dragutin Dimitrijevitch, organized this plot in Belgrade. "When Dimitrijevitch heard, in addition to other rumors, that the Austrian archduke was coming to hold military manoeuvres in Bosnia, ' he was thoroughly convinced that Austria-Hungary intended to carry out an attack upon Serbia,' and, 'after long consideration came to the conclusion that the attack on Serbia could only be prevented by killing Franz Ferdinand.'" 3. From an account by M. Ljuba Jovanovitch, Minister of Education in the Pashitch Cabinet in July, 1914, it is evident that the Serbian Government knew of the plot a month previous, and did nothing effective to prevent the murder, which places criminal negligence on the Serbian Government. The Government neither published the rumors, nor investigated them; and after the event, attempted to conceal every trace of it.[4]

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1. Stanoje Stanojevitch. "Ubistvo Austriskog Prestolonaslednika Ferdinanda"-<u>The Murder of the Austrian Heir to the Throne Ferdinand</u>, Belgrade, 1923.
2. Fay, II, 57-8.
3. Ibid, II,60.
4. Ibid, II,61-3.

Jovanovitch expected that a European crisis would result. Russia would not back down at that stage.[1] Some deny the truth of Jovanovitch's statements, among them, Seton-Watson. They deny also that Pashitch, who was a member of the "Black Hand", knew of the plot. It is known, however, that the policy of the "Black Hand" as of the Radical Party since the sixties and seventies of the previous century was to keep discontent alive in the Serbian districts of the Turkish and Hapsburg Empires until the future war of liberation should join them to a Greater Serbia.[2] There was an internal conflict between the Pashitch radicals and the "Black Hand" military officers over the policy of extending the Serbain constitution to conquered territories in Piedmont in 1912.[3] Fay claims that this is proof enough that the Pashitch wing were not in the plot. Jovanovitch warned the Austrian Government unofficially and irregularly of the danger, referring to the plot only as a possible danger of disloyalty among the troops.[4] This warning is not sufficient to relieve the Serbian Government of the guilt for withholding the information which they possessed.

Contrary to Berchtold's usual hesitancy and indecision, he decided to use the assassination of Franz Fer-

1. Fay, II,64.
2. Ibid, II,77-78.
3. Ibid, II,145.
4. Ibid, II,166.

dinand and his wife as an excuse to clear up the situation between Austria and Serbia and to crush the Greater Serbia and Russian intrigues against Austria. Conrad, the Chief of Staff at Vienna, summed up the situation by stating that Austria-Hungary had to draw the sword against Serbia unless she was to allow herself to disintegrate. "It was not a question of a knightly duel with 'poor little' Serbia,--- nor of punishment for the assassination. It was much more the highly practical importance of the prestige of a Great Power--- which, by its continual yielding and patience-- had given an impression of impotence and made its external and internal enemies continually more aggressive, so that these enemies were working with increasingly aggressive means for the destruction of the Old Empire."[1] Conrad, convinced that Austria must make war on Serbia as an act of self-preservation, urged Berchtold to approve immediate mobilization against Serbia. Berchtold had objections because he felt that public opinion must be prepared; the grounds of war must be established as a result of the catastrophe at Sarajevo; Francis Joseph was opposed to any war against Serbia; and Tisza "opposed to any war against Serbia, fearing that Russia would attack Austria and that

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1. Fay, II,185-186.

Germany and Rumania would leave her in the lurch."[1] Berchtold immediately began working on a program to overcome these obstacles, however, and set the scene for an "immediate local war against Serbia."[2] Tisza believed that war would be a fatal mistake at this time, and that Austria would be accused of disturbing the peace of the world. He believed that peace should be preserved in the Balkans, and that Austria should win the friendship of Bulgaria. He believed that "the crux of the European situation lay in the Balkans and particularly in attaching Bulgaria to the Central Powers. This was of just as much vital interest to Germany as to Austria. Therefore, the Dual Monarchy should strive to oppose Russia's Balkan policy. The best way to win Bulgaria--- was to hold out to Ferdinand the prospect of acquiring Macedonia. This could be accomplished only when Bulgaria had recovered herself. Meanwhile the Central Powers must assure Bulgaria protection against attack from Turkey or Greece. Rumanian public feeling was very strong against Hungary, but an effort was made to keep King Carol firm in alliance and assure him that Rumania was in no danger of an attack from Bulgaria. Germany and Austria must henceforth coöperate together to effect a favorable grouping of the Balkan States; Rumania and Greece must

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1. Fay, II, 187.
2. Ibid, II, 189.

be wooed away from Serbia, and reconciled with Bulgaria on the basis of an enlargement of Bulgaria at Serbia's expense."[1]

Russia and France had been pursuing a policy whereby they were building up a new Balkan League aimed at the territorial dismemberment of the Dual Monarchy. To thwart this, Tisza suggested an alliance with Bulgaria, and Berchtold even suggested it to include Turkey.[2]

By the Sarajevo incident, Berchtold was converted to Conrad's idea of immediate war on Serbia. The Kaiser's attitude must have been influenced by the fact that a personal friend of his had been killed. According to Szöchyeny, "Austria must judge what is to be done to clear up her relations to Serbia; whatever Austria's decision may turn out to be, Austria can count with certainty upon it, that Germany will stand behind her as an ally and friend."[3] In order to win over Tisza, Berchtold tried to make Tisza think that Germany wanted war. Tisza said that this affair was no concern of Germany, and was willing to make certain demands on Serbia. "A note in moderate, but not threatening, language, should be addressed to Serbia, which should set forth our specific grievances and our precise demands in connection with

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1. Fay, II,188.
2. Ibid, II, 195-6.
3. Ibid, II, 223.

them.--- Should Serbia give an unsatisfactory answer and try dilatory tactics, an ultimatum should follow, and after expiration, the opening of hostilities."[1] However, Tisza finally changed his attitude after a ministerial council was held. The chairman, Berchtold, opened the session by reiterating Germany's support, and said that the moment had come for a demonstration of power that would put an end to the Serbian intrigues once for all,"and stop tendencies that were now in full swing."[2] It was clear to him that war with Russia would be very probable if Serbia was attacked.[3] Berchtold's ideas met with general approval, except from Tisza. All present, except the Royal Hungarian Minister, thought that a purely diplomatic success, even if it ended with a resounding humiliation of Serbia, would be worthless, and that, therefore, such far-reaching demands must be made on Serbia as would make refusal certain, so that the way would be open for a drastic solution by means of military action."[4] Tisza felt that as Hungarian Minister he could never consent to the Monarchy's annexing any part of Serbia. He was still resisting Berchtold's policy, but had somewhat modified his own position since July 1. He made it clear that he was willing to meet

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1. Fay, II, 233.
2. Schmitt,B. The Coming of the War 1914,I,344.
3. Ibid, I,345.footnote.
4. Ibid, I, 346.

the others half-way, and insisted now only that "'the demands be addressed to Serbia were not to be such that our intention of making them unacceptable conditions should be clearly perceived.'"[1] Berchtold adopted this middle course, drawing up demands which he knew Serbia would not accept, however. The program was, in brief, that Austria demanded punishment and expulsion of the Serbian military officers involved in the Greater- Serbian propaganda; apology of the Serbian Government for language of the Serbian Minister at St. Petersburg; investigation on procuring the bombs; dismissal of certain Serbian officials connected with the Pokragats incident, (the Archduke going to Bosnia); passing of a new press law; revision of Serbia law relating to political societies; prohibition of distribution of journals hostile to Austria-Hungary in offices, clubs, and public establishments.[2]

Francis Joseph thought this action too drastic, although he thought some concrete demands should be made on Serbia. This was a much more war-like attitude than the Emperor had had formerly, and was due to the backing of Germany, no doubt. On July 14, Tisza finally consented. The reason for his change is conjecture, but may be explained by the fact that the Emperor had paid no at-

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1. Schmitt, I, 346-7.
2. Program taken from Schmitt, I, footnote, page 347, requoted from Gooss, p.93,note 1.

tention to Tisza's communications; he felt that if war was to come eventually, the case would be weakened by waiting; and Germany's sympathetic attitude.[1]

It is not easy to take a fair and unprejudiced view of the Austro-Hungarian policy. The rulers of the Dual Monarchy appear to have believed in all sincerity that the integrity of their State was threatened by the propaganda being released from Belgrade, and "they saw behind it, if not as the driving force, at least as the stalwart support, the mighty power of Russia. They rightly regarded the Serbo-Russian ambitions as fatal to the very existence of the Monarchy, and they would have been less than human had they not determined to prevent, if possible, the realization of these ambitions. To meet the serious provocation contained in the mind of the heir apparent to the throne, prompt and effective measures were necessary and justifiable; and the failure to establish the complicity of the Serbian Government in the Sarajevo crime[2] did not seem a valid reason against proceeding wither promptly or vigorously. To seize the opportunity for dealing with the Serbs, was, no reasonable person will deny, not only intelligible, it was natural."[3]

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1. Schmitt, I, 348-349.
2. Dr. Friedrich Ritter von Wiesner, one of the legal experts of the foreign office, was sent to Sarajevo on July 10 to investigate. He could not find any proof for action against the Serbian Government, although he declared he was reasonably sure of their comlicity. Schmitt, I, f.n. 312.
3. Schmitt, I, 373.

There is another side of this situation to examine. Though Austria-Hungary could rightfully fear the pan-Slav movement, she seems never to have comprehended that the hostility of Serbia and the unrest in the South-Slav provinces were in a large part the natural consequence of their own form of foreign and domestic policy. If Serbia had provoked Austria-Hungary, certainly Austria-Hungary had in various ways and at various times helped complicate the situation. The ultimate aim of the Hapsburgs was destruction of Serbian independence.[1] Austria-Hungary was really a worn-out political entity, hopelessly torn by internal feuds and threatened by serious external dangers, yet it still existed as a great power. Schmitt says that for this reason, to preserve herself, she was justified in demanding from Serbia some satisfaction for the Sarajevo incident; but that the Austrians lost the sense of the proportion of the crime.[2] It is true that any Power has the right to demand explanations, and to have let this incident pass, unchallenged, would have been outward manifestation of the decadence of the Austria Empire which the Austrians were struggling against. The Government realized that to invade Serbia would probably bring on a European crisis. They

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1. Schmitt, I,373.
2. Schmitt, I,374.

wilfully plotted to draw Serbia into a conflict, and therein lies Austria's chief responsibility for the War. The German Government, informed of the progress, offered no objections, which further encouraged Austria. The Serbs were evasive in their reply, but considered they had made a favorable one. In spite of this, Austria continued to prepare for war. Berchtold refused compromises, and public psychology had been educated to "not whether there should be war, but when?"[1] Mobilization began. Russia did not want Serbia crushed , and so, she, too mobilized.

Diplomatists were, then, very much to blame for the situation becoming as far-reaching as it did. Public opinion was also a cause for not averting war at this time. Newspapers urged a resolute stand and opposed concessions.[2]

The Hungarian Government could not stem the tide. The result was that on October 31, 1918, the internal order collapsed. A revolution had taken place, which was for the purpose of establishing a Republic. On November 13, Charles issued a letter of abdication. On November 16, Hungary was declared "the Hungarian People's Republic." The provisional president was Count Michael Karolyi. The two houses of the legislature were abolished, and

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1. Schmitt, II,77.
2. Schmitt, II, 481.

replaced by the Provisional National Council. This government continued until March, 1919. On March 21, a dictatorship of the proletariat was proclaimed. With the assistance of the Rumanian army, the Soviet government was wiped out. August 7 found the National Government again established. January and February (1920) elections were held on the basis of universal suffrage. The Parliament of 1920 considered the Revolution of 1918 and the Revolution of 1919 as de jure a blank space of time, and resolved that the old monarchical institutions should be continued. Hungary was a monarchy with a vacant throne, the work of the monarch done by a "regent." On March 1, the Parliament elected Nicholas Horthy de Nagybanya to this office, by a vote of one hundred and thirty-one as against seven for Count Apponyi.

On March 23, Horthy issued an order which formally made Hungary a monarchy, and the ministry was to be named the "Royal Hungarian Ministry." Then Horthy dropped the title of Governor, and became "Administrator of the Realm." While the formation of parties according to the various positions on the Constitution was taking place, King Karl returned from Switzerland. He demanded the throne of Horthy, but Horthy refused because of his oath to the National Assembly. Horthy and

Teleki, who was Prime Minister, obtained a safe conduct passage from Karl throu Austria, and finally prevailed upon him to leave the country. Teleki published a final message of Karl's to the people without the knowledge of the other ministers,[1] which discredited him, and hewas forced to resign. Stephen Bethlen then assumed Premiership.[2]

Bethlen attempted to create a strong middle class capable of withstanding revolutionary efforts. In his opinion, true democracy meant the exclusion of the incompetent and privileged. His program included electoral reform, administrative overhauling, and the creation of a second chamber. Finally, the Treaty of Trianon provided for the reorganization of the army, and this was to be his guide. The Treaty had been negotiated by the former ministry, but nevertheless was binding.

When Bethlen formed the new Cabinet, he pledged the exertion of every effort to guarantee that the Hapsburg dynasty would not be restored, and to free Hungary from intervention by the Little Entente.[3] Since Hungary has been admitted to the League of Nations, his policy has been somewhat successful. The League has recognized Hungary's pacific intentions. By her membership, Hungary pledged herself to refrain from aggression toward her

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1. Graham, 570.
2. April 15, 1921.
3. The Little Entente was formed to combat the come-back of a powerful Hungary. A more lengthy discussion of the Little Entente will be found in this report in the discussion of Article 53.

neighbors, and has had to limit her own activities.

At the time when the Treaty of Trianon became effective there were two lines of activity upon which the Hungarian Government had to work. The internal, which very much needed reform, consisted mainly of determining the definite form of the state, adopting a constitution, and guaranteeing individual rights. The international problem is bound up in the Treaty of Trianon and the status that Hungary is to be given in the family of nations. The revolution of 1918 was simply a visual manifestation that the Dual Monarchy had disintegrated. Since that time, Hungary has been trying to regain her equilibrium, but the ineffectiveness with which her internal and international problems have been met, has made the task doubly hard.

III. The Treaty

a. Circumstances under which the treaty was drawn up-

(1) Background for terms-

On November 1, 1918, the Austro-Hungarian delegates met at Villa Giusti, near Padua in Italy, for the purpose of drawing up an armistice with Italy. A document was signed on November 3, between the Italian generals Diaz and Badoglio and the Austro-Hungarian delegation. According to the agreement, a line was drawn which cut off the southwest section of the Empire; in all other directions the old political frontiers remained unchanged. Karolyi, one of the Hungarian delegates, believed that more favorable terms could be obtained from the Entente. He hastened to Belgrade where he met General Franchet d'Esperey, a Frenchman who had the power to act for the Entente forces. On November 13, a separate agreement was made between Karolyi and d'Esperey. This convention was far less favorable to the Hungarians than the Italian convention had been, for the frontiers shrank in practically every direction to a considerable extent. Hun-

garian troops were required to confine themselves and their activity within the limitations of their own territory as set down in the convention signed at Belgrade, but Hungarian rule was to continue to function in the evacuated regions. It is alleged that almost immediately after this agreement had been signed, it was broken. Hungarian officials were removed, Hungarian police were disarmed, communications interrupted, and the inhabitants forced to take oaths of allegiance to the country to which that territory had had assigned- Jugoslavia, Rumania, or Czechoslovakia, according to the location. They were even pressed into the service of these countries, according to reports.[1]

About the same time as the Belgrade Convention, official reports came of the fall of the Dual Monarchy, and of the abdication of Emperor Charles.[2] Such was the setting for the final peace treaty.

(2) Steps toward the final form of the Treaty-

The text of the Treaty of Trianon was received by the Hungarian Government on January 15, 1920, with the request that it be signed or a reply be given within fifteen days. Immediately hostile feeling was apparent, and

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1. Powell, Embattled Borders, 126 and 127.
2. N.Y.Times, March 13, 1920, 2:2.

fiery comments appeared in the newspapers. Hungary's military representatives at Neuilly registered their views that the military clauses were not acceptable. An army of thirty-five thousand was insufficient to maintain order in the interior with the condition of the country as it then was, or to protect the country against Bolshevism and insure the execution of the obligations which the Allies had demanded. Hungary asked for more time to sign. She was granted till February 12. Dissatisfaction continued to such an extent that a new treaty was drafted in March, in which various economic concessions were granted, though the territories remained the same. Count Apponyi called the treaty only temporary,[1] and said that the Hungarians would refuse to sign unless there were plebiscites in the detached areas.[2] When the revised form of the treaty was sent, the delegates were given ten days in which to sign. "Hungary's last chance," the Allies warned.[3] On May 12 it was rumored that Hungary was likely not to sign.[4] Hungary still wanted Fiume, an army of more than thirty-five thousand, and plebiscites held in the detached areas. Count Apponyi was in favor of having the treaty revised under the direction of the League of Nations. M.H. Hegegues, Hungarian

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1. N.Y.Times, April 4, 1920.II,1:5.
2. Ibid April 11, 1920.14:2.
3. Ibid May 6, 1920,5:1. By Special Cable the delegates were notified they had only ten days in which to sign.
3. Ibid May 10, 1920.17:6.

financial expert, said that Hungary could not meet the financial demands the Allies were making on her because of the extent to which her borders and resources had been limited. The refusal of the Peace Conferees to grant changes in the Hungarian treaty caused excitement. On May 17, however, Budapest decided to accept, in consequence of which Count Apponyi resigned. The new peace delegation consisted chiefly of State Officials, as Hungarian politicials were anxious to avoid the odium of signing the treaty. When Hungary finally decided to sign the treaty, gloom pervaded the city. Count Paul Teleki left Budapest, May 30, for Paris, to join the Hungarian Peace Delegation.[1] The ceremony took place in the Grand Trianon at Versailles Palace, a matter of less than half an hour. Those who actually signed for Hungary were A. Benard and Drasche Lazar.

b. Purpose of the Terms-

Hungary was a defeated nation and had been conquered by the Allied Powers. This fact shaped in a measure the character of the terms in the peace treaty. It has been argued by some that Hungary was only technically at war with the United States and England. She showed a friend-

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1. N.Y. Times, June 5,1920.17:4.

ly attitude toward them during the War by refusing to intern American and English residents within her jurisdiction, and even permitting them to continue their usual occupations.[1] Others have stated that the purpose was clear- that the justification lies in the fact that there were many national antagonisms within the Hungarian borders for which the Hungarian Government itself was responsible.[2] Still others have pointed out that Hungary did not go into the war because she wanted to, and that she did not enter the war for territorial gain, but that she was driven into it.[3] She feared Russia, and she feared the Pan-Slav movement. Birinyi, in his book The Tragedy of Hungary, says with regard to the Treaty of Trianon and its partition of Hungary,

> "There was no reason, but there was a purpose. That purpose was to create new states in the Balkans, so that neither Germany nor Russia should gain control of the Balkans. A keen state of rivalry existed, and continuous controversy among the Balkan states ensued. Consequently, Germany cannot complete the Berlin-Bagdad Railroad, nor can Russia obtain an ice-free port in the Balkans. As a result the commercial and financial magnates of England and of France can hold in their power the undisputed control of the international commerce of the world."[4].

Birinyi further declares that Hungary is the key-state geographically of Europe. The economic and territorial rehabilitation of Hungary would result in the reopen-

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1. Powell, 121.
2. Bass, 191.
3. A full discussion of why Hungary went into the war is given in Part II of this thesis.
4. Birinyi, The Tragedy of Hungary, 216.

ing of international commerce in southeastern Europe. If this would happen, Czechoslovakia, Rumania, and Jugoslavia would become friendly to Hungary; and the peoples of southeastern Europe would be living in peace. This would mean that France and the international financial groups controlling France would lose control of Czechoslovakia, Rumania, and Jugoslavia. It would mean international commerce with the Far East would be opened up. It would help the unemployment situation in England. World chaos would disappear. This the international financiers do not want. They do not want to see economic and territorial rehabilitation of Hungary. They want the continuation of world chaos. That is the real underlying reason for their opposition to the economic and territorial rehabilitation of Hungary.[1]

Powell says that the cards were stacked against Hungary at Geneva, a fact which, well-known to the diplomatists, afforded great glee to the governments of the Little Entente, caused the opponents of the League to shrug their shoulders in cynical amusement, and brought discouragement and gloom to its sincere supporters.

There is a grain of truth in the statements and thoughts of each of the attitudes cited above. Hungary

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1. Note: I am not commenting on the logic of Birinyi's argument, but presenting it merely as an attitude on the justice of the terms. 298-300.
2. Powell, 155.

is geographically a key-state. If she is in a condition of upheaval and chaos, the nations around her will feel the results of her condition. Perhaps the cards were stacked against Hungary at Geneva. That is the treatment that any conquered nation might expect. On the other hand it ought not be condemned for trying to get the best arrangements and greatest concessions possible in the final settlement.

c. Content of the Treaty-
(1) Catalog or brief outline-

The treaty includes three hundred and sixty-four articles, protocol and declaration. The plan is the same general one used for all the peace treaties between the Allied Powers and the conquered nations.

Part I- the Covenant of the League of Nations, Articles 1-26, and annex.
Part II- the frontiers of Hungary with Austria, with the Serb-Croat-Slovene State, with Rumania, with Czecho-slovakia; and the boundary commission.
Part III- political clauses for Europe, including Italy, Serb-Croat-Slovene State, Rumania, Czecho-slovakia, Fiume; protection of Minorities; clauses relating to nationality; political clauses relating to certain European States Belgium, Luxembourg, Schleswig, Turkey and Bulgaria, Austria, Russia and Russian States, and general provisions.
Part IV- Hungarian interests outside Europe, including Morocco, Egypt, Siam, China.
Part V- Military, naval and air clauses, including the effectives and cadres of the Hungarian army, recruiting and military service, schools, educational establishments, military clubs and societies; armaments, munitions and material; auxiliary cruisers to be disarmed and treated as merchant ships; inter-allied commissions of control, general articles.

Part VI- Prisoners of War and Graves.
Part VII- Penalties.
Part VIII- Reparation, general provisions, reparation commission.
Part IX- the Financial Clauses- points not settled or not in violation to the settlements and recommendations made by the Reparation Commission in Part VIII.
Part X- Economic clauses- commercial relations, shipping, unfair competition, treatment of nationals of allied and associated powers, treaties, debts, property rights and interetss, contracts, prescriptions, judgments, mixed Arbitral Tribunal, Industrial Property, Special Provisions relating to Transferred Territory.
Part XI- Aerial navigation.
Part XII- Port, waterways, and railways; navigation- more particularly of the Danube; hydrauliv system; telegraphs and telephones, disputes and revision of permament clauses settled as provided for by the League of Nations.
Part XIII- Labor. The same as the Treaty of Versailles.
Part XIX- Miscellaneous provisions and protocol.

(2) Outstanding articles-

The articles which will be discussed directly in this thesis are:

Article 27, which limits and defines the boundary of Hungary;
Article 29, which defines the power of the Boundary Commissions;
Article 53, the disposition of Fiume;
Articles 54-60, on the question of Minorities;
Articles dealing with military, naval, and air provisions, most particularly Article 104, which limits the size of the army;
Articles 161-174 inclusive, and annex II-VII, on the subject of reparation.

Article 27-

The definite boundaries of Hungary were promulgated on June 13, 1919.[1] It was found necessary to come to some decision because of the activity of Bela Kun.[2] Hungary's frontiers were designated as follows:- starting from the junction of the Czechoslovakian and Austrian frontiers near Bratislava, southeast to the mouth of the Ipel river, then along its course to a point ten kilometers below Lucenec, hence southeast above Salgotarjou, northeast up to a point lying twenty kilometers south of Kosice, southeast above Satoraljaujhely to Csap, thence along the Tisza to the junction of the Rumanian and Czechoslovakian frontiers. After running west of the Satul Mare line, it turns west, and runs south to Mako to the Jugoslav frontier below Szeged; hence south to the junction of the Maros and Tisza southwest to a point on the Drava south of Pècs; hence

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1. The situation became so acute between Bela Kun and the Rumanian and Czechs that the Peace Conference intervened and forced Bela Kun to retire to the Czech front. Fighting continued with the Rumanians who occupied Budapest August 8, 1919. F.P.A. IV-14, 278.

2. Bela Kun was an instructor in the University of Kolosvar before the war; became an officer in the Austro-Hungarian army, and was captured by the Russian army in 1915. It was this contact with Russian theories that so well-equipped him for his task of leading Hungary in its second serious revolution.

west and northwest along the Drava to the mouth of the Mur; along the Mur, then north to Szentgotthard; hence north to Köszeg, then makes a loop to include Sopron, crosses Lake Neusiedler (Fertö), thence north to the Czechoslovak frontier.[1]

Statistics showing what the treaty limitations have actually done to Hungary vary to some extent, but the following information is conceded by both those who are sympathetic with Hungary's status since the close of the war, and by those who claim to have only a scientific and critical attitude toward Hungary in her contribution toward another chapter in the world's history.[2]

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1. Ency. Brit. 13th ed. New Vols. II-390. Statesman's Year Book of 1920,971, the following summary is taken:- The new state's boundaries begin with: Germany at Pressburg, running parallel with the Danube as far as Grau; then north and northeast to Mogosbzet, on the Theiss; then southwest to Magylak on the Maros; then west as far as Beremendo on the Drave; then north to Pressburg.

2. The following table has been prepared from statistics given in various sources. In practically every case here, as in places elsewhere in this report, where a large discrepancy is apparent, there is a different understanding of the word used, or a different classification. Variations are surprisingly small. Figures are given in round numbers for the most part; and are to be taken as general indications only, as too much importance should not be attached to figures.

Losses[1]

Raw Material	Percent	
Area	68	2.
Population	59	
Arable land	57	
Forests	85	3.
Meadows	75	
Pastures	70	
Cattle	65	
Pigs	49	
Horses	53	
Sheep	72	
Production of Salt	100	
Iron Ore	81	4,6.
Gold (Fine)	100	
Silver (Fine)	100	
Copper Ores	100	
Zinc Ores	100	
Pyrites	100	
Manganese Ores	100	
Coal Production Black)	27)	5,6.
Brown)	30)	

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1. Popular Literary Society, p. 51, unless otherwise noted.
2. November, 1922, the Boundaries Commission revised in favor of Hungary 35,000 acres more from the lost provinces, several villages on the Jugoslav border around Szegeden; and the big estates of the former Archduke Friedrich on the Austrian border. N. Y. Times, Nov. 13, 1922. 14:7.
3. 78% timber trade supplies, crushing the cellulose and paper industries.
4. 100% of Northern Hungary's iron ore.
5. The figures on coal seem to have the greatest variation of any, due probably to a difference in the use of the term. The Nation uses the term "coal-producing lands," and has the small figure of 16%; the Living Age, Popular Literary Society, Statistics, and others use the term "coal fields"- 60%.
Hungary's bauxite deposits are among the largest in the world. S.Y.B. 1929,995.
6. The Nation, April 5, 1919,530, comments that Hungarian brains developed these, and the Czechs get the benefit.

Industries	Percent	
Iron and Metal	50	
Machine	18	
Stone and earthenware	41	1.
Wood and bone	78	
Leather	42	
Spinning and textiles	59	
Clothing	25	
Paper	78	
Foodstuffs- (Manufactured)	43	
Chemicals	45	2.
Printing	12	
Wool	58	3.
Factories	46	4.

Railways	Percent
Roads and highways of the Government and Municipalities	60

5.

Educational Institutions	
Elementary Schools	62
Superior elementary schools	56
Grammar and real schools(grammar schools without classical languages.)	53

There is no question that the geographical unit of Hungary, upon which historians have commented so much, has been ruined. The fertile plain has been left to her intact, however. Wheat, the chief product

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1. The Nation- 23%.
2. The Nation-26%.
3. 86% of the trade lost went to the Czechs.
4. Living Age, p.154.
5. Absolute losses- S.Y.B.'29,997.

of the Alföld, assures the Hungarian population a sufficient quantity of that foodstuff. To be sure, sixty-five percent of the wheat land and fifty-nine percent of the arable land has been lost, but the loss of population offsets the need for wheat and arable land to some extent. Hungary has about twenty-eight percent of her former territory with thirty-six percent of the former population to feed and keep employed. It is quite evident, then, that the figures in themselves are misleading. When comparing post-war Hungary with old Hungary the losses are appalling, but examining them with reference to reconstructed Hungary, the comparative figures show that the picture is not so black. Hungary has not been distorted so much as she has been shrunk. This fact is little consolation to the Hungarians who find themselves made less powerful to the advantage of their neighbors. Hungary finds that Czechoslovakia, Rumania, and Jugoslavia control the raw products which formerly belonged to herself, and which she feels she needs to keep her factories busy. Take, for example, the item-forests. Hungary lost eighty-five percent of her forests to Czechoslovakia, Jugoslavia and Rumania. According to industrial figures, she has lost seventy-eight percent of her pa-

per industry.[1] In order to keep her factories busy and her people employed, Hungary argues that she must import raw products. The establishment of trade relations with Czechoslovakia, Rumania, and Jugoslavia means that in order to build up her own country she must assist her enemy neighbors by buying from them what she believes is rightfully hers, and what she had for years been developing. It is, of course, embarrassing for Hungary to find herself so dependent upon the three nations which have for their purpose keeping Hungary small and powerless. Nevertheless, Hungary lost not only many of her sources of raw products, but she lost forty-six percent of her factories as well. Thus, she does not need the same amount of raw material as formerly. She lost sixty-four percent of her population. Her loss in population is greater than most of her losses in products to be manufactured. Thus, the forty-six percent loss of factories and the losses of products to be manufactured are tending to offset one another. These losses to Hungary are apparently not fatal. Although they tend to make Hungary agricultural rather than industrial, Hungary has shown general economic progress in recent years.[2]

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1. See previous tables.
2. E.C.Donaldson-Rawlins, Department of Overseas Trade, March, 1925. See also section in this thesis dealing with the Financial Reconstruction of Hungary.

1.

Number of people of each race in the groups included in the new States, in thousands.

	Mag.	Ger.	Jews	Slov.	Rum.	Ruth.	Jug.	Others
Hung.	6,250	480	460	180	50	-	50	70
Aus.	25	235	20	-	-	-	50	-
Cz-Sl.	955	120	270	1,720	10	430	5	50
J.-S.	560	460	40	60	70	10	2,850	150
Rum.	1,530	520	138	10	2,820	20	50	102
Fiume	5	2	2	-	-	-	15	26
Total	9,345	1,817	930	1,970	2,950	460	3,020	398

2.

New States	Square miles acquired from Old Hungary	Percent of population from Old Hungary	Total population acquired.
Hungary	35,174	36	7,540,000
Austria	1,583	2	330,000
Czechoslovakia	23,784	17	3,560,000
Jugoslavia	24,247	20	4,200,000
Rumania	39,344	25	5,210,000
Fiume	21	------	50,000
Total	124,153	100	20,890,000

1. Temperley, Harold. Foreign Affairs, April, 1928, 447, and Temperley, History of the Peace Conference, V, 151.
2. Temperley, History of the Peace Conference, V, 151.

The Germans and the Jews formed the largest minorities. Of the twenty million eight hundred ninety thousand people in pre-war Hungary, only nine million three hundred and forty- five were Magyars. The other eleven million five hundred and forty-five thousand comprised six considerable racial minorities who were under the domination of the Magyars. Not only were these minorities placed under other governments by the new boundary delimitation, but the large groups of Magyars were cut off from Hungary and given to Czechoslovakia, Jugoslavia, and Rumania. What actually happened was that Hungary has been given a more nearly pure Magyar population, and the problem of minorities which formerly belonged to Hungary has been transferred to Czechoslovakia, Rumania, and Jugoslavia. There were formerly in Hungary one-half[1] as many Czechs as Hungarians, fifty-five percent as many Jugoslavs as Hungarians, and sixty-nine percent as many Rumanians as Hungarians. The Magyars, actually in the minority, always ruled.[2] Under the treaty stipulations, the boundaries between these countries were drawn so as to have the racial groups correspond with

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1. Concluded from Temperley's tables quoted on previous page.
2. Haskins and Lord-Some Problems of the Peace Conference, 232.-"The earliest census of nationalities that we have and the only one that was taken by relatively impartial officials, the census of 1851---"

the countries in which these groups were living. The Czechs were given fifteen percent of the total number of Hungarians left within the Hungarian borders. The Jugoslavs had a Magyar minority of nine percent; and the Rumanians, who received the largest group of Magyars, were given twenty-four percent. While the division may not be ideal, and while the minority groups may not be as small as possible, they are somewhat smaller than under the former arrangement. The greatest adjustment came between the Hungarians and Rumanians. The seemingly large paper loss for the Hungarians under the treaty settlement is a source of discontent. Nevertheless, it is apparently not so unjust as the division under which the Rumanians lived as a minority group in Hungary until this change took place.[1]

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1. Pertinent material on possibility of revision will be found in the discussion of Article 29 of this thesis.

Article 29-

This article gave the Boundary Commissions certain clear and well-defined tasks. "They (Boundary Commissions) shall have the power not only of fixing those portions which are defined as 'a line to be fixed on the ground,' but also, where a request to that effect is made by one of the States concerned, and the Commission is satisfied that it is desirable to do so, of revising portions defined by administrative boundaries; this shall not, however, supply in the case of international frontiers existing in August, 1914, where the task of the Commission will confine itself to the re-establishment of sign-posts and boundary marks. They shall endeavor in both cases to follow as nearly as possible the description given in the Treaties, taking into account as far as possible administrative boundaries and local economic interests.

"The decision of the Commissions will be taken by a majority, and shall be binding on the parties concerned."

It is observed from this article that the Commissions have a great deal of power if they wish to exercise it. The Delimitation Commissions were given power to report what they considered boundary injustices of the Treaty of the League Council, which Council might attempt rectification. In certain cases, the Commissions could use their own judgment as to the justice done and the advisability of revising. These powers have apparently not been used extensively by the Commissions.

After the Peace Conference, two commissions on frontiers were appointed- Czechoslovakia and Rumania.[1] On June 15, 1922, the Inter-Allied Delimitation Commission signed at Subotica a protocol definitely fixing the Hungarian- Jugoslav boundary.[2] The decision was in favor of Hungary. Thirty-five thousand acres from the lost provinces, several villages on the Jugoslavian border around Szegeden, and the big estates of the former Archduke Friedrich on the Austrian border were returned to Hungary.[3]

The Hungarian delegation had asked repeatedly for plebiscites to be held under the direct supervision of the Allies. At first the Commissions refused all requests for granting plebiscites. The attitude of the Allied Governments was that if the plebiscites were conducted fairly, there would be no substantial change since the action had been taken only after minute study of ethnographic conditions and national aspirations reported by alleged experts.[4] Further, the Allies contended, plebiscites were not necessary. The wish of the peoples was expressed in October and November 1918 when the Dual Monarchy disappeared under the blows inflicted by the Powers, and when long-oppressed populations wel-

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1. Current History, 1920, 615. Also Temperley-How the Hungarian Frontiers Were Drawn, Foreign Affairs, April,1928,442.
2. Survey of Foreign Affairs, Toynbee,1924, 437.
3. N.Y.Times, Nov.13, 1922.14:7.
4. Temperley,History of the Peace Conference,IV,422-423.

comed their Rumanian and Jugoslav and Czechoslovakian brethren.[1] The Powers did admit, however, that at certain points the frontier traced by them could not correspond precisely to the ethnic and economic needs, and that an inquiry about these specific points, might justify a change in a particular place. They refused to do anything until the Peace was signed. The Commissions would be appointed fifteen days after the Peace should become effective. The Commissions could refer their 'findings not corresponding to ethnic and economic necessities' to the League of Nations. Thus, the frontier populations were completely safeguarded, and by the minorities' treaties, the Hungarian minorities in Hungary's border countries were to be protected.[2] In the case of Sopron a plebiscite was finally granted, and Sopron voted to remain with Hungary.[3] The territory of German West Hungary was to be turned over to Austria without a vote, and a Commission was appointed by the Principal Allied Powers to supervise the transfer. The Commission consisted of General Ferrario, the chairman, representing Italy, General Hamelin, representing France, and General Gorton representing England. The Commission met at Sopron, August 1921, and fixed August 29 as

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1. Temperley, P.C. IV, 423.
2. Ibid, IV, 423.
3. Ibid, VI, 556.

the date for Hungary to withdraw. When the day came, however, and the Austrian gendarmeries entered the area, they were met by a body of Hungarian irregulars who unceremoniously ejected them and assumed control of the territory. The Commission of Generals had no force at its disposal, and found itself powerless to combat this turn of affairs. The Hungarian Government defined the movement as a national one beyond its power to check or control. The Generals accepted for the moment the action of the irregulars and recognized them as the police authority for the area only as a temporary measure. They then referred the matter to the Conference of Ambassadors. During the month of September the Ambassadors were attempting to bring pressure upon the Hungarian Government, but without effect. At this time Italy and Czechoslovakia both offered their services as mediators of the situation, and the Italians made a definite offer, with the result that a conference of the three Foreign Ministers was held at Venice, October 13. At the Venetian Conference it was agreed that "while the Hungarian Government should take the most rigorous steps to compel the Hungarian irregular forces to evacuate the remainder of the territory, a plebiscite should be held in the town and in eight adjoining villages."[1] The Com-

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1. Survey of Foreign Affairs, 1924, 305.

mission of Generals was to remain at Sopron to supervise the holding of the plebiscite which should take place eight days after the Generals were satisfied that the pacification of the territory was complete. The town was to vote one day and the eight villages were to vote the next. The Commission was also to make arrangements for the voting "so that the plebiscite may take place in as simple and expeditious a manner as possible." The Boundaries Commission was to send allied troops to Sopron. This Venice Protocol was approved by the Conference of Ambassadors on October 27, 1921. On November 23, the Conference agreed to send allied troops to police the plebiscite area. The first detachment arrived December 8, and the Hungarian forces left four days later. The plebiscite was held December 14 and 15. The Allied Officers were present, and polling stations were guarded by Allied troops. The result of the vote was fifteen thousand three hundred and thirty-four in favor of Hungary, and eight thousand two hundred and twenty-seven in favor of Austria.[1] Seven wards of the town and two villages voted for Hungary, one ward and six villages for Austria. The Austrians protested that the voting registers were not up to date because the Hungarians had previously maintained

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1. Temperley, VI,556-f.n.2.

control of the area. Nevertheless, the plebiscite was recognized because eighty-five to ninety percent had voted. If the other fifteen percent had voted in favor of Austria it would have made no difference to the final result. On February 25, 1922, Austria finally agreed.

In other points, as at Sopron, the Magyars had a strong case for revision. To be sure, the Commissions had been advised by experts on the ethnic, military and geographic sides of readjustment of boundaries; and had the Allies agreed to any amount of revision the entire work of the Boundaries Commission would have been upset. Nevertheless, there were many places where rounding off along the border would do no harm, although the administrative boundaries do not dit the ethnic ones. The "Batchka from below Bajo to near Szegedin is now in Jugoslavia."[1] One hundred and twenty-six parishes in Bacs-Bodrog are tabulated as forty-four German, forty-one Slav, and thirty-four Magyar. "No one proposes a German independent state, although the Slavs are more numerous than the Magyars."[1] Why should the Magyars receive it? Yet on the Rumanian frontier, the restoration of the Arad-Szatmar strip could easily be urged to be given back to Hungary. To meet the Rumanian need in the north an indented railway might be constructed among

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1. Temperley, Foreign Affairs, IV, 442 ff.

the foothills of the east, though it is an expensive project. The Hungarian Government might offer to do it, pay for it, on condition that when it is completed, the Rumanians will return to her the Arad-Szatmar strip. Such an offer would be easy for Hungary to make and difficult for Rumania to refuse."[1]

Thus, it seems that some of the demands of Hungary are justified. Diplomacy is notoriously tortuous and subtle, and a stranger to frankness. Hence, the attitude that the Allies neither wish to make adjustments nor to hold plebiscites, is not surprising, though it may be reprehensible. Perhaps the Allies wilfully misinterpreted the fact that the plebiscites could not be conducted fairly. Perhaps the Allies noted with disgust that Hungary could not control her irregular troops in German West Hungary until the Allies guaranteed to accede to her wish on granting a plebiscite. It took only five weeks for Hungary to evacuate the Sopron area so that the plebiscite could be held. There is no evidence that the plebiscite was not conducted fairly or that the Hungarians exerted undue influence in the plebiscite area. The Allies may have felt that Hungary's requests were not important compared with the many other problems of reconstruction which must be

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1. Temperley, Foreign Affairs, 445.

settled. Certainly it was a perfectly fair challenge to the ideals upon which peace was being constructed with regard to the principles of self-determination of peoples and the rights of minorities. Hungary was challenging the Allies. The Allies seemed to be annoyed. One's reaction is that the Allies were manipulating facts to their own advantage, regardless of the fact that their former decisions might be improved upon. If to have had more plebiscites would have led to more satisfaction among the Magyars, and if to have had no substantial change in the result (which point of view was contended by the Allies, but disproved by the result of the Sopron plebiscite), what harm in granting the requests of Hungary? After all, the purpose of the Peace Conference and the readjustment agreements was to bring about more nearly normal conditions in Europe. The categorical refusal of the Allies to coöperate with Hungary leads one to feel that the Allies still continued to regard Hungary as a conquered nation which had no rights to consideration. Hungary had apparently faith in the ability of the Allies to conduct the plebiscite fairly, and showed them she was willing to coöperate. The rebuff which she received was far from convincing anyone that Hungary would or had received a fair deal, and was hardly conducive of coöperation on future occasions between Hungary and the Allied Powers.

Article 53-

"Hungary renounces all right and title over Fiume and the adjoining territories which belonged to the former kingdom of Hungary and which lie within the boundaries which may subsequently be fixed.

"Hungary undertakes to accept the dispositions made in regard to these territories, particularly in so far as concerns the nationalities of the inhabitants, in the treaties concluded for the purpose of completing the present settlement."

By the provisions of the treaty, Hungary lost Fiume, her only outlet to the sea. Henceforth her foreign trade would be at the mercy of her immediate neighbors. Hungary particularly desired Fiume because for years she had used ~~this~~ it as her commercial port. Its geographical position was desirable. Hungary gained access to this port by a decree of Maria Theresa in 1776. Maria Theresa wanted to give the port to Hungary, but the inhabitants protested so strongly she was forced to achieve this end by the expedient of making it a "corpus separatum,"--- "annexed to the Crown of Hungary."[1] Hungary developed it as her commercial port. Few Hungarians had settled

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1. Warren, Fiume and d'Annunzio, 4.

in Fiume, however. The population consisted mainly of Croatians and Italians. To counteract the influence of the Croatians ~~in Fiume~~ Hungary favored the Italians, but in 1867 the Hungarians began to import Magyars into Fiume to such an extent that even the Italians became alarmed. The latter accused the Hungarians of attempting to make Fiume Hungarian in population.[1] The Italians maintained their dominant position in that region, and at the close of the World War the disposal of Fiume became an international problem. Italy went into the War under certain conditions stated in the secret treaty of London, 1915, which included the promise that Italy would receive Trieste, the Trentino, Cisalpine Tyrol with its geographical and natural frontier (the Brenner frontier), the counties of Gorizia and Gradisca, all Istria as far as the Quarnero and including Volosca and the Istrian islands of Plavnik, Unie, Canidole, Palazzuoli, San Pietro di Nembi, Asinello, Gruica, and the neighboring islets.[2] The following Adriatic territory "shall be assigned by the four Allied Powers to Croatia, Serbia, and Montenegro: In the Upper Adriatic, the whole coast from the bay of Volosca on the borders of Istria as far as the northern frontier of Dalmatia, including the coast which is at present Hungarian, and all the coast

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1. Haskins and Lord, 256.
2. Treaty of London, 1915.Article 4. Temperley,V,385.

of Croatia, with the port of Fiume and the small ports of Novi and Carlopago."[1] In the Treaty of London, Italy laid no claim to Fiume. It is alleged that she purposely omitted the port from her demands because Fiume was then controlled by Austria- Hungary, and that all the Powers, including herself, believed that Austria- Hungary would continue after the War as a Great Power, and that it (Austria-Hungary) must have at least one port on the Adriatic.[2]

There were several courses of action open to the Allies in disposing of Fiume. They might give Fiume to Italy, which would alienate the Jugoslavs; they might give Fiume to Jugoslavia, which would alienate the Italians; or, they might make it a free state. The Allies decided on the latter plan. Gabriele d'Annunzio, an Italian, occupied the position of Regent and Director of Foreign Affairs in Fiume, and drew up the Constitution, dated August 27, 1920. By this Constitution, "Fiume, for centuries a free Italian commune, by the unanimous vote of her citizens and through the lawful voice of the National Council, openly dedicated herself wholly and entirely to her mother country, on October 30,1918."[3]

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1. Treaty of London, 1915. Article 4. Temperley V,385.
2. Ibid, Article 5. Note, 386-7.
3. The Constitution as translated by Whitney Warren,3.

Upon the fall of d'Annunzio it was realized that the Fiume question was not closed. By the election of April 24, 1921, the Nationalists, who had set their hearts on annexing Fiume to Italy were defeated by the Autonomists. The Nationalists would not give in. There was "another National Putsch; the electoral urns were burnt; the Provisional Government resigned; and the Italian authorities intervened by appointing one of the Nationalists leaders, M. Bellasich, as Commissioner Extraordinary."[1] The Autonomist leader, Zanella, fled to Buccari in Jugoslav territory. No amount of diplomacy succeeded in bringing the two factions together, so the Italian Government then "cut the knot by appointing an Italian officer as Royal Commissioner who arrived in Fiume June 13, and to whom Bellasich resigned his powers."[2] Various negotiations relating to Fiume were said to be attempted; but when on June 25 Count Sforza admitted in the Italian Parliament that certain territorial assignments had been made to Jugoslavia, a party of Legionaries seized them- Port Baros and the Delta- by force, and Sforza's government was forced to resign.[3] The Legionaries evacuated in September. On October 5, the Constituent Assembly, with many Autono-

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1. Survey of For. Aff.,1924.411.
2. Ibid,412.
3. Ibid, 412.

mists seated, convened by order of the Italian High Commissioner. Zanella, the Autonomist leader, became President of the Assembly only to be overthrown by the Fascisti in March, 1922. In October of the same year the Italians and Jugoslavs came to an agreement. Susak, the town overhanging the left or southeast bank of the Recina river, was indisputably Jugoslav, and to be evacuated within five days of the ratification of the agreement. As soon as orders for evacuation had been given, a Mixed Commission of three Italians and three Jugoslav members, assisted by experts, was to proceed to supervise evacuation of Susak, to delimit the frontier between Jugoslavia and the Free State of Fiume, to open traffic with Fiume, to organize the service of the port on the technical and administrative side, and to organize the functioning of the State of Fiume on the basis of Article Four of the Rapallo Treaty.

Three days after Italy signed the convention with Jugoslavia (October 26,1922) the Fascisti marched upon Rome, the Ministry resigned, Victor Emanuel invited Mussolini to form the Government. Although many felt that with this "apparently irresponsible and violently Nationalist Government in the saddle,"[1] Fiume was again a

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1. Survey of For. Aff.,1924.416.

danger point, Mussolini handled the Fiume question quietly. The final settlement stated that the Free State should be extinguished and partitioned between Italy and Jugoslavia; that while Italy had the lion's share of territory, ample economic facilities should be given to Jugoslavia in that section of the port which was to come under Italian sovereignty. Count Sforza's concessions of Port Baros and the Delta were to stand. The parts which would still be in direct territorial contact with Italy, though the coastal strip would be narrower than before, were to pass in full sovereignty to Italy.[1] Thus, in 1924, Fiume was formally annexed to Italy.

The Jugoslaws had wanted the port of Fiume. The Croatians, now known as Jugoslavs, were nearly as important a racial group in Fiume as were the Italians. The port was well-developed and ready for the use of the Jugoslavs who received the support of Czechoslovakia and Rumania in their demands. Indeed, the chief aim of the newly-formed Little Entente was to completely emancipate the smaller nations of central Europe from the Austro-Hungarian yoke, so that they might either be reunited with the peoples to whom they were racially related or be recognized as independent national entities.[2] Since

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1. Survey of For. Aff., 1924, 416.
2. League of Nations, VI, No.2. Post-War Alignments, 1923, 113.

Hungary appeared to be the most serious offender against the rights of small nations, the efforts of the Little Entente were directed mainly against Hungary. France supported the Little Entente, and Hungary found herself isolated and alone, facing slim possibilities of a happy and prosperous future. From the Peace Conference until after Hungary joined the League of Nations in 1922, the Little Entente emphasized the isolation of Hungary and the enforcement of the Treaty of Trianon as a definite policy. Hungary was working for a revision of the Treaty. A "resurrection" of Hungary from her dismemberment would mean that Czechoslovakia would lose her eastern extension; that Rumania would lose Transylvania; and that the Serb-Croat-Slovene State would lose a good deal after the first hyphen.[1] And so, these nations banded together in the Little Entente. When Hungary joined the League it was only the members of the Little Entente who raised the question respecting the advisability of favorable action upon the Hungarian application. In the committee they raised that point, and received a formal declaration from Hungary of her sincere intention to fulfill "all her intentional obligations in accordance with treaties and acts subsequent to their signature," a declaration specifically including engagements respect-

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1. F.P.A.IV-442.

ing the Hapsburg dynasty. The Little Entente finally voted for the admission of Hungary into the League. It later decided not to vote against the Hungarian reconstruction by the League. The period was characterized in Hungary by the Red and White Terrors, determination of Hungary to revise the Treaty, and the attempted coup d'etats by Charles of Hapsburg. It was only after the Sinaia Conference and the Fourth League Assembly in 1923 when some of the difficulties were settled and Hungarian reconstruction was begun that the Little Entente becmae more conciliatory. From 1924 to 1927 the antagonism between Hungary and the Little Entente was less apparent. The change in attitude was due partly to the fact that Rumania, Czechoslovakia, and Jugoslavia had been turning their attention to making alliances with the Great Powers, and although they had kept an eye on Hungary, their interests were divided to such an extent that their watchfulness had been less intensive.

In 1927 Hungary ended her period of isolation. On April 5, she signed a treaty of friendship, conciliation, and arbitration with Italy. The Little Entente was disturbed, and returned from its preoccupation with the World Powers to pursue a more aggressive policy toward Hungary. In spite of this attitude of the Little

Entente, the Alliance gave Hungary confidence in herself, and a feeling that other Powers and States of the world might soon reinstate her as Italy had done.[1] According to the provisions of the Treaty of Friendship, "there shall be constant peace and perpetual friendship between the Kingdom of Italy and the Kingdom of Hungary. The High Contracting Parties undertake to submit to a procedure of conciliation, or, if necessary, to arbitration, all disputes of any nature whatsoever which may arise between them, and which it may not have been possible to settle within a reasonable time by the method of diplomacy." Provisions for the method of arbitration are laid down in the Protocol.

The Treaty was signed at Rome, April 5, by Mussolini and Bethlen, ratified on August 8, and registered with the League November 1.

At a convention agreed to at the same time, the port of Fiume was to be Hungary's outlet.[2] Mussolini and Bethlen both approved of Fiume as Hungary's commercial port, although it had taken a few days longer to prepare this convention than the Treaty of Friendship. Other ports had been offered for Hungary's commercial use. Jugoslavia suggested Spalato. Saloniki on the Ae-

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1. F.P.A. IV-14,281.
2. N. Y. Times, April 4, 1927. 7:2.

gean, had been offered by Greece; and even Constanza on the Black Sea, had been considered a possibility by the Rumanians.[1] France frowned on this treaty and agreement between Italy and Hungary, because she felt it was directed against Jugoslavia. Relations between Italy and Jugoslavia had been strained ever since the Treaty of Tirana in 1925.[2] Hungary said that the Treaty of Friendship and the Convention of Fiume were not made with prejudice toward anyone, although both Hungary and Italy were pleased that Fiume was agreed upon rather than any of the other ports.[3] In order that Hungary might use Fiume it was necessary for her to make an arrangement of transit across a small stretch of Jugoslavia. Count Bethlen claimed that before he arrived in Italy he had had the assurance of Jugoslavia that such an arrangement might be made.

Hungary was particularly happy over the Convention because it was the first convention or alliance since the War where she had been treated as an equal power and not a conquered one.

By the Convention, Jugoslavia was vitally affected because Italy began a policy whereby she is surrounding Jugoslavia with States with close treaty relations or friendly attitudes toward herself. Jugoslavia is now

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1. Current History, June, 1927,400.
2. N. Y. Times, April 6, 1927. 6:1.
3. Ibid, April 4,1927.7:2, April 6,1927.6:1.

isolated and surrounded by actual and potential enemies such as Hungary and Greece; although it should be mentioned that leading politicians at Budapest profess to see in the recent agreement with Italy a prelude to an Hungarian- Jugoslav agreement which in turn will help to ease the Italo-Jugoslav tension. France did not object to the Convention between Italy and Hungary, but she did object to having her prestige lessened by Italy. It is apparent from recent alliances that Italy is becoming friendly with all the "enemy" countries of the war period, whereas France is attempting alliances with the small States friendly with the Entente. In this policy, Italy continues supporting Hungary in Fiume, and Mussolini has declared that Hungary can count on the friendship of Italy. The Italo-Hungarian alliance seems to indicate the beginning of a firm alignment of European States. It was ratified in the Hungarian Parliament by a vote of one hundred and twentyQ-six to thirteen after opposition remarks had been made by the Socialist deputy, M. Varnai.[1] Admiral Horthy gave the "consent of the throne" to the agreement.[2]

As soon as Hungary made the alliance with Italy she began to gain prestige. Several victories were gained

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for Hungary, and they apparently cannot be explained except on the ground that Mussolini had a greatdeal of influence, and used this influence for Hungary's benefit.[1] And so, the power of the Little Entente seems to be broken, and Hungary's days of isolation are seemingly over. Hungary is again beginning to play an important part in the politics of central Europe.

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1. a. Property Dispute with Rumania a victory at Geneva.
   b. Transylvania land-case. Decision reversed in favor of Hungary.
   c. "Arms" episode. In January, 1928, a shipment of five carloads of machine guns was made at St. Gotthard on their way from Italy. Budapest claimed they were meant for Poland. Poland, along with Czechoslovakia, disclaimed any knowledge of the shipment. The Balkan Powers differed on the action that should be taken. The Budapest Government declared an order to destroy the arms, and although Italy finally agreed to an investigation of the incident, she backed up Hungary in her point of view, and the case was finally dropped. This is a manifestation of the "friendship" between Italy and Hungary as a result of the Treaty of Friendship. See Current History, April, 1928.143-144. Also, League of Nations: Official Journal, April, 1928, 395-396.

Articles 54-60-

This group of articles deals with the Minorities question within Hungary. The provisions in brief are that Hungary agrees to protect the life and liberty of all inhabitants of Hungary without distinction of birth, nationality, race, language or religion. All persons born in Hungary, who were not born nationals of another State shall ipso facto become Hungarian nationals. All Hungarian nationals shall be equal before the law regardless of race, language, or religion. "Difference of religion, creed, or confession shall not prejudice any Hungarian national ---in enjoyment of civil and political rights."[1] Hungary shall provide for adequate instruction of all Hungarian nationals within her territory in the language of the nationals "in the towns and districts in which a considerable proportion of Hungarian nationals of other than Magyar speech are resident."[2] This provision does not mean that the Hungarians cannot make the Magyar language compulsory in those schools, but they cannot exclude the minority language. These provisions are under the direct supervision of the League of Nations, and any member of the Council of the League will

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1. Treaty of Trianon, Article 58,Para.2.
2. Ibid, Article 59.

have a right to bring before the League any infringement of the Minorities guarantees.

The idea of protecting minorities was not a new one. It had its beginning in the gradual dissolution of the Turkish Empire in the nineteenth century at the time when Greece, Serbia, Rumania, Bulgaria, and Montenegro had been established.[1] The first instance provided for protection of the Catholic religion in Greece. The protocol accepted in February, 1830, by Great Britain, France, Russia, and Greece provided that "'The Plenipotentiaries of the three Allied Courts being desirous moreover of giving to Greece a new proof of the benevolent anxiety of their Sovereigns respecting it, and of preserving that country from the calamities which the rivalry of the religions therein professed might excite, agreed that all the subjects of the new State, whatever may be their religion, shall be admissable to all public employments, functions and honors, and be treated on the footing of perfect equality, without regard to difference of creed, in all their relations, religious, civil, or political.'"[2] This principle was extended in 1881 when Thessaly was ceded to Greece by Turkey. The Treaty to which Great Britain, Austria, Germany, France,

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1. Temperley, Peace Conf,V,113.
2. Ibid, V,113.

Italy, and Russia were parties, included a series of articles which protected the civil and political rights of the inhabitants.[1] By 1881 it was observed as a general principle that all Europe was interested in the establishment of new States in eastern Europe, which required the formal declaration of the Great Powers, and should be granted only under certain conditions. These conditions included the right of imposing on these States certain principles of government which had come to hold the position of fundamental principles to which all civilized States conformed.[2]

At the Peace Conference after the World War the same conditions prevailed- distribution of territory of eastern and southeastern Europe. Austria-Hungary had disintegrated. The Dual Monarchy had had many subjected racial groups under the rule of its dominant peoples. These minority groups were to be disposed of. Poland and Czechoslovakia were struggling for existence, and many other countries, such as Rumania and the Serb-Croat-Slovene State were gaining territory and people. Since the Allied Powers were responsible for the voctory of the War, it was their problem to dispose of the land and population wisely, as well as to protect the population

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1. Temperley, V, 114.
2. Ibid, V, 116.

which by readjustment would become alien in each country. Otherwise, discontent might result as the price of injustice with friction and war as a climax.

The Great Powers tried as far as possible to have the population of the district under consideration consulted with regard to its future allegiance. There were certain places which were so involved- "the Germans and Poles in Posen and West Prussia, Poles and Ruthenians in Galicia, Magyars and Rumanians in Transylvania, Serbs and Rumanians in the Banat-[1] that nothing could disentangle them. In these cases, rather than impose obligations that the people were willing of their own free will to concede, it was necessary to assure them that as a group, as a race, they would have fair treatment. In the older periods of protection for minorities the problem was different. The group decided to which country it would belong. Under the new system, they might choose a nation which was just being established. At any rate, the smaller nations of Europe were either forced to sign special treaties as in the case of Jugoslavia, or have special parts of their treaty devoted to minorities as did the Hungarians. The Great Powers felt that whether the people lived within the borders of their own State

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1. Temperley, V, 121.

of some other, they should be protected. The old Hungarian policy was to give the power of ruling to the Magyar element in the population, and the non-Magyars held the status of subject-peoples. The Magyars realized that if the people of their own race controlled the Government, although their population was not the most numerous, they would have the influence and power in the country and that they would have nothing to fear from these other nationalities within their borders. Now the League intended to guarantee fairness and a possiblity for the development to all peoples in Hungary, and in fact, in all the countries of Europe. The general provisions were that the minority populations should have rights equal to those of nationals of the country in protection of life and liberty and the free exercise of religion, in the press, in publications, in meetings, and in the judicial systems; in the districts where the minority constitutes a considerable proportion of the population, instruction in the primary schools of the State shall be given in the language of that minority, and that minority shall be assured of a equitable amount of the state and municipal budget for educational, religious, or charitable purposes.[1]

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1. Powell, Embattled Borders, 144-145.

How the minority protection will affect the possibility of Hungary returning to her former position of power is quite obvious. These other nationalities within her border, receiving the protection of the League, will have a voice in the affairs of the Government. Decentralization of authority from the Magyars will result, and Magyar domination will no longer be complete. The Powers wanted to give the newly-created nations of Europe a guarantee of viability.

Hungary has been very much dissatisfied over the minorities question, because she has felt that the protection which she is forced to give other nationals within her own border, and is guaranteed to her nationals within the borders of other States, is being conducted partially. She is forced to observe the minorities principles, yet her own people elsewhere are receiving no consideration. Rumania seems to have been the most serious offender. In Rumania Hungarians are by far the largest minority group,[1] having twenty-five percent of the former Hungarian population. Temperley suggested that an adjustment could be made here that would relieve the situation somewhat.[2] Yet, in spite of this, Hungary feels that her nationals have not received fair treatment. The fact that for years she treated the Rumanian minority in

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1. page 49 of this report.
2. Temperley, V, 145.

Hungary without consideration does not enter her mind. Alexander Powell, who claims to have been an eye-witness in Rumania to the cruel way in which Rumanians execute minority rights, states that the Rumanian Government was forced to sign the minorities' treaties under pressure of the Great Powers, and that Rumania had even from the outset no intention of keeping them.[1] He quotes the following as an instance of an outrage-"the minister of education;.. wishes to exclude all kinds of racial and religious strife from the schools. This can only be realized if the pupils use Rumanian instead of their mother-tongue. In consequence he orders that they shall use that language even in their private intercourse."[2]

"The director of the railways, General Jonescu, issued an order forbidding railway employees to announce the names of the stations or give any information to travelers in Hungarian. The order is quoted as saying, " No excuse will be accepted for giving any information to anybody in another language than Rumanian."[3]

The Rumanians ignored the Hungarian minority rights in Transylvania by seizing the Hungarian property and terrorizing the people.[4]

To be sure, these conditions, if they have been re-

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1. Powell, 145.
2. Ibid, 148.
3. Ibid, 148.
4. New York Times, Jan. 15, 1924.12:1.

ported accurately, are no worse than those under which the Rumanians and other minorities lived in Hungary previous to the Treaty of Trianon. Nevertheless, two wrongs do not make a right. If the Allied Powers have guaranteed the rights of minorities, and if they force Hungary to observe these principles, Hungary has a right to expect the same treatment for her nationals who are minorities in other countries. Hungary has felt that since the League has done little to alleviate this condition among her nationals elsewhere, the administration of the minorities clauses is partial and unfair. In the case of the Hungarian optants in Rumania, the Commission of the New States declared that the property of the Hungarian optants should remain, without prejudice of any kind, under the regime of the national law, and that the indertion of an additional clause to this effect was unnecessary.[1] The case was decided by the League of Nations since the problem , in spite of certain legal aspects, was decidedly political.[2]

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1. Agrarian Reform in Roumania and the case of the Hungarian optants in Transylvania before the League of Nations.,1927. 317.

2. Ibid, XIII.

Article 104, and other military, naval and air clauses-

The total number of military forces in Hungary was not to exceed thirty-five thousand men including officers. This provision created a great disturbance in Hungary because the Hungarians believed the number was too small to adequately take care of their territory, even though it had been reduced to about one-third its former size. They were being menaced by the Red Terror or Bolshevism, said to have been introduced largely through the soldiers who had come in contact with Bolshevism among the Russian army after the Treaty of Brest-Litovsk. In fact, not long after the Treaty of Trianon had been signed, Hungary had an excellent illustration to offer the Peace Conference in proving her point. While Communism was grasping the country, the Rumanians attempted to force it out. The Communistic regime held sway from March to August, 1919, under the leadership of Bela Kun.[1] Although Alexander Garbai, a stone-mason, became President of the Hungarian Republic, Kun took control of the Foreign Office and was the Government's real Director. He was in close touch with Lenin, whom he had known through his

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1. p. 43, footnote 2 of this report.

his contact with Russia as a prisoner of war. In fact, Lenin had sent him back to Hungary after he had imbued Kun with the doctrines of Communism. Communists were put in all the important positions. Courts were abolished, and in their place were set up "revolutionary tribunals" composed of Communists. Many murders, which have not been explained otherwise, have been attributed to the scheming and practices of the leaders of this regime. Communism succeeded in disorganizing industrial life, and adding to the suffering of Hungary. With this regime came a terrible hate of the Jew, due in part to the fact that Bela Kun and many of his associates were Jews., ~~due in part to the fact that Bela Kun and many of his associates were Jews~~. Soon after Kun began his activity, Admiral Horthy, who was a man of excellent ability and had had good training in the Austrian navy, took over the training of the counter-revolutionary troops. There have been gross exaggerations as to the number of Red and White murders or so-called executions. The Red Terror started the violence, and everything that came afterwards was attributed to it. It was a regime of disorder and destruction, and the White Terror was a counter movement.[1] On March 21, Kun seized the Government. The next day

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1. Bass, 207.

the Revolutionary Governing Council proclaimed its doctrines. It stated that the proletariat had taken matters into their own hands because the bourgeois world and capitalistic production had collapsed. Foreign politics were facing a crisis, too. The Paris Conference had decided to occupy nearly all Hungary by arms. The Revolutionary Governing Council demanded iron discipline. "Bandits of counter-revolution and brigands of plunder will be punished with death. The Council organizes a powerful proletarian army to assert the dictatorship of workers and peasants against Hungarian capitalists and landlords as well as Rumanian boiars and Czech bourgeois."[1] Kun apparently lost his head, and struck at that part of the Rumanian army that was occupying a part of Hungary. General Smuts arrived in Budapest early in April to negotiate with Kun's government on behalf of the Allies. He offered to recognize the disputed lines, not as a political frontier, but as a line of demarcation only, to be bordered by a neutral zone. Kun insisted that Bolshevism must be introduced into the neutral zone.[2] Smuts therefore broke off negotiations. By the middle of April, the Russian army advanced along the line of demarcation up the Tisza (Theiss) River. On May 5, the Opposition Government, set up at Arad, issued a Mani-

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1. Graham, 558-559.
2. Encyclopedia Britannica,XIII,New.Vols.3,393.

festo in which it accused the Communist Party and its leaders of unchaining anarchy and planning the complete collapse of the country. "The Communists have made a complete destruction of the country their aim. Nowhere is there a serious attempt to restore public order, or to revive economic activity and productive work."[1] The purpose of the counter-revolution and the Counter-Revolutionary Government was to maintain order; the government was provisional and temporary. Annihilation of Bolshevism, restoration of order, and the liberty of the person, of property and the right to work, were among their program. A well-trained armed gendarmerie were necessary to carry out their plan. They also wanted to establish friendly relations with the Entente States, and to eliminate the differences of opinions between themselves and their neighboring States. They wanted to undo the work which the Revolutionary Government had accomplished, such as-annul the laws and decrees which the Revolutionary Government had passed.[1]

Kun, hard pressed, in May secretly offered the Rumanians an armistice, while he prepared the Red Army for use in Czechoslovakia in June. "When he had conquered Slovakia and severely endangered the Czechs, he accepted

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1. Graham, Documents, 563-5. Manifesto of the Counter-Revolutionary Government at Arad.

the decision of the Peace Conference as to the Rumanian and Czech frontiers."[1] On June 8, Clemenceau wrote Kun a note in protest of the Red Army's action. Since the Allied Powers had guaranteed that if the Hungarian army was not sufficient to look out for the country, the Allies would intervene, they felt it necessary in this instance to do something. Kun "had used the army as a fulcrum with which to move Paris, and had rallied Magyar nationalism to his support; when he fell back from Slovakia in obedience to Paris, his cause was discredited both at home and abroad. From that time, in mid-June, the army lost its morale, and counter-revolution crept forth from its hiding places. The fatal mistake of a proletarian republic which had turned its face eastward to Moscow was to come to terms with Paris. No government could endure that tried to serve two masters; Paris quickly discovered this and set about to crush to Soviet."[1] The Soviets, having lost what they had gained, now turned to terrorism to combat the counter-revolution. They apparently became red-handed murderers, and under the direction of Tibor Szamuelly, it is alleged that wholesale hangings and killings took place.[2] On June 13, the boundaries of Hungary were limited because of the internal conditions of the country. On June 20,

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1. Graham, 236.
2. Ibid, 237-238.

Bela Kun began hostilities against the Rumanians who defeated him and advaced toward Budapest. In panic, Kun fled to Vienna. Julius Peidl, a Socialist Democratic minister under Karolyi, formed a purely Social Democratic Cabinet, which guaranteed the protection of private property. He made no obvious changes from the former regime. During a Cabinet meeting he and his Cabinet were arrested by the Budapest Chief of Police on the ground that they had no right to represent the country. Peidl resigned, and the Archduke Joseph reasserted a right which he claimed to name Friedrich as Premier and himself as Administrator od the State.[1] The return of the Archduke Joseph filled the neighboring States with alarm. The Rumanians still continued their attacks on Hungary, and on August 8, occupied Budapest, pillaging everything within their grasp. The activity of the Rumanian army had at first been welcomed by many Hungarians who were afraid of the Red Terror, but as the months progressed the presence of the Rumanian army was a source of bitterness among the Hungarians in general. The interference of the Allies did not impress the Hungarians as being effective, and they felt more helpless than ever. The country in general had never accepted Bolshevism.

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1. Graham, 241.

It was the result of the work of a few leaders. The Rumanian army had expected to wipe out the evil, and had they stopped when Bela Kun's regime collapsed, their services would have seemed to the Hungarian people more real and sincere. It must be noted, however, that the Rumanians were having their moment of opportunity to return the former visit of the Hungarian army to Bucharest. The Rumanian army occupied Budapest from August to the middle of November when Horthy[1] took over the government of Hungary with Friedrich. The Supreme Council of the League of Nations had repeatedly asked the Rumanians to withdraw from Hungary, but since the requests were never backed up with force, and since a firm policy had not been used in the case of Bela Kun, the Rumanians felt that the requests of the Supreme Council need not be taken too seriously. The fact that though they might have been justified in giving the Hungarians a taste of the treatment the Hungarians had given the Rumanians a few years previously did not help the situation in forming peaceful relations, nor in softening the already deep feelings of hate between the two peoples. The Hungarian people were convinced that

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1. Horthy- Powell says that Horthy was not a great statesman; yet a man of ability, sincerity, and strength of character. He was born in 1868 at Szolnok in eastern Hungary into a family of the lesser nobility. During the War he was an Admiral. His greatest service to his country was restoring order after the fall of the Communist regime. Embattled Borders - 163-164.

their army of thirty-five thousand was not sufficient for them to clean up the situation existing within their borders, and were more dissatisfied than ever on the points dealing with the delimitation of the defense material. If the Allies had made a definite plan to clean up the situation in Hungary, and then had overseen the execution of the plan, they would have rendered a valuable service to the peace of Europe. After order had been restored, an army of thirty-five thousand would probably have been adequate to maintain order. However, the Allies did nothing constructive, and as a result the Hungarians have an excellent illustration of what their small army can do for them, and of what support she can expect from the Allies.

Articles 161-174-

This group of articles deals with the question of reparations. "The Allied and Associated Governments recognize that the resources of Hungary are not adequate, after taking into account the permanent diminutions of such resources which will result from other provisions of the present Treaty, to make complete reparation for such loss and damage." [1] In spite of these limitations she must make certain payments because she was an enemy and conquered nation. The Treaty provided that a Reparation Commission would be appointed by certain Powers named in Annex II. The articles go on to say that the Hungarian Government shall be given an opportunity to be heard whenever any claims are made upon her by the Reparation Commission. Hungary shall pay, within the course of the year 1920 and the first four months of 1921, "in such instalments and in such manner (whether in gold, commodities, ships, securities or otherwise) as the Reparation Commission may lay down, a reasonable sum which shall be determined by the Commission. Out of this sum the expenses of the armies of occupation subsequent to the armistice of November 3, 1918, pro-

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1. Article 162.

vided for by Article 181, shall first be met, and such supplies of food and raw materials as may be judged by the Governments of the Principal Allied and Associated Powers essential to enable Hungary to meet her obligations for reparations may also, with the approval of the said Governments, be paid for out of the above sum. The balance shall be reckoned towards the liquidation of the amount due for reparation."[1] Hungary shall direct application of her economic resources to reparation as specified in Annexes III, IV, V.

The Commission is not to be guided by any rules or code of laws, but rather by justice, equity, and good faith. When Hungary does not pay in gold or in ships, securities, commodities, or otherwise, Hungary shall be required to furnish guarantees. The Commission is especially instructed to take account of: " (1) the actual economic and financial position of Hungarian territory as delimited by the present Treaty, and (2) the diminution of its resources and its capacity for payment resulting from the clauses of the present Treaty. As long as the position of Hungary is not modified the Commission shall take account of these considerations in fixing the final amount of the obligations to be imposed on Hun-

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1. Article 165.

gary, the payments by which these are to be discharged, and any postponement of the payment of interest which may be asked for by Hungary."[1]

In case of default of any payment required, or the acceptance in fact of these terms, the Commission will give notice to all interested Powers, and make such recommendations as to the action to be taken in consequence of such default as it may think necessary.

Such is the summary of the Reparation Articles. In Hungary's ability to pay, it must be remembered that by the delimitation of her boundaries, she became essentially an agricultural country. Her factories to the extent of sixty-four percent,[2] and many of her raw products were assigned to her neighbors. The question of Hungary's ability to pay was, then, doubly difficult. It involved the financial and economic reconstruction of Hungary.

The financial reconstruction of Hungary was essential if Hungary was to become economically sound again. The two most serious problems were those of a rapidly depreciating currency and an unbalanced budget. In 1922, Hungary made a noteworthy attempt to balance her budget and restore the Crown to its true value without

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1. Annex II, 12, (b), Para.2.
2. page 46, of this thesis.

external aid. The effort failed for three reasons. "The country had been weakened and disorganized not only by the war but by the subsequent revolution. It was burdened not only by specific debts but by the weight of an indefinite and unassessed reparation obligation. And, lastly, the attempt was too ambitious. It aimed at not merely stabilizing but at appreciating the crown. The failure made any renewed effort on more practicable lines more difficult."[1.]

On April 22, 1923, after it was apparent that Hungary needed external aid in meeting her financial problem, the Hungarian Government made a formal request to the Reparation Commission to lift the charges of her assets imposed under Article 180 of the Treaty of Trianon so as to leave them free as security for an external loan. "The Commission by a majority decided, while not opposing the request in principle, to give the release only in respect of definite loan schemes which must previously be submitted to it and must include the allocation of a definite part of any loans raised to reparation."[2.]

The Hungarian Government found in the meantime, that it would be impracticable to obtain a loan from any of the financial markets of the world under the above

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1. Reports of Commissioner General, Introduction, A.Salter. page 10.
2. Ibid, page 11.

conditions.

At the same time the Sinaia Conference was held in which Rumania, the Kingdom of the Serbs-Croats-Slovenes, and Czechoslovakia improved the political situation to such an extent that the conditions under which a loan would be granted might be modified for Hungary. Immediately, during the September meeting of the Assembly of the League of Nations, Hungary settled a great many disputes with her neighbors. By the end of the month such progress toward settlement or the possibility of settlement had taken place, that the Council presented the following suggestion. "In the event of the Reparation Commission communicating in the near future with the League of Nations and inviting it to co-operate in a scheme for a loan for the financial reconstruction of Hungary, the Council decided to authorise the Secretariat and the Financial Commission to further any preparatory work which the Reparation Commission may think should be undertaken, with a view to permitting the Council to consider at its next session the conditions under which the loan may be carried into effect."[1.]

"At meetings of the Council which are concerned with this question, Czechoslovakia, Hungary, Roumania, and the

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1. Com.Gen'ls. Report, p.11.Doc.III.

Kingdom of the Serbs, Croats and Slovenes will be invited to sit as Members of the Council; decisions will be taken by a unanimous vote of the Council thus constituted."[1.]

On October 17, the Reparation Commission declared its readiness in principle to remove the charge on Hungarian assets and revenues in order to allow the financial reconstruction of Hungary in collaboration with the League, but reserved its final decision until it should have seen the scheme which it invited the League to draw up.

The preparatory work began with a visit of the Commission- M. Avenol, Sir Arthur Salter, and M. Stoppani, on behalf of the League, and M. Bouniols, of the Financial Service of the Commission- to Budapest from November 6 to November 17. The Commission made a survey of Hungary's economic and financial position, and obtained statistical information necessary for drawing up a scheme. Members of the Government were interviewed, as were representatives of all parties and classes, to obtain impressions of public opinion and the wishes of the Hungarian people.

From November 20 to November 28. a financial meeting was held in London. This committee consisted of M. Jansen, M. Bianchini, M. Niemeyer, M. Parmentier, M. Pospisil, M. Sekiba, Sir Henry Strakosch, and M. ter Meulen. The Committee had besides the information and

recommendations from the above-mentioned members of the Secretariat, assistance from a delegation sent by the Hungarian Government. This group included Dr. DeKallay, Minister of Finance; Baron Koranyi, the Hungarian Minister in Paris, Dr. Walko, Minister of Commerce; M.Popovics and M. Telesky, two ex-Ministers of Finance; and Dr. Schandl, the Under-Secretary of State for Agriculture.

At this meeting the scheme of reconstruction was drawn up and agreed to in detail by all members of the Finance Commission.

The report of the Commission submitted to the Council December 20, 1923, is in brief as follows: the problem is partly financial and partly economic. The expenses of Hungary have exceeded the receipts. The deficit has been met by inflationary methods. The crown has fallen in value. The fall has doubly increased the deficit by reducing the real value of the taxation receipts, and has at the same time deprived Hungary of a basis on which her economic life could develop. The trade balance of Hungary is adverse, partly due to the falling exchange. The Hungarians cannot be in a sound situation until both the budget and financial situation and trade balance are satisfactory. Hungary must not only meet her public expenditure by taxation, but she must produce and dispose of as much as she consumes.

Since the problem was so complicated, the League limited and defined the Commission's control.

"The Financial Commission recommends that any financial operations for which the League undertakes any responsibility should be definitely and expressly limited to remedying the budgetary, and therefore the financial, position. The scheme below is essential to enable the fall of the crown to at once be arrested and its value maintained; it contemplates a balanced budget after a limited period of reform; and it proposes a loan for the purpose- the sole purpose- of covering the deficit during this period. It is true that the Hungarian trade balance needs improving; but the necessary economic adaptation must be effected by Hungary herself. The country needs liquid capital for the purpose of developing its natural resources; but capital must come not by means of a loan to the Government secured on national revenue- but through natural and private channels under the attraction of the economic prospects of Hungary. The scheme intends to offer stability and security in the financial basis of the country, which will allow these prospects of economic development to have their foreign capital. It follows incidentally from this fundamental conception that the shorter the period within

budget equlibrium can be attained, and the smaller the amount of foreign money which must be devoted to its limited but primary object, the quicker and better are the prospects of capital flowing in through private channels to assist in Hungary's economic restoration and development.

"This is not to suggest that the Commission considers the economic restoration as of secondary importance, but no primary financial scheme can save the situation unless it forms the basis on which the country's economic life will develop."[1.]

The following scheme was unanimously recommended by the Committee: the stoppage of inflation with a view to the stabilisation of the Hungarian crown, this being assisted by an independent Bank of Issue enjoying the monopoly of note issue; the balance of the budget by June 30, 1926, so that thereafter current expenses will be met by taxation without recourse to either inflation or loans; a reconstruction loan, secured by specific Hungarian revenues, to cover the deficit till June, 1926, so that inflation may be stopped without waiting till the budget is balanced(which could probably never be achieved while inflation was still in progress); a control through a Commissioner-General appointed by, and

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1. Commissiner-General's Report

solely responsible to, the Council of the League, for the purpose of ensuring the due execution of the whole program; satisfactory political relations between Hungary and her neighbors; suitable arrangements with regard to her external obligations, particularly relief credits and treaty charges; economic restoration and development and all the measures required to assist it, in particular commercial agreements with neighboring countries.[1]

The loan should be secured on certain assigned revenues of the Hungarian State, with the provision that the additional revenues shall be assigned if necessary, and the whole reinforced by the scheme of comprehensive reform and the control described in this report. Two classes of revenue were made available as security for the loan. The first class, revenue to be assigned immediately, consisted of Customs receipts, tobacco receipts, salt monopoly, and the sugar tax. The Financial Commission believed that these revenues should give fifty million crowns per annum.[2] The additional revenues to be assigned if necessary, except railway receipts, were assigned revenue which passed into the hands of the Commissioner-General. The amortisation period was to be not more than twenty years. The loan should be issued in

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1. League of Nations, General Survey-"Hungary",58.
2. Ibid, 64.

as many countries as possible.

The choice of a Commissioner-General should not belong to one of the Four Principal Powers taking part in the loan or to one of the countries adjoining Hungary. The functions of a Commissioner-General should be brought to an end by a decision of the Council of the League of Nations, when the League is assured of financial stabilization of Hungary.

The plan also provided for the establishment of a Bank of Issue which was to be entirely independent of Government control. The Bank was to have the sole right of note issue, must be a central bank, and its functions those of a banker's bank. The Bank was to guide also the monetary policy of the country and fix the bank-rate. It was to aim at the stability of the crown. The main business of the bank was rediscounting commercial bills, and it was to act as the cashier for the State.

It was considered quite necessary for the Bank to be in operation when reconstruction came into force. Expenses could be economized to some extent, but there must be anticipated an increase rather than a reduction in terms of gold value. This necessitates a substantial increase in the yield of taxation. The Hungarian tax

revenue was estimated to yield two hundred million gold crowns or twenty seven crowns per capita, though it ought to be able to increase this to fifty gold crowns per capita. In personnel throughout the Government economies were attempted, though the salaries of many who were retained were actually increased. It was planned that the budget equilibrium should be attained by June 30, 1926.

The Financial Commission also observed that it was essential for Hungary's economic betterment that commercial treaties should be arranged which will allow freer interchange of commodities between Hungary and her neighbors. The success of this part of the program depends upon Hungary, her neighbors, and even the League. The Hungarians should find markets for the products for which her natural resources and natural aptitudes best fit her. All direct impediments should be abolished- prohibition, taxes on export, and artificial rates of exchange. Treaty charges during the period of amortisation should be limited, and paid only with the Commissioner- General's consent.

The only point left unsettled was what limit upon reparation payments was necessary if the raising of the loan or execution of the scheme was not to be rendered

impracticable, by too heavy a burden upon Hungarian budget and currency. The scheme was presented to the Council at Paris, December tenth to the twentieth. The Council appointed a committee consisting of English, French, Italian, Czechoslovakian, Rumanian, Hungarian representatives, and representatives from the Kingdom of the Serbs, Croats, and Slovenes. This was known as the Hungarian Committee. The Financial Committee met at Paris and finally settled the question of reparation which had previously been unsettled. On January 16, the scheme was officially transmitted to the Reparation Commission as the League's definite plan. On February 21, the Reparation Commission raised the liens on Hungary's assets under the conditions required by the scheme. The following month the Protocols were signed at Geneva by the countries concerned, and the Council accepted the responsibility for proceeding with the scheme.

Immediately a Delegation of the League visited Budapest and started the plan. At the same time negotiations were being opened with the countries holding Relief Bonds (France, Great Britain, Swede, Norway, Denmark, Switzerland, Netherlands, and the United States) to postpone the prior charge they had made on Hungary's assets for relief credits in favor of a new loan. Mr.

Jeremiah Smith was appointed by the Council as Commissioner-General.

Under the guidance of Mr. Smith the plan was exceedingly successful. The currency was stabilized, and the budget balanced even before the allotted time.

Until the National Bank started operations, the value of the crown steadily fell. The Bank of Issue raised the value of the crown by stages until July 31, 1924, from ninety-one thousand and fifty crowns to one dollar to seventy-eight thousand, seven hundred and fifty , or an improvement of thirteen and fifty-six one hundredths percent. The aim of the Bank in causing this moderate and gradual increase in the value of the crown was to prevent the reduction of purchasing power within the country in order to arrest the further rise of prices.

At this time the Bank stabilized the value of the crown on a sterling basis at the rate of three hundred and forty-six thousand crowns to one pound sterling. When the English pound arose in value, automatically the crown arose. It actually made a difference of nine and one-half percent.

With the stabilization of the crown, a new currency could easily be established. The pengo replaced the crown. The original purpose of financial reconstruction

had been to check inflation and stabilize the currency at a high enough value that the ordinary requirements for expenditures of the State budget would be covered. A special budget had been prepared for two and one half years. According tothis, the revenue collected by the State administration from taxation would by successive increases have reached the required amount, while the excess of expenditure, the deficit, would be covered by the loan. By 1924-5 the deficit was removed, and in the years 1925-6,and 1926-7, a surplus of receipts was shown. The year 1925-6 showed a surplus of twenty-seven and one-half million gold crowns instead of a deficit of fifty million gold crowns estimated in the Reconstruction scheme. In spite of the fact that large reductions were made that year, eighty milliongold crowns were realized. The Government was then able to reduce by half, and later abolish altogether, its housing tax, cancel the Customs statistical tax, and lower the tax on sugar.

The State undertakings (post, postal savings bank, State railways, State iron works, forests, and domains, silk-worm breeding, and coal mines) had previously been worked on a commercial basis, and had been working at odds. When the Reconstruction Scheme was put into

operation, the State industries, too, met with success. By the year 1926-7 those industries had a balanced budget with no deficit. Revenue from taxation was distributed as follows:[1]

	1924-1925[2]	1925-1926	1926-1927
Direct taxes------	16.2	21.2	24.9
Turnover taxes----	27.5	18.5	18.9
Dues----------	10.8	13.7	11.7
Commodity taxes---	10.1	11.4	10.3
Salt, net---------	2.1	2.4	2.2
Tobacco,gross-----	15.6	16.6	21.4
Total-	100	100	100

Thus, stabilization of currency and the balance of the Hungarian budget was actually accomplished. Although the scheme has been apparently more successful than was estimated, it can easily be explained by the increase in value of the crown and in the increase of revenue. The latter in the case of direct taxes is due to better methods in collecting taxes of this class.

Several ways were employed to curtail expenses of the government. One of the most effective was reducing the number of officials on the pay-roll. In the year 1923-4, one hundred and ninety-eight thousand, eight hundred and seventy-four officials were listed on the budget. The year 1926-7 budget allowed one hundred and sixty thousand, five hundred and forty-eight. The reconstruction program called for a reduction of fifteen thousand, but actually over thrity-eight thousand had been removed. Many of the

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1. General Survey, 121.
2. 1924-1925 and 1925-1926 showed actual receipts, 1926-1927, estimated.

higher offices were abolished, such as the Price Control Commissions and the National Coal Commissioner.[1]

The receipts began to exceed or equal expenditures as early as October, 1924, six months after the scheme had been inaugurated; and within one year there was a surplus of sixty three million gold crowns instead of a deficit for which one hundred million gold crowns were assigned.[2]

Foreign trade showed an increase of eleven percent on the first nine months of the year 1924-1925, and the adverse visible balance fell from ninety-eight million gold crowns to fifty-one million gold crowns during the same period. Unemployment decreased from thirty thousand in October, 1924, to twenty-two thousand, eight hundred and sevety-nine in October, 1925. Money becmae substantially cheaper. Whereas the discount rate at the Bank of Issue was twenlve and one-half percent in December, 1924, and nine percent in October, 1925, by December, 1925, it was as low as seven percent. The general interest rates showed corresponding reduction.[3] The budget for the year 1926-1927 was approved by the Council on the recommendation of the Financial Committee. In April, 1926, the Hungarian Prime Minister informed the Council that he would bring up the question of the termination of the work of

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1. General Survey, 122-123.
2. Ibid, 146.
3. Ibid, 150.

the Commissioner-General in accordance with the provision in Article 6 of Protocol II- "Subject to the provisions of Article VII, the functions of the Commissioner-General shall be brought to an end by a decision of the Council of the League of Nations when the Council shall have ascertained that the financial stability of Hungary is assured.." Article VII provides that if at any time after the termination of the function of the Commissioner-General, and before the loan is entirely discharged, Hungary finds her budget is to be unbalanced, the League may again assume control under the conditions previously agreed to, with the work in charge of the Commissioner-General, until the League Council again decides that Hungary is in a financially sound position.

In anticipation of action on the request to terminate control, the Committee surveyed the situation. The results were such that the Committee was of the opinion that the budget was in equilibrium on a sound basis, and that the monetary stability of Hungary was established, and that the frank forgeries did not affect the financial position of the country.[1] The main points on which they came to the decision were that the budget was alreadt in equilibrium or surplus within six months of the adoption of the scheme, December, 1924; from July 1, 1924, to

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1. General Survey,156.

June 30, 1925, a surplus of ninety and two tenths million gold crowns was accomplished. The first eleven months of the following year showed a surplus of nearly sixty million gold crowns. The 1926-1927 budget was already approved by the Council on recommendation of the Committee. The currency was placed on a gold basis, originally stabilized in relation to sterling from the beginning of the scheme in 1924 and appreciated with the rise of sterling to gold in April, 1925, and has ever since been stable in relation to gold. The Bank is in satisfactory condition. By law a cover in gold and foreign exchange of twenty percent is required, and the actual amount was fifty-five percent in 1925. The administrative reforms called for a cut in employment of fifteen thousand. Up to 1925 twenty-five thousand had already been removed. In spite of the fact the Hungarians had removed more than the budget called for, the Council urged a further cut- although they were satisfied with the co-operation to that date.[1]

In accordance with the recommendations in the Commissioner-General's reports the Council resolved on June 10, 1926. that "the financial stability of Hungary being assured, the functions of the Commissioner-General shall be brought to an end on June 30th, 1926, in pur-

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1. General Survey, 156-157.

suance of paragraph 10 of Article 6 of Protocol II."[1]

The twenty-fifth and final report of the Commissioner General states that Hungary is financially stable. The Commissioner-General says that there seems to be no substantial reason to doubt that this condition will continue. Should the budget become unbalanced, a serious situation would result, however. A foreign loan could not be negotiated without the consent of the Reparation Commission, inflation would be out of the question since the National Bank has the sole power of note issue, and so increase of taxes would probably be the only course open. This method would be unpopular enough to act as a deterrent for unwise expenditure.

The Commissioner-General comments on the system used to stabilize Hungary's finances by stating that "the execution of the plan has proved even more successul than anticipated. As was expected, there was a large deficit for the financial year ending June 30th, 1924, which was met from the proceeds of the Reconstruction Loan. Since July 1, 1924, the budget has been in a state of equilibrium, and it has been unnecessary to expend any of the proceeds of the Reconstruction Loan for budgetary deficits. This surprising result is not due to the reduction in expenditure- for none was contemplated by the plan- but

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1. General Survey, 162.

to unexpected increases in the estimated revenue of the State over the conservative estimates of the plan due to the stabilisation of the currency and the increased confidence which followed it. The currency has been stable since the National Bank has ample reserves for the maintenance of the currency.... the League has now done all it undertook to do- i.e., to create a sound budgetary and financial position, which is necessary to establish a firm foundation for the future upon which the complete economic recovery of Hungary can take place. Economic conditions have slowly and steadily improved since the plan became effective, and if the present position is maintained by Hungary itself, the economic conditions should continue to improve until they reach at least the normal pre-war conditions."[1] Officially the League withdrew on June 30, 1926.

The important service which the Reparation Commission rendered Hungary in assisting to stabilize the financial problem has done a great deal toward softening the people's attitudes over their alleged injustices of the Treaty. Because the Commission co-operated, stabilization was able to be realized, and that in turn brought on better economic conditions. Here, then, is one illustration of successful co-operation between the League and Hungary.

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1. General Survey, 169. The League defined its task originally as being limited to remedying the budgetary and financial position, although it pointed out that the problem which confronted Hungary was a double one: "financial and budgetary on the one hand and economic on the other."

IV- Reception of the Treaty-

a. General Reception-

In January, 1920, when the first draft of the Treaty was submitted, public opinion became hostile because the terms reflected the fact that Hungary was actually, and was to be treated as, a conquered nation- an enemy country. The Hungarians had felt that they were only technically at war. Count Tisza had not been enthusiastic for war. It was the Austrian part of the Dual Monarchy that had manipulated so that the struggle came. Hungary being a part of the Dual Monarchy, was forced in.[1] Then, too, the Hungarians had treated the Allied citizens within her borders fairly during the war, and had attempted to make an armistice agreement with the Allied forces.[2] The first draft seemed entirely unsatisfactory to them. On January 17, the first reports of demonstration were heard- Budapest flew black flags on all its public buildings and stores in protest of the terms, and the Pester Lloyd, Hungarian Daily Newspaper, is quoted as saying that the terms of the Treaty were annihilating.[3] Count Apponyi is quoted as saying that the acceptance of the terms of the Treaty

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1. page 23 ff. of this thesis.
2. page 35, ff. of this thesis.
3. N.Y.Times, January 19, 1920.

would mean the "cultural downfall" of Hungary. "Concerning the internal physical conditions of Hungary," Count Apponyi said, " we have been pillaged of everything. In the first place, we have had the hardships of war; secondly, we have had two communist administrations when all our money was spent abroad for propaganda; and thirdly, the Rumanians robbed us of manufacturing machinery, even printing plants and railroad equipment, so that now we have but twenty seven locomotives. Our agricultural interests which the Central Eur opean Powers ruined by taking away our livestock, is in a condition of general devastation beyond the River Theiss.... I tried to make the Premier Lloyd George see that it was in the general interest of humanity to assist us and that cutting us up was an economic crime. As proposed in the treaty we should have no wood, lumber, coal, salt, iron or ore. It is mockery to ask us to live after these are taken away... The nationality principle is constructed in defiance of geopgraphy and economics and also destroys the traditions of the people whom it cuts off from home. From generation to generation there will be revolts. It is a transfer of national leadership to races inferior in culture. It is the destruction of our schools and universities, leading people back to ignorance. It is the

cultural downfall that mankind cannot witness without abhorrence."[1]

A communication from Basle, Switzerland, dated January 26, says that a dispatch from Budapest states that Hungary's military representatives at Neuilly had submitted to the Entente Plenipotentiaries that the military clauses were not acceptable.[2] From London on January 26, came a communication that Count Apponyi was going in person to Paris as head of the Hungarian Peace Delegation to hand to the Entente Hungary's solemn refusal to sign. An army of thirty-five thousand was not sufficient to maintain order in the interior under present conditions, or to protect the frontiers against Bolshevism, and insure the execution of the obligations which the Allies demanded.[3]

On January 31 of the same year, Admiral Horthy, Regent of Hungary, is quoted as saying, "Hungary will sign whaever terms of peace are submitted to her, because it is only in this way that time can be gained for the re-organization of the Hungarian army."[4]

Soon Revision Clubs began to organize. The effect of the opposition was felt only in small ways. A new treaty was submitted. It was in reality a revision of the first, and there were no material changes. The

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1. N.Y.Times, Jan.22,1920.8:2.Vienna, Jan.20.A.P.
2. Bauler, New Danger to the Peace of Europe.
3. N.Y.Times, May 17, 1920. 17:3.
4. Ibid, May 30, 1920. 15:1.

people were not content. The Secret Organizations began to show activity. The Territorial Integrity League sponsored the publication of posters with such signs as, "Damned be the hand that signs this treaty." Crowds in public meetings took oaths never to consent to the mutilation of Hungary.[1] The National Creed of the Magyars was as follows:[2]

> "I believe in one God, I believe in the Unity of my Country,
> I believe in one Eternal Divine Justice,
> I believe in the resurrection of Hungary!
>
> Amen.

Secret societies were preparing to act against the Government. According to the documents of one of these groups which were brought to light, it was going to prevent by force the meeting of the Assembly and to proclaim a new Government. It is believed that if a political revolt had succeeded at this time, it would have meant the eventual restoration of the Hapsburgs. The former Emperor Charles of Austria, wanted Hungary to accept the treaty with a secret clause permitting his return.[3]

When Hungary finally decided to sign, gloom pervaded Budapest. Many suicides occurred. Disorder was apparent,

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1. N. Y. Times, May 11, 1920. 8:7. via A.P.
2. Bauler.
3. N. Y. Times, May 17, 1920. 17:3.

but precautions had been taken to prevent revolts and disavowals of the signing of the treaty. While the treaty was actually being signed, the stores in Budapest were closed, public utilities and work ceased, church bells were tolled.[1] It was truly a day of national mourning. Parades in protest took place, though they were peaceful. Thousands of refugees from the lost provinces participated. The Treaty was denounced in the National Assembly, in the churches, and in public meetings, as an outrage against justice and humanity. Later riots occurred in which "awakening Magyars" killed several Jews and wounded many more. The Allied Missions at Budapest protested to the Hungarian Government, demanding restoration of law and order.

In November the ratification of the Treaty took place. Count Teleki took the responsibility of signing the terms, and urged each member of the Cabinet to do likewise. Some left the Assembly immediately. The remaining members of the Assembly arose and sang the Hungarian National Anthem as a last shout of defiance before ratification. Then followed the formal ceremony of acceptance of the Treaty by the National Assembly.

In the meantime the Revision Clubs had been busy.

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1. Current History, August, 1920,877.

From the Prager Tageblatt is quoted the Hungarian Recruit's Oath:[1]

> "I swear in the name of the Holy Virgin Mary that I will fight against Czechoslovakia and Rumania for the liberation and reunion of the occupied territories with the mother country, and I will fight for the suppression of every socialistic movement."

Aristide Briand, Prime Minister of France, had realized the significance of what had been done to Hungary, and declared in the French Chamber that it had been necessary to cut deep into the living flesh of Hungary. Imri Radvanyi, who was the General Secretary of the First Hungarian Insurance Company, said that the Peace- Dictate of Trianon was such a horrible injustice that the Magyar nation was perfectly justified in carrying on a constant peaceful agitation for its overthrow. Hungary's hope was in the League of Nations, which could not refuse a just revision of the Trianon Peace. For, without revision, there cannot be permanent peace in central Europe. "If there is justice in Heaven and Earth the name of Trianon after a revision, will be only a bad dream. The Magyars can never reconcile themselves to this peace- and appeal against it to everybody from whom has not yet disappeared all sense of Natural justice."[2]

On September 1, 1920, Dr. Benes made a speech before the permanent Parliamentary Committee in which he ex-

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1. Current History, August, 1920. 877.
2. Radvanyi

plained the foreign policy of Czechoslovakia. "The Magyars are faced by very serious social problems.... The Czechs have agreed with their neighbors to point out to Hungary that she must change all her traditional ideas, her social structure, and her political methods, if a situation is to be created which will enable Hungary to live on good terms with her neighbors.--"[1] a striking example of the spirit that brought the Little Entente into being, and is holding Hungary down.

Hungary has no malice toward the Allies because they defeated her. She accepts that as a fortune of war. She is disturbed, however, because the Little Entente has been allowed to have influence which she was denied. In one case, it was Rumania robbing a defenseless people, for the Rumanians had been ignoring the minority rights of the Hungarian nationals within her territory, and terrorizing the people.[2]

By June, 1925, there had been established about thirtyOfive societies of importance with over six thousand members- Double Cross Blood Society, Arpad Blood Society, Holy Crown Association, and others. These societies committed political murders, were active in franc counterfeiting plots, and had for their chief purpose the reunion of Hungary. Judges, lawyers, politicials, and military officers were members. No doubt many crimes

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1. The New Europe, Sept. 9, 1920.213.
2. N.Y.Times, Nov.26,IX,8,7. Nicholas Poyzl.; and Jan. 15, 1924,12:1.

which have been attributed to these societies do not rightfully belong to their list. Nevertheless, the orgainzations took matters into their own hands; and, therefore, must take the blame or criticism for all these crimes.

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b. Propaganda-

The Hungarian officials are apparently bent on restoring Hungary. Propaganda walked boldly into the schools. The Government of Budapest printed and officially approved a great number of didactic works for the purpose of implanting in the hearts of the young, the belief in the territorial integrity of Hungary. A few illustrations follow:[1]

> "Manual of Rhetoric, by Dr. Bartha Joszef and Pronay Antal (5th edition, Budapest Szent Istvan Tarsulat 1922) approved by the Minister of Public Education, with the number 152956/ 18.
>
> Examples of Style-
>
> a. Description: The authors chose the description of the statue of the Hungarian king, Matthieu Corvin d'Huniade (p.49):--'-- his two hands rest on his sword- one would say that he is aware that he must be ever ready for battle---.'
>
> Matthius Square in Kolosvar is the place in Hungary where one can best dream the most wonderful dream of our greatness of yester-year- (note that Kolosvar Club is to-day in Rumania.)" 2.

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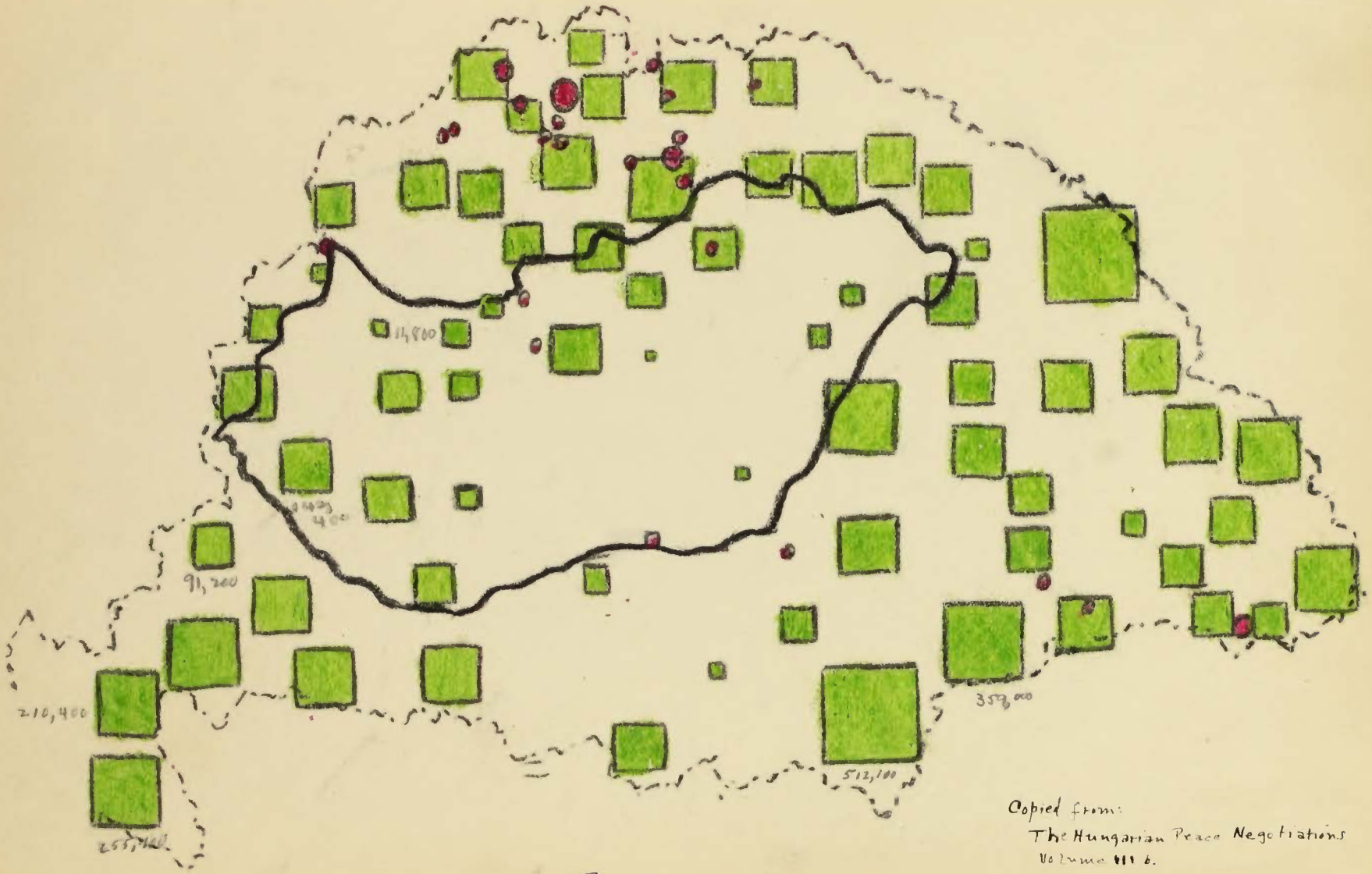
1. Bauler: New Dangers to the Peace of Europe, 21.
2. Bauler, 24.

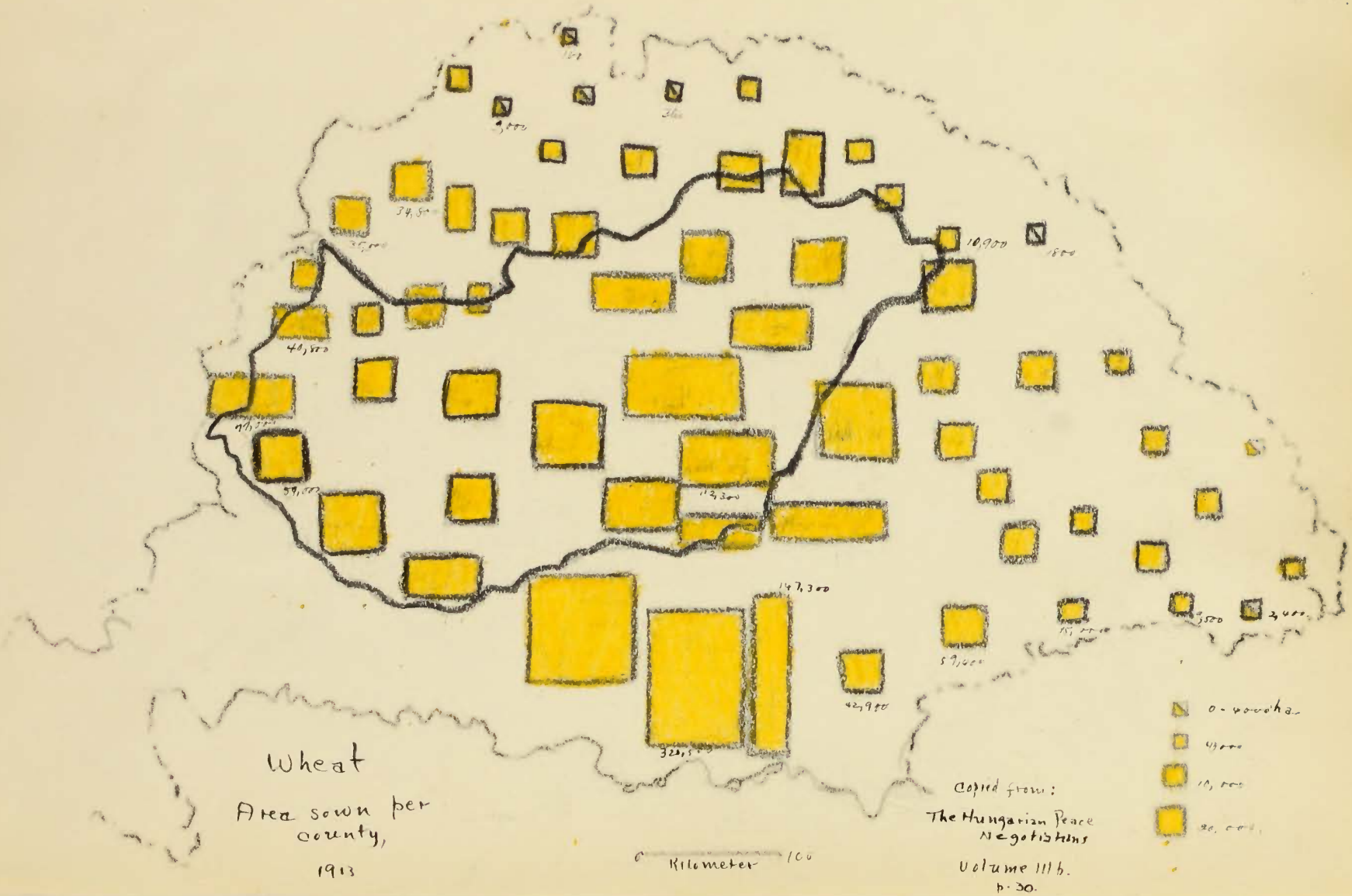
*The diagrams within this section are a type of propaganda put out by the Royal Hungarian Government. Whether they are reliable or not, the various Commissions sent to Hungary for official investigations have used the material therein digramed as the basis for their recommendations.



Forests (green)

This map indicates the wooded area per county. the figures under the squares give the size of the wooded area in hectares.

Also included, paper-mills (red) - the value of production per factory in 1913. The area of the circle represents the value of production.



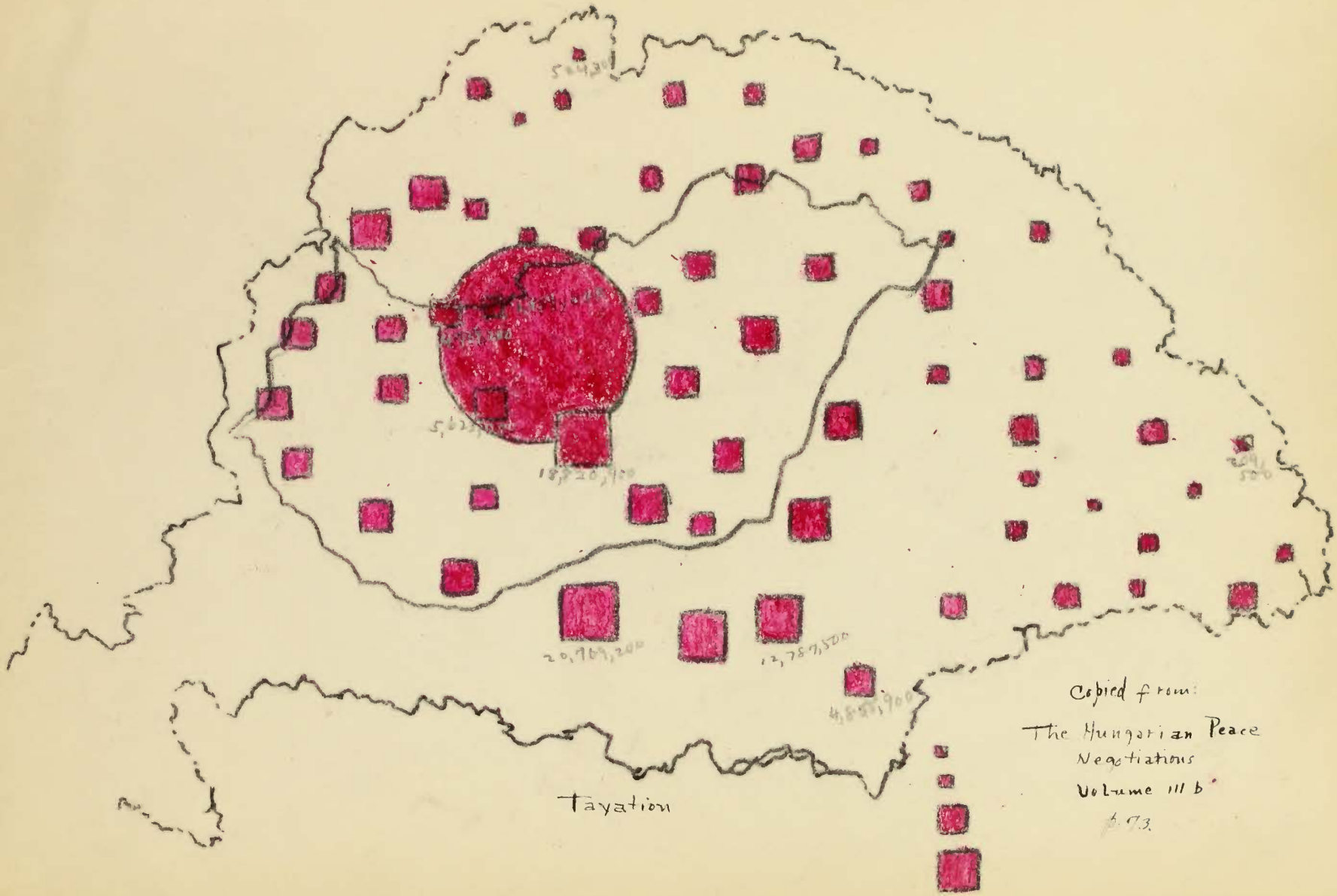
The areas of the squares indicate the size of sown area. Figures under squares give size in hectares.

Coal Production

Production per mine in 1913.

The areas of the circles indicate the quantity of the coal; the figures give the quantity in millions of tons. The circles half-colored represent mines with a production of less than 100,000 tons.

Copied from:
The Hungarian Peace Negotiations
Volume III b.



Total of taxes in 1917, per county. The area of the squares drawn into the Counties indicate the amount of taxes; the figures give the amount in Crowns. The area of the disc refers to the amount of taxes in Budapest.

"Manual of Mathematics used in the second and third secondary classes by Prof. Merey Jules; Fourth edition Budapest, 1922.

Theme: Mutilated Hungary (exercises Nos. 98-114, p.158 and following).

No. 98. In 1910 the territory of Hungary (without Croatia and Slavonia) was 282,870 sq.km. In 1920, the area of mutilated Hungary was 91,114 sq.km. What percentage of our territory is temporarily lost?

No. 103. As a result of the Treaty of Trianon, mutilated Hungary had only 7,481,954 inhabitants of which 88.4% were Hungarians, 7.5% Germans, 2.2% Slovakians, 0.6% Roumanians, 0.6% Ruthenians, 0.3% Serbians, and 9% of other nationalities. Find the number of inhabitants of each nationality."[1]

It may be noticed with interest that the youth of Hungary is being schooled in this subtle way to not accept the "mutilation" of Hungary. The feeling of resentment is being kept alive.

c. Opinions of individuals which have been expressed-

Birinyi says that the results of the Treaty of Trianon is the mutilation of Hungary, and that it is the most cruel tragedy that any member of the human family has experienced. It has ruined territorially, economically, and nationally the Hungarian nation.[2]

Lord Newton, an English Statesman, defined the Treaty as "the most disastrous and senseless action for which international statesmen have been responsible."[3]

Hungary has found a staunch supporter in Lord Ro-

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1. Bauler, p.24.
2. Birinyi, 220.
3. Requoted by Birinyi from Frank Vanderlip's "What Next in Europe, p.75.

thermere, who has connections with the London Daily Mail, the Evening News, the Weekly Dispatch, the Daily Mirror, the Sunday Pictorial and other publications. Viscount Rothermere blamed the Treaty of Trianon for creating unnatural economic frontiers in Central Europe, "the injustice of which is a standing menace to peace."[1] Rothermere suggested a revision of the treaty and holding of plebiscites by the United States or some other disinterested nation to solve the Minorities question. The appeal of Rothermere was reprinted in the Budapest Journal Az Est during July, and was received in Hungary with enthusiasm. The Little Entente did not care for Rothermere's suggestion, Dr. Benes, Foreign Minister of Czechoslovakia, stated that Lord Rothermere was both incompletely and incorrectly informed regarding Central European affairs, and offered to give him the facts of the situation. Count Rothermere, by his periodical connections, was able to carry on an extensive campaign in favor of Hungary.

Lord Newton said that the severity of Trianon was greater than that in the Treaty with Germany. Hungary was not pro-German, but she was forced into the War with the rest of Austria.[2] For the crime she committed she

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1. London Daily Mail, July 26, 1927.
2. Popular Literary Society, p. 17, Reports of Members of Parliament.
See also p. 23 ff.- this thesis.

had been duly punished in economic ruin, Rumanina occupation, and Bolshevism.[1] Another grave offense of Hungary was that she "chooses a monarchy instead of a Republic... If they are eccentric enough to prefer a Monarchical form of Government, and eventually to select some extremely uninteresting personage as the head of the State, why in the name of common sense should they not be allowed to do so? In my opinion a Monarchy is no greater danger to the peace of Europe than a Republic... There is no evidence in history, so far as I am aware, to show that a Republic is necessarily a more peaceful Government than a Monarchy."[2]

Lord Bryce, too, believes in revision. Both Lords Newton and Bryce observed that the antagonists of Hungary had had the press entirely to themselves. Both observe a strong pro-British sentiment in Hungary even during the War. Lord Bryce's opinions were based on experience acquired through frequent visits to Hungary. Lord Montagu, recently returned from Hungary, was of the opinion that the treaty was too harsh, and must be revised.[3]

The argument of some is that the Allies did not know what they were doing when they partitioned Hungary.

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1. Popular Literary Society, p.18.
2. Ibid, p. 19.
3. Ibid, p. 20.

The deliberations were held in secret so far as the people of the world and their respective civil governments were concerned. Birinyi says the basis of the work was control by "politics", based on "public opinion," which was manufactured in the various countries by newspapers, most of which were controlled by financial interests.[1]

Dillon says that the Peace Conference did not have adequate knowledge of the facts that were, or should have been, the basis of a just and durable peace. "Giants in parliamentary sphere, they shrank to the dimensions of dwarfs in the international."... "In matters of international politics they were helplessly at sea."[2]

The chief opponents of revision are the small States of the Balkans which came into being at the sacrifice of Hungary partially.

It seems that with the countries and the personalities who have expressed themselves in favor of revision there is justice in Hungary's point of view. Whether revision is the right thing or not, it is certain that the support which Hungary is receiving from various countries and individuals is shaping public opinion within the borders of the country more definitely than ever. These supporters can certainly do a great deal for Hungary if they organize their forces.

1. Birinyi, 191.
2. Dillon: Inside Story of the Peace Conference, 102-103.

V. Conclusion-

Hungary is not satisfied with the Treaty of Trianon. She accepted it in 1920 because she saw nothing else to do. She came out of the War a loser. Nevertheless, the terms of the Treaty were such that at that time she was not viable. In order to make it possible for Hungary to survive, and reinstate herself to pre-war prestige, she immediately complied with the orders of the Entente. Her biggest mistake after the cessation of hostilities was in complying too readily with the wishes of the Entente, namely, in evacuating certain territory. Once Hungary had left, the Allies easily turned the territory over to the new possessors. Had Hungary remained within them, she would have been able to trade with the Allies for more advantageous terms.

Hungary's chief objections to the Treaty of Trianon were that she was "mutilated"; that an army of thirty-five thousand was too small to maintain order within her territory; that the unity and life of Hungary was destroyed by leaving for her only one-third of her former territory and less than one-half of her former population; that plebiscites should be granted; that she should have a commercial port through which to carry on trade.

She was most bitter over the fact that the losses which she suffered were going to her enemy-neighbors!

Hungary very effectively proved her point with regard to the inadequacy of the army. She was overrun with Communists, and could not seem to place the Government on a firm foundation. The Allies attempted to help her by allowing the Rumanian army to go into Hungary to drive out the Communists. The Rumanians, instead of doing as expected, overran the country, and added to the woes of this already well-torn land.

Hungary resented her state of dependence upon her neighbors. Besides territory and population she lost factories, raw products, and prestige. She deeply resented her enemy-neighbors enhancing their own fortunes at her expense. Hungarian brains had developed the industrial system of which Czechoslovakia was to reap the benefit. Her national pride was hurt. The Peace Treaty, by limiting the country in size, changed the proportion of land under cultivation. In pre-war Hungary the area of ploughed land was almost equal to the area composed of forests, meadows, and pasture-land. The area of ploughed land to-day is twice as large as the forest and pasture-land.[1] It will therefore take the country

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1. Rawlins: Dept. Overseas Commerce. March, 1925, 40.

some time to adapt itself completely to these changed conditions.

Hungary believed that plebiscites should be held in the detached areas. The Allied Powers refused Hungary's request on the ground that the wishes of the people had been consulted before assignments were made. How were the people consulted? Allied"experts"made recommendations. The basis of their recommendations was not from any expressed will of the people, so their judgment may or may not have been well-founded. The justice of Hungary's demands is borne out in the Sopron plebiscite, when the inhabitants voted by a large majority to remain with Hungary, in spite of the fact the "experts" had assigned the territory to Austria. The Allies would grant Hungary no other opportunities for holding plebiscites. To be sure, Hungary had nothing to lose if the "lost" territories voted against returning to her. On the other hand, Hungary proved that the Allies were wrong once. She was willing that the Allies should oversee the holding of plebiscites. If Hungary will be better satisfied to have the plebiscites held, and if the Allies have made errors, (and it would be singular if they made none), it will be better to acknowledge and rectify the mistakes than allow them to

continue as a channel of friction. After reviewing the facts, it seems as though the Allies might well grant the holding of more plebiscites.

Then, too, a rounding off of the political frontiers to fit more nearly the ethnographic boundaries would harm no one and would satisfy the Hungarians. Studies made since the War reveal that by special agreements land adjustments might take place, as for instance, the Rumanian settlement suggested by Temperley and cited in this report.

The question of Hungary's commercial port was settled through agreement with Italy in 1927, when a Convention was signed after the two countries signed a Treaty of Friendship, Conciliation and Arbitration. By the Convention Hungary again has the use of the port of Fiume for commercial purposes.

Hungary was embittered at the close of the War by the creation of the Little Entente, the chief purpose of which was to see that the Treaty of Trianon was enforced and that Hungary did not regain her former prestige. The Little Entente lost much of its power when Hungary joined the League in 1922, and again when Italy de-

clared her friendship and loyalty to Hungary.

The League helped Hungary to become financially, and therefore partially economically, readjusted through the coöperation of the Reparation Commission with a special Financial Commission, and also through the efforts of Commissioner-General Smith.

And so, in spite of the fact that Hungary was left hardly viable by the Treaty of Trianon, outside agencies, such as the League and alliances like that with Italy, have helped her gain a footing in the last ten years sufficient that she may live. She is still dissatisfied w with the small army, lack of plebiscites, loss of territory, population, natural resources, and manufacturing elements. A fierce Hungarian "irridentism" is being burned into the hearts of the people of Hungary. The Hungarians submitted to their fate in 1920 since there was nothing else to do. Sometime they will fight for the "Old Hungary" of the early twentieth century. Although the Allies have done agreat deal to change the conditions brought about by the terms of the Treaty, there is still much to be done before Hungary will be a friendly member of the family of nations.

Hungary was brought into the War because she was ~~allied with~~ a part of the Austria-Hungarian state and because she feared Russia's support

of Pan-Slavism. She has never seemed to realize that she has only herself to blame for the aim of the Slavs to gratify their national aspirations at her expense. For centuries the Magyar dominated and controlled the destinies of the country without consulting the wishes of the non-Magyar elements within her borders. Yet, for her part in the crime, she was more than proportionately punished. The economic and political chaos which brought on by the new Treaty have not yet been completely overcome. Nevertheless, Hungary has made a noble attempt against heavy odds to lay foundations for gaining her former prestige.

VI- Summary-

Hungary was a part of the Dual Monarchy with regard to foreign affairs. Though it has been proved that the Austrian part of this Alliance was more to blame for causing the World War, it does not excuse Hungary for her part in it. Tisza objected to making the Sarajevo incident an occasion for war, but weakened sufficiently so that even he must share some blame for modifying his point of view. He felt that if war was inevitable, this was an opportune time. War seemed inevitable because the restless Slavs were planning to realize their desire for freedom and national unity at the expense of Hungary. There was, then, a necessity for Hungary to take part in this struggle if she was to maintain her prestige in Europe. That Hungary had caused this retaliatory program did not alter the fact that she was forced to protect herself. She came out of the struggle on the losing side. The Allies justified the desires of the restless peoples of Europe at the expense of the conquered nations. Hungary lost territory, population, and prestige to the newly-created Jugoslavia, Czechoslovakia, Rumania and Serbia. At the close of the War there did not seem to be room for all these nationalities in Europe.

The new States were given a guarantee of viability. To make themselves more powerful they banded together in the Little Entente. Their one great purpose was to see that the Treaty of Trianon was enforced, and to make Hungary a powerless neighbor. They were encouraged by France.

While the Little Entente was making friends Hungary was not idle. She found an ardent ally in Italy. A Treaty of Friendship, Conciliation, and Arbitration was signed between the two Powers in 1927. Then followed the Convention of the Port of Fiume, whereby Hungary was to use Fiume as her commercial outlet. This port had been annexed to Italy in 1924. The support which Italy has since given Hungary has rendered the Little Entente less powerful and less harmful to Hungary.

During the external struggle, Hungary was having serious internal problems to solve. At first her Government was unstable. There were serious revolutions, the two most noteworthy being the Red or Bolshevik and the White or Counter-Revolution. As soon as the Government became more stable, there were problems of financial and economic reconstruction. The financial reconstruction was accomplished with the assistance of the League of Nations and the coöperation of the Reparation Commission. The personal leadership of Jeremiah Smith, Junior, Commissioner-

General and his deep sympathy for the Hungarian problems did much to give the Hungarians a saner attitude toward regeneration. The financial reconstruction was so successful and so complete[1] that League control was terminated June 30, 1926. Stabilization of finances had the effect of relieving the economic depression present after the Treaty went into effect. Although the Treaty actually changed Hungary from a manufacturing and industrial nation to an agricultural one, she is fast readjusting herself to the new order of affairs. Hungary seems to be meeting her internal problems, and with the friendship of Italy, is solving her external problems. Instead of the former idea that Hungary was to be sacrificed so that the suppressed nationalities might have their day, it is observed that with careful supervision, all these countries may be viable. It is also seen that these small States of Europe are the occasion for various alliances in Europe. This new system seems to be that France is taking under her protection all the "friendly" States- the Little Entente, and Italy is making alliances with the "enemy" States such as Hungary. Since all of the problems of Europe are not settled, and since the camps are already aligning, it indicates that when provocation is serious enough, another European conflict will take

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1. It is rumored that Hungary is facing the possibility of an unbalanced budget for the present fiscal year. The League did what it guaranteed to do- balanced the budget. Any further discussion of this present situation is beyond the province of this thesis. The material on this point is as yet unavailable.

place.

Hungary is still dissatisfied that more plebiscites have not been held. The one on German West Hungary was apparently successfully held under the supervision of theLeague. Hungary believes that others should be tried. Experts have observed that even if there is no transfer of large amounts of territory, there can at least be an adjustment whereby the border populations and boundary lines can be changed in favor of Hungary. The ethnic and geographic lines could coincide more nearly without disturbing the newly-created States to a great extent, and Hungary would feel more contented. Many of the points in dispute have been adjusted through the League, but there is still a feeling of bitterness among the Hungarians. It is being stored within their hearts, and if carefully cultivated and utilized at the proper time, will be valuable in realizing a successful Hungarian irridentist program.

The Hungarians want the whole matter brought before the World Court, which is a Court of International Justice, rather than the League of Nations, which is a political body. The members of the Little Entente are satisfied with matters as they stand.[1]

The reason for the change in attitude toward Hungary

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1. The Nation, Feb.22, 1925.306.

has been due in part to the support which Italy is giving her. Mussolini has taken a personal interest in Hungary's internal as well as external problems. It is due also in part to the work of certain individuals- Lord Rothermere, for instance. Although a great many members of Parliament have expressed their sympathy for Hungary, Downing Street is not willing to support revision without further thought. The fact that Hungary is not so demonstrative about her losses is not due to any idea of reconsiliation, yet her repeatedly unsuccessful attempts have dampened her ardor for demonstration. Hungary has been finding herself of late. Because of the end of isolation, friendship with Italy, and victories which she has recently gained over the Little Entente, there is being brought about a softening of sprit toward the other Powers. She is gaining her place in the family of nations to the discomfort of the Little Entente, which for some time has been dominating Balkan affairs. Hungary has made a great deal of progress since she ratified the Treaty. The spirit of enforcement has actually been changed. In spite of this, Hungary's desire to continue the tradition of a great past and to dominate the smaller nationalities around her is so strong, that, given an opportunity to regain her loss, she will cause a great deal of trouble.

Hungary is still weak, but because of the bitterness

created within this territory, she may grow to be a trouble-spot in the peace of Europe. She is regaining her strength in spite of her losses. Whether one believes all the propaganda that comes to his attention or not, there is no doubt propaganda is helping to shape the public opinion of the world with regard to the question of revision now that the smoke screen of war has cleared away. Nevertheless, the fierce irridentism that is being created among the Hungarian people with regard to their lost at the Peace Conference is making the question of revision one for future consideration. The Hungarians have been dissatisfied for so long, that perhaps they are in a state of mind where nothing would satisfy them. They have felt that the treaty should be given a working chance. It has been in effect for ten years; yet the attitude remains the same. The Hungarians have not relented an inch. Count Sforza recommended that the Balkan affairs will iron themselves out, if the Allies let them alone. Hun-can actually do no harm to Europe at the present moment, but she may cause the Powers some concern, and will bear watching.

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