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Editorial Note.

In the spring of 1917 the Foreign Office, in connection with the preparation which they were making for the work of the Peace Conference, established a special section whose duty it should be to provide the British Delegates to the Peace Conference with information in the most convenient form—geographical, economic, historical, social, religious and political—respecting the different countries, districts, islands, &c., with which they might have to deal. In addition, volumes were prepared on certain general subjects, mostly of an historical nature, concerning which it appeared that a special study would be useful.

The historical information was compiled by trained writers on historical subjects, who (in most cases) gave their services without any remuneration. For the geographical sections valuable assistance was given by the Intelligence Division (Naval Staff) of the Admiralty; and for the economic sections, by the War Trade Intelligence Department, which had been established by the Foreign Office. Of the maps accompanying the series, some were prepared by the above-mentioned department of the Admiralty, but the bulk of them were the work of the Geographical Section of the General Staff (Military Intelligence Division) of the War Office.

Now that the Conference has nearly completed its task, the Foreign Office, in response to numerous enquiries and requests, has decided to issue the books for public use, believing that they will be useful to students of history, politics, economics and foreign affairs, to publicists generally and to business men and travellers. It is hardly necessary to say that some of the subjects dealt with in the series have not in fact come under discussion at the Peace Conference; but, as the books treating of them contain valuable information, it has been thought advisable to include them.

It must be understood that, although the series of volumes was prepared under the authority, and is now issued with the sanction, of the Foreign Office, that Office is not to be regarded as guaranteeing the accuracy of every statement which they contain or as identifying itself with all the opinions expressed in the several volumes; the books were not prepared in the Foreign Office itself, but are in the nature of information provided for the Foreign Office and the British Delegation.

The books are now published, with a few exceptions, substantially as they were issued for the use of the Delegates. No attempt has been made to bring them up to date, for, in the first place, such a process would have entailed a great loss of time and a prohibitive expense; and, in the second, the political and other conditions of a great part of Europe and of the Nearer and Middle East are still unsettled and in such a state of flux that any attempt to describe them would have been incorrect or misleading. The books are therefore to be taken as describing, in general, *ante-bellum* conditions, though in a few cases, where it seemed specially desirable, the account has been brought down to a later date.

G. W. PROTHERO,
General Editor and formerly
Director of the Historical Section.

January 1920.

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I. GEOGRAPHY PHYSICAL AND POLITICAL

CROATIA-SLAVONIA

(1) Position and Frontiers

Croatia-Slavonia, on the north-eastern Adriatic, lying between 44° 5′ and 46° 25′ north latitude and 14° 25′ and 20° 30′ east longitude, bounded on the north-west by Austria, on the north-east by Hungary, and on the south, from east to west successively, by Serbia, Bosnia, and Dalmatia, has an area of 42,531 square kilometres (about 16,360 square miles), or approximately half that of Ireland, and includes the earlier territories known as Croatia and Slavonia (on the west and east respectively) together with a portion of the once so-called *Militärgrenze* (*Grenzgebiet*), or military marches of the Austrian Empire.

The frontiers are in great measure natural, being formed in general on the north-east by the Drave and the Danube, and on the south for about half the distance by the Save. The remainder of the southern ar the whole of the north-western frontier are mo arbitrary, but the former follows the Una for some distance both on its upper and lower course, and likewise a line near the watershed of the Velebit mountains; while the latter makes similar use of the Kulpa and of the Uskoken range. The Adriatic seaboard is somewhat over 90 miles in length; the islands off the coast belong not to Croatia-Slavonia, but to Istria or Dalmatia.

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The frontiers are by no means ethnic boundaries, for not only are the Serbo-Croats of Croatia-Slavonia indistinguishable in race from those of Serbia, Bosnia, and Dalmatia, but large numbers are also found across the Drave in the southern districts of Hungary, while over the Austrian border are the Slovenes, whose language differs but slightly from Serbo-Croatian.

The country is now divided into eight "Komitats." Of these the three western ones (comprising roughly the district south-west of the Save) are generally regarded as Croatian, the remaining five as Slavonian, though this does not altogether agree with the historical division.

(2) Surface, Coast, and River System

Surface

Croatia-Slavonia falls into two main divisions: the western, comprising the Komitats of Modruš-Rijeka (Modrus-Fiume) and Lika-Krbava, which consist of a stretch, some 100 miles in length, of the Karst country of the Adriatic littoral; and the plains or uplands of the eastern region between the Drave and the Save.

The Karst area consists of limestone mountains and plateaux, rising in many places to 3,000 ft. above sea level, and containing peaks up to 5,750 ft. Between the coastal range of the Velebit, which slopes steeply to the shore, and contains the highest summits, and the Kapela ranges, which drop sharply to the eastern area to the east, lies a high table-land with several basins of internal drainage.

The intra-fluminal district is a well-watered lowland in which three isolated hill groups are divided by intervening plains. In the north the hills of Varaždin attain in one instance a height of over 3,000 ft. This group is separated from the Karst land and from the eastern uplands by the plain of the Save, with

its tributaries the Kulpa and the Časma. South-east of the latter the hills of Požega also just top 3,000 ft. Lastly, in the far east beyond the plains of the Vuka and Bošut, the hills north of Ruma fall short of 1,500 ft. in height.

The soil of Croatia-Slavonia is of five types. Extensive deposits of river alluvium lie along the banks of the Drave and Save. A broad belt of *loess* extends along the northern slopes of the hills, while the southern slopes are covered with soil suitable for the growth of forests. The Karst area is almost entirely covered with "red earth" due to the disintegration of overlying strata (*Leithakalk*). Lastly, wind-blown sand of local origin occurs south-east of Koprivnica and north-east of Gospić.

Coast

The coast land rises for the most part abruptly from the shore, with very deep water near the land. The only coastal plain is the district near Fiume and the gulf of Bakar (Buccari) in the north.

River System

Croatia-Slavonia has no Adriatic drainage. In the Karst region the rivers have no seaward drainage, but disappear down holes in the limestone. The largest is the Lika, whose seven streams unite near Gospić.

Thus the river system of the country is purely Danubian, consisting of the Danube itself; the Drave and Save, tributaries of the Danube; and the Kulpa, Una, and Bošut, tributaries of the Save.

The Danube forms the north-eastern boundary of the kingdom for 124 miles from the confluence of the Drave between Apatin and Dalj to that of the Save between Zemun (Semlin, Zimony) and Belgrade.

The Drave rises in Tyrol near Toblach, and follows an easterly course till it strikes the Croato-Slavonian frontier about 15 miles above Varaždin. Thence,

flowing south-east on a very winding course, it forms in general the north-eastern boundary of the kingdom for 180 miles to its junction with the Danube 11 miles below Osijek (Eszék). Its southern tributaries are numerous but unimportant, the watershed lying close to the river. It receives one important northern tributary, the Mur, near Gjelekovec.

The Save rises in the extreme north-west corner of Carniola, and, flowing south-east, enters Croatia-Slavonia 12 miles above the Zagreb (Agram) railway bridge, and crosses the country in a meandering course to the Bosnian frontier near Jasenovac. Here it turns on a more easterly, but still winding, course, forming the southern frontier of the kingdom for some 316 miles from the confluence of the Una to its own junction with the Danube. Besides its three principal tributaries mentioned below, the Save has several northern affluents, which carry the bulk of the drainage of the often swampy lowlands of the central region, and likewise others from Bosnia and Serbia on the south. Below Sisek (Sziszek) its banks are liable to inundation and unhealthy.

The Kulpa (Kupa) rises near Čabar in the Karst country north-east of Fiume, and forms for the first 60 miles of its course the boundary between Croatia-Slavonia and Carniola. North of Karlovac (Károlyvaros, Karlstadt) it leaves the frontier and crosses, in a winding course and an easterly direction, the western portion of the central lowlands, falling into the Save at Sisek.

The Una also rises in the Karst region, but near Srb in the extreme south. For some 10 miles near its source it separates Croatia-Slavonia from Bosnia, then crosses Bosnia, skirting the Grmić Planina, and again forms the frontier from a point 5 miles above its junction with the Sana at Novi-Dvor, till it falls into the Save near Jasenovac, a distance of about 40 miles.

The Bošut has its headwaters in the hills north-east of Brod, the several streams uniting a few miles east of Vrpolje, when it flows north-east to Vinkovci, and

then south-east past Niemci to join the Save some 8 or 10 miles below Bosna Rača, and 15 miles above Mitrovica.

The Save, in whose valley frosts are infrequent and little snow falls, is subject to floods in April and August, which reach considerable heights. The Drave, on the other hand, which is liable to be frozen in January, has floods in April only, and these are comparatively slight. The combined effect on the Danube is of some importance. At Apatin, just above the confluence of the Drave, the Danube rises slightly about the end of February and attains a short maximum flood in May. As a result of the Drave flood, the period during which the Danube is at its fullest is about doubled below Apatin, while the April flood of the Save causes the Danube below Belgrade to maintain its maximum from mid-April to the end of May.

(3) Climate

In the matter of climate, Croatia-Slavonia falls into three portions. A narrow coastal belt has a Mediterranean climate, with warm, moist winters, and hot, dry summers. The annual mean temperature here is 57° F. (14° C.); that of January 41° F. (5° C.); of July about 75° F. (24° C.). The Karst mountains are colder, the mean annual temperature being about 42 F. (5½° C.); heavy snowfalls occur, and snow lies permanently on the highest peaks. The intra-fluminal region shares the climate of the Hungarian plain and approaches more nearly the continental type. The annual mean temperature is 50° F. (10° C.) in the valleys, and about 4° F. (2° C.) lower on the uplands. The January mean is about 27° F. (– 3° C.); the July about 68° F. (20° C.). Thus the mean range of temperature is greater in the interior than on the coast by some 7° F. (4° C.) Snow is infrequent, but may fall from October to March; the frost season does not usually extend beyond three months.

Rainfall is heaviest in the coastal mountains, where it exceeds that of any district of Hungary. It here everywhere exceeds 40 in., being greatest (over 80 in.) somewhat east of Fiume. It is less further south, but increases again towards the Dalmatian frontier. The intra-fluminal area is considerably drier: the rainfall is only 25 in. in the east, gradually increasing to 40 in. as the western mountains are approached. Here the driest months are January and February; the wettest, in the west, October, in the east, June.

Both mountains and plains are swept by the violent north-east wind, known along the Adriatic coast as the *bora*, which is bitterly cold and liable to be accompanied by heavy rains in the east and by snowstorms in the western mountains.

(4) Sanitary Conditions

The medical service throughout the Hungarian provinces is very largely provided by the State or the local authorities. It is generally inadequate, and more so in Croatia-Slavonia than in almost any other part of the country. In view of the facts that even in the most favoured portions of the community 25 per cent. of the deaths occur without medical assistance, while in those least favoured only 10 per cent. of the deaths are of persons under treatment, and only 4 per cent. are certified, little, if any, reliance can be placed on official statistics of disease.

On the coast and in the Karst country the water supply often presents considerable difficulties. Villages of a thousand inhabitants are sometimes limited to the use of a single well.

(5) Race and Language

According to the official census of 1910, Croatia-Slavonia had 2,621,954 inhabitants, of whom about one-tenth dwelt in the towns, and the remainder in the

country districts. The following table shows the numerical relations of the different nationalities:—

Southern Slavs:		
Croats ..	1,638,354 (62·5 per cent.)	
Serbs ..	644,955 (24·6 „)	
Slovenes	15,686 (0·6 „)	
Total Southern Slavs ..		2,298,995 (87·7 per cent.)
Other Slavs: Czechs, Slovaks, and Ruthenes		61,182 (2·4 per cent.)
Germans		134,078 (5·1 per cent.)
Magyars		105,948 (4·0 per cent.)
Other nationalities		21,751 (0·8 per cent.)
Total		2,621,954

The changes in the population which took place between the census of 1900 and that of 1910 are shown in more summary form in the following table:—

	Croats.	Serbs.	Germans.	Magyars.	Others.
1900 ..	1,490,672	610,908	136,121	90,781	87,522
1910 ..	1,638,354	644,955	134,078	105,948	98,619

Serbs (*i.e.*, Slavonians) and Croats do not differ racially, but in religion are distinguished by belonging the former to Orthodox, the latter to the Catholic faith. Both alike speak a language which differs but slightly from that of Serbia, but the Serbs, like the Serbians, use the Cyrillic, while the Croats use the Latin alphabet.

In the mountain region the population is Croat on the west and Serb on the east, the two mingling in the centre. In the intra-fluminal area, the region round Zagreb in the north-west is definitely Croat, while Serbs preponderate in the neighbourhood of the Una. North-east of Jasenovac a belt of country between the Save and the Drave contains both Croats and Serbs, and this mixed population is continued on the north as far as Osijek, while Croats inhabit the southern

district along the Save. In the plain between Osijek and Šid, Magyar, German, and Ruthene villages are found along with both Croat and Serb, while Croats still predominate along the Save. In the far east, beyond Šid, the Serbs are most strongly represented, while Slovak, Magyar, German, and Croat villages also occur.

Not only are the majority of the inhabitants of Croatia-Slavonia racially indistinguishable from those of Dalmatia, Bosnia, and Serbia on the south, and closely allied with the Austrian Slovenes on the north-west, but there are reputed to be over half a million Serbo-Croats in southern Hungary, namely, in the districts of Medjumurje, Baranja, Bacska, and the Banat.

(6) Population

The average density of population, including the military stationed in the country, as shown by the census of 1910, was 62 to the square kilometre (about 25 to the square mile), and the natural annual rate of increase for the previous decennium 12·8 per thousand.

In rural districts the annual birth-rate among the Croats is 39, among the Serbs 46, per thousand; in towns the figures are 30 and 34 respectively, while in towns containing a large proportion of Magyars the rate may fall as low as 25. The corresponding death-rates are: in the country, 24 and 33 per thousand; in towns, 26, 31, and 26. The Serbs are the more prolific, but have a larger infantile mortality. On the whole, the Croats are increasing more rapidly than the Serbs.

Towns with over 5,000 inhabitants in 1910 were:—

Zagreb (Agram), 74,703; Osijek (Eszék), 28,505; Zemun (Zimony, Semlin), 15,835; Karlovac (Karlstadt, Károlyvaros), 14,992; Mitrovica, 12,325; Varaždin (Varasd), 12,149; Ruma, 11,668; Vukovár, 10,193; Vinkovci, 9,207; Brod, 9,142; Koprivnica (Koproncza), 8,008; Sisek, 7,545; Gjurgjevac, 6,899; Karlovci (Karlócza, Karlowitz), 6,337; Bjelovar (Belovár), 6,312; Djakovo, 6,068; Virovitica (Veröcze), 5,916;

Požega (Pozsega), 5,885; Susek, 5,808; Indjija, 5,735; Virje, 5,460; Ireg (Irig), 5,438; Ogulin, 5,344; Petrinja, 5,127; Šid, 5,064; Dalj, 5,000.

In the Karst region the villages are small; and the little rough-cast, whitewashed dwellings with their tiled roofs huddle together in the hollows, where the water supply is assured. Across the mountains, towards the Save, the houses are even poorer, built of timber on dried clay or brick foundations with thatched roofs. The villages of the Slavonian plain resemble Hungarian villages. On close inspection it will be seen that under their fresh appearance the dwellings are poorly built of bad bricks and earth, and the walls seem incapable of resisting heavy rain. In the forest regions the houses are chiefly constructed of timber.

The towns preserve a rural aspect. Zagreb and Osijek, the two principal towns, are really like villages, and in the smaller towns, such as Vukovár, Brod, and Sisek, this feature is even more marked. New quarters show a certain pretension. They have fine gardens and avenues. The buildings are capacious, and mostly built of brick covered with cement to represent stone.

FIUME

The territory of Fiume (Rijeka), which is situated at the northern end of the Quarnero channel, forms a triangle, 8 square miles in extent, bounded by Istria, Croatia-Slavonia, and the sea. The town itself lies in latitude 45° 20′ north, and longitude 14° 27′ east. The old town was built on an outlying spur of the Croatian Karst, but with the development of the port a town has sprung up between the hills and the shore, on the little river Fiumara (Rečina). The population in 1910 was 49,806, of which 26 per cent. spoke Serbo-Croatian, 13 per cent. Magyar, 4·7 per cent. German, and the rest, with few exceptions, Italian or Italian dialects (see p. 37). The Magyar element was increasing fairly rapidly before the war.

II. POLITICAL HISTORY

Chronological Summary

634 The coming of the Croats.
914 Tomislav calls himself King.
1091 Wladislaw I of Hungary intervenes in Croatia.
1102 Coloman of Hungary becomes King of Croatia and Dalmatia.
1526 The Battle of Mohács, after which Croatia is divided between the Turks and the Habsburgs.
1712 The Pragmatic Sanction accepted by the Croatian Diet.
1767-77 Croatia, Slavonia, and Dalmatia united under the title of Illyria.
1790 Laws affirming that the common affairs of Hungary and Croatia should be regulated in the Hungarian Parliament.
1848-9 The Croats intervene in Hungary. Croatia and Slavonia declared to be Austrian Crown lands.
1868 The Nagoda.
1873-80 Mažuranić, the "Peasant Ban."
1881 Abolition of the Military Frontier Province, which is incorporated in Croatia-Slavonia.
1883 The affair of the shields.
1883-1903 Count Charles Khuen-Héderváry Ban.
1896 Death of Antony Starčević.
1908 The Agram Trial.
1909 The Friedjung Trial.
1914 The Concordat between the Vatican and the Serbian Government.

CROATIA

(1) *Croatian History, with especial reference to the historical relations of Hungary and Croatia.*—The especial importance of Croatia-Slavonia from the political standpoint lies in the fact that it forms the connecting passage between Hungary and the sea, and

that its inclusion in an autonomous Jugo-Slav State, whether under the Habsburg sceptre or not, would for this reason be prejudicial to the Magyar kingdom. This circumstance has made the constitutional relations, even in remote times, between Hungary and Croatia the battle-ground of Magyar and Croat historians; and a subject at best sufficiently obscure has not been rendered less so by the presence of racial sentiment.

The first home of the Slavs, according to the best modern opinion, lay between the Vistula and the Dnieper. From this region in the middle of the sixth century A.D. some Croats began to emigrate to the country, or the neighbourhood of the country, which now takes its name from them. They were a tribe belonging to the same stock as the Serbs, who at some early date broke away from them and settled to the east of the River Urbas. According to the story, the peril in which Constantinople was placed by the attacks of the Avars led the Emperor Heraclius, in the years between 634 and 638, to encourage a migration of Croats on a much larger scale, in the belief that they would afford defence to an Empire which could no longer defend itself. The precise locality occupied by the Croats remains, however, a contested problem. The Magyar contention is that it corresponded to the Bosnia and the Herzegovina of to-day, and that the Magyars at their first coming occupied the region between the Drave and the Save, which we now call Croatia-Slavonia.[1] The Croatian view is that the Croats held approximately the region between the Adriatic, the Drave, the Timok, and the Drina. They were under the tutelage first of the Eastern, then of the Western, Empire; until, in 914, Tomislav, their chief, asserted his virtual independence by taking the title of king.

It is the reign of Zvonimir (1076-1089), however, which seems to the Croats to be the high-water mark of

[1] See Joszef, Graf Mailath, *Hungaricae Res*, pp. 75–7.

their country's greatness, even though that king was crowned by a Papal legate and was in theory a Papal vassal. Immediately afterwards the connection with Hungary began. At the invitation of his widowed sister, the Croatian Queen, Saint Wladislaw of Hungary assumed the government of Croatia in 1091 on the pretext of restoring public order. Fresh disturbances produced ten years later a new Magyar invasion; and, after the defeat of Peter Svačić, the candidate of an inconsiderable minority of the nation, Coloman of Hungary became possessed of the throne of Croatia. The circumstances are, however, too obscure to establish with certainty the nature of his claim. To the Magyar historian Coloman's act, whatever it was, appears to constitute an annexation of Croatia by Hungary; to the Croat, to be no more than the establishment of a personal link between the countries through the fact of possessing a common sovereign.[1]

The nature of the claim of the Hungarian sovereigns to govern Croatia comes once more into historical dispute on the death of Andrew III in 1301. A long period of tumult, which is patient of either interpretation, followed that event. In the end what, according to the sentiments of the reader, may be called a "reconciliation" or a "submission" was effected. In 1409 Sigismund of Hungary became undisputed sovereign of Croatia. Fifty years later (1457) a fresh breach occurred. The Emperor Maximilian was elected to the Crown of Croatia, whilst Matthias Corvinus reigned in Hungary. But the pressure of the Turks was too formidable to allow of a severance which made for weakness; and the kingdoms were reunited. In 1526 Louis II of Hungary was killed at the Battle of

[1] The alleged declaration of Coloman in 1102 sustains the latter view. According to the records upon which the Croat historians rely, the King used the following form: "Ego Colomanus, Dei gratia. . . . Rex Ungariae Croatiae atque Dalmatiae salvo *habito consilio* postquam coronatus fui Belgradi (*i.e.*, Zara), supra mare in urbe regia." (Kukuljević, *Jura Regni Croatiae, &c.*, part I, vol. I, c. xvii.)

Mohács, with the result that the Turks were able to occupy large regions of that country. Croatia, in the hope of obtaining protection, then "elected and recognised" Ferdinand of Habsburg, subsequently Emperor, and his heirs. This step involved the adoption of a hereditary monarchy in place of the elective system which prevailed in Hungary. For a time Croatia looked to Vienna instead of Buda. In 1593, however, and from time to time afterwards, we know that Croatian delegates attended the Hungarian Diet, though the circumstances leave it open to discussion whether these delegates were accredited to the Sovereign as King of Croatia or to the Diet of the two Kingdoms. Probably their position was too ill-defined to admit of close analysis. Kvaternik[1] has, however, devoted a great deal of erudite argument to show that, whatever expressions the Magyars have applied to Croatia, the Croats themselves did not in any way surrender their independent status during the seventeenth and eighteenth centuries. The independent recognition by the Croatian Diet in 1712 of the famous Pragmatic Sanction, establishing the succession of Maria Theresa, is a strong point in his case, though the fact that the Croatian Diet of 1740 refers to the Hungarian law of 1723 as the binding enactment in this affair, and to the Croatian resolution of 1712 as a mere expression of loyalty, must be taken into account.[2] But the Croatian historian is, perhaps, on safer ground in contending that the Magyars, as the result of their own historical arguments for independence of Austria, are estopped from denying the validity of the similar Croatian argument against themselves. And he might reasonably point also to the fact that Croatia was placed at a disadvantage during the eighteenth-century negotiations by the plantation in the territory recovered from the Turks of a new nobility in sympathy with the

[1] *Das historisch-diplomatische Verhältnis des Königreichs Kroatien zu der ungarischen St. Stephans-Krone*, pp. 129 ff.

[2] See a discussion of this point in Knatchbull-Hugessen's *Political Evolution of the Hungarian Nation*, I, p. 186.

Magyars. All such considerations have, however, an antiquated appearance in face of the settlements of 1790 and 1868.

(2) *The Laws of* 1790.—In the former year the Croatian Diet, which the Emperor Leopold II had revived, sent up a resolution to Budapest to request that the common affairs of the two countries should be regulated by a majority vote of the Hungarian Parliament. This majority vote was to prevail alike over the opposition of the three Croatian deputies in the Hungarian Parliament and over the Diet of Croatia. Legislative effect was given to the above-mentioned resolution by the Laws 58 and 59 of 1790. Domestic affairs alone were reserved to the Croatian Diet—a reservation too ill-defined to be satisfactory. Two years later, in 1792, the new relation between the Hungarian and Croatian Assemblies is recognised in an Act of the Croatian Diet in the following manner:—

> "Domini horum regnorum ablegati sese punctis instructionalibus . . . exacte conformabunt; ac quidem in iis, quae Hungariam et regna haec communiter respiciunt, Pluralitatis deciso acquiescent; ea vero quae regna haec privative, praesertim vero Municipalitates, concernunt ad tenorem Instructionis proponent, ac omni studio sustinebunt, imo, si nefors talia contra Pluralitatem Votorum pervincere non possent, Protestationem, seu verbalem seu scriptam, interponent, eamque pro futura Regnorum horum Cautela Actis Diaetalibus inseri procurabunt."[1]

(3) *The Jugo-Slav Movement.*—Under the Napoleonic *régime* Croatia formed part of the "Illyrian Provinces,"[2] the creation of which foreshadowed, and, perhaps, inspired the Jugo-Slav movement; but this redistribution of territory was reversed at the Congress of Vienna, when the connection between Hungary and Croatia was revived. The relations of the two countries, however, remained ill-defined. The Magyars

[1] Kukuljević, *Jura Regni Croatiae*, part II, vol. II, p. 263.

[2] An Illyrian Chancery for the administration of Croatia, Slavonia, and Dalmatia was formed by the Emperor Leopold II in 1790.

asserted that Croatia-Slavonia were subject-provinces (*partes annexae*); the Croats that they were allied kingdoms (*regna socia*). Very soon, however, Croatia began to dream of greatness, which no measure of autonomy within her borders could have given her. Ljudevit Gaj wrote lyrically of a Jugo-Slav State, which was to comprise Carinthia, Carniola, Styria, Southern Hungary, and Bulgaria, besides Serbia and the Adriatic provinces. For such schemes Croatia seemed at that time more likely than Serbia to provide the nucleus. The names of Vuk Karadžić, the philologist, and Daničić, the translator of the New Testament into Serbo-Croat, stand beside that of Gaj, in the front of the Jugo-Slav literary movement. Under such auspices a literary language based on Serbian displaced the Croatian dialect. The linguistic movement evoked a new national feeling; and the Austrian Government began to feel the menace of Pan-Slavism.

(4) *From* 1848 *to* 1868.—In 1848 the Hungarians declared for a Liberal programme; and the Austrian Government, bending before the storm, agreed to the constitution of a Hungarian National Government under Batthyány. The Croats took occasion to demand similar treatment. The Emperor temporised, and with success. The Magyars were not aiming at equal rights for Hungary and Croatia; and their ill-timed proposals for separating Croatia from Slavonia, modifying the constitution, and imposing Hungarian as the official language to be used in communications between the two countries, completely alienated Croat sympathies and enabled the Emperor, by merely confirming the choice of the patriot Jellačić, whom the Croats had elected to be their Ban, to use Croatian forces to subdue the Hungarian national movement. When Batthyány said to Jellačić as he parted from him in Vienna, "We shall meet again on the Drave," Jellačić replied, "No, on the Theiss." The Croats were to be found, therefore, co-operating with the Russians in the suppression of the Magyar national movement of 1848. As a reward they received Fiume, and, together

with the Banat of Temesvar, Bačka, and Slavonia, were detached from Hungary. Croatia became an Austrian Crownland, and obtained a promise of local autonomy, which, however, on the pretext that the general unrest rendered it inadvisable, was withheld until Magenta and Solferino shook the Imperial throne. Then, in the Patent of February 1861, Schmerling attempted to introduce an Imperial Constitution. Hungarians and Croats alike refused to lend themselves to the federal plan. The Croatian Diet was consequently dissolved, not, however, before its assertion that every bond uniting Croatia to Hungary had been done away with, except only the ceremony of a common coronation, had been approved by the Crown. Further military disasters, however, compelled the Austrian Government to come to an accommodation with its recalcitrant subjects. Sadowa produced the Ausgleich of 1867 with Hungary; and the Nagoda between Hungary and Croatia was the complement of the Ausgleich, and equally the work of Deák and Andrássy. The views of these two statesmen afford presumptive evidence that it was not the object of the Nagoda to place Croatia on an equality with Hungary; and the methods—" faked electoral law,[1] corrupt elections, and drastic muzzling of the press," to use Dr. Seton-Watson's words—which were employed by Baron Levin Rauch, the Ban appointed by Andrássy to push the Nagoda through the Croatian Diet, do not suggest that it corresponded with the claims of Croatia.

The subsequent history of Croatia is treated under " Social and Political Conditions," pp. 19-31.

SLAVONIA

(5) *Sketch of Slavonian History.*—Slavonia, whatever the precise application of the name in

[1] The new electoral law was the result of an arbitrary decree. It is, however, pointed out that the previous franchise was an arbitrary arrangement of Jellačić's in 1848.

early times,[1] signifies for historical purposes a delta of varying dimensions, of which two sides are formed by the fork of the Drave and the Save. Its possession was at one time in dispute between the Croats and the Hungarians, but the latter claim that it was finally brought under Hungarian control by King Wladislaw.[2] At the date of the Battle of Mohács (1526) it formed a separate kingdom with some autonomous rights, attached, however, to the Hungarian Monarchy, and represented in the Hungarian Diet. The submission of the Estates of Slavonia to the Habsburgs in 1527 was, therefore, made independently of that of the Croatian Assembly. A great part of Slavonia was subsequently overrun by the Turks. By arrangement between Austria and Turkey, the Croats were compensated for the loss of Krajina (Turkish Croatia—the region between the Kulpa and the Urbas) by receiving the districts of Zagreb, Kreuz, and Varaždin, which had up to this time been Slavonian territory. This caused an extension of Croatia across the Save, and a proportionate diminution of Slavonia, as the arrangement continued after the King of Hungary by the Treaties of Carlowitz and Passarowitz had redeemed his former dominions from the Turkish invader. In 1745 Slavonia was placed under the administrative control of a Ban of Slavonia. It used to return members to the Hungarian Diet. After the events of 1848 in Hungary, however, it was declared, like Croatia, to be an Austrian Crownland. In 1868 it was brought once more into the Hungarian sphere of influence, and included in the provisions of the Nagoda, or Compromise, between Croatia and Hungary. In 1881 the Military Frontier Province, which ran from the Adriatic along the northern bank of the Save and the Danube as far as Orsova, and which, by a curious projection northwards, had served to separate Slavonia

[1] See Mailath, *Hungaricae Res*, p. 76.
[2] *Ibid.*

from Croatia, was abolished, the Turkish menace, against which it had been created, having disappeared. With it vanished the dividing-line between the two countries, and they became, geographically as well as politically, the United Kingdom of Croatia-Slavonia. The later history of Slavonia is therefore to be found, like that of Croatia, under "Social and Political Conditions."

III. SOCIAL AND POLITICAL CONDITIONS

(1) Political

(a) *The Nagoda.*—The political status of Croatia is governed by the Nagoda, or Compromise of 1868 between the Hungarian and Croatian Governments.[1] Under its provisions it was assumed that Dalmatia, which in practice has remained under the control of Austria, would form with Croatia-Slavonia a "Triple Kingdom" in close relations with Hungary The Nagoda cannot be said to have placed the precise nature of the relations between Hungary and Croatia-Slavonia beyond dispute. On the one hand, the facts that the Nagoda cannot be modified without the consent of the Croatian Diet; that the terms "national autonomy," "country," and "a political nation possessing a special territory of its own" (§ 59) are used in it with reference to Croatia; that the Croatian flag is hoisted over the Parliament House at Budapest beside that of Hungary when matters of common interest are discussed; that the title of "King of Croatia-Slavonia-Dalmatia" appears on the Hungarian coinage; that the use of the Croatian language is permitted to the Croatian delegates to the Hungarian Parliament and the Delegations; and that the word of command is given to Croatian territorial troops in Croat, can be brought forward in evidence of the independent position of Croatia. On the other hand, it must always be remembered that the Minister for Croatia in the Hungarian Cabinet, who is responsible to the Hungarian Parliament, is the only channel of communica-

[1] A translation of the text of the Nagoda (which forms Article XXX of the Hungarian Fundamental Constitution) is given below in the Appendix (see pp. 78-97).

tion between the Ban, or Governor, and the Crown. This circumstance is the strongest theoretical proof of the dependence of Croatia upon Hungary. The fact that the Ban is appointed by the King on the nomination of the Hungarian Prime Minister, who countersigns the appointment, and that the King's coronation as King of Hungary suffices to establish his position as King of Croatia, are also vital points which carry their significance on the surface. In practice, of course, the dependence of Croatia is emphasised by the immense preponderance of Hungarian over Croatian representatives in the Hungarian Parliament, where the military, financial, and foreign affairs of the two countries are determined.

The Croatian delegates to the Lower Chamber number 40, and there are three besides in the House of Magnates; all are chosen by the Croatian Diet. Their participation in the work of the Chambers is limited to questions which concern Croatia. Five of them are selected to serve on the Austro-Hungarian Delegations for the regulation of military, financial, and foreign business common to the Dual Monarchy. For the rest, they are charged with the care of the interests common to Croatia and Hungary alone. These include, besides financial and military matters and the civil list, such concerns as the coronation oath, commercial treaties, coinage, weights and measures, customs, ports, railways, and shipping.

The Land Diet, meeting in one Chamber at Zagreb, and consisting of 90 members, elected on a liberal property franchise, and not more than 45 nominated members, is secured in the control of Administration, Justice (which includes public worship), and Education. The chiefs of these three departments virtually form, under the Ban, a domestic Cabinet. Their hold over domestic affairs and the administration of justice is modified by the powers exercised by the Hungarian Parliament in these respects. Executive authority is vested in the hands of a Ban dependent upon the Hungarian Administration, and from whom the autonomous

provincial and municipal administrative bodies derive their authority.

Limited though their autonomy is thus shown to be, it remains true that the Croatians have hardly made a fair attempt to avail themselves of their privileges. In this connection the opinion of Dr. Pliverić, an anti-Magyar professor at Zagreb, is worth attention:—

> "It has not always been the fault of Hungary if, in Croatia, the advantages assured by the Compromise have not been used. Instead of making the best of the situation thereby created, vigour was for years wasted in an opposition of unexampled range and violence directed towards the subversion of the Nagoda. If, instead, it had been studied and its very important advantages utilised, assuredly Croatia would not stand where it does to-day. For at that time a spirit of conciliation towards Croatia possessed the Hungarians, so that in the execution of the compact much would have shaped itself otherwise than it has done."[1]

That Croatia, on the face of it, made an advantageous bargain with Hungary in the matter of finance is incontestable; though, owing to the fact that the joint accounts are regulated at Budapest, and are not subject to public inspection, the Croats are suspicious of its actual observance. Under the Financial Convention of 1889, which revised the provisions of the Nagoda, Croatia was charged with under 8 per cent. of the cost of the common services. The proportion of revenue reserved for Croatian domestic expenditure is 44 per cent. of the whole; and thus, while Hungary can only afford to allot 19 per cent. of its revenue to the maintenance of public worship, education, and justice, the Croatian Government has 44 per cent. at its disposal for such purposes.

(b) *Political Parties and Recent Politics.*—Croatian political parties in recent times have been principally concerned with two interdependent considerations — the relations of Croatia with Hungary and with Serbia. The Nagoda, which shut the door upon any

[1] Pliverić, *Beiträge zum Ungarisch-Kroatischen Bundesrechte*, 1886, p. 14.

connection with Austria, and thus extinguished the Independent Nationalist Party, gave at the same time a new orientation to the National Liberal Party, which under the leadership of Mgr. Strossmayer (1815-1905), the Catholic Bishop of Bosnia and Syrmia, had in July 1861 carried a resolution affirming the complete separation (excepting only for the link of a common sovereign) of Croatia from Hungary. Once the Nagoda was law, Strossmayer turned his efforts in the direction of making Croatia the centre of Jugo-Slav culture. His idea was that the differences of religion and interest which separated the Catholic and agricultural Croats from the Orthodox and industrial Serbs, could be bridged by the study of the Humanities; and to this end he established the University of Agram and the South Slavonic Academy. Progress on such slow and thorough lines was not to the taste of Croatian politicians. A National Party, which, after the fall of Baron Rauch and under the influence of the new, so-called "Peasant," Ban, Mažuranić, a talented Croatian poet, amalgamated with the Unionist Party, and based its operations upon the maintenance of the Nagoda, was formed with a view to a more drastic policy. The Mažuranić Government lasted until 1880. Friction, however, between the Magyar and Croat authorities increased, and, after Mažuranić's retirement matters came to a head, when proficiency in Magyar was made a condition of promotion amongst the officials of the Finance Department. The National Party was split; and the seceders, under Dr. Mrazović, founded the Independent National Party, which stood primarily for financial independence. The crisis was subsequently accentuated by the insertion of Magyar inscriptions on the shields adorning certain public buildings; and, though the substitution of so-called "dumb" shields, bearing the arms of Hungary and Croatia without inscriptions, eventually allayed public indignation, the Unionist idea had received a decisive blow from the appointment of a Royal Commission to

quell the storm. The Party of Right (*Stranka Prava*), that is, the Party of Historic Right, which had been formed about twenty years before by Antony Starčević, a man of great power as an agitator, and the author of the historic phrase, "To exist, Croatia only needs God and the Croats," came into its own. Starčević's personality dominated the Magyarophobes as Khuen-Héderváry's was to dominate "the Mamelukes," or subservient supporters of Magyar influence.

(c) *The Khuen-Héderváry Régime and the Jugo-Slav Movement* (1883-1903).—Count Khuen-Héderváry, the new Ban, was a young magnate, possessed of estates in Slavonia and related to Coloman Tisza. A man of dispassionate force and exceptional skill in political intrigue, he took full advantage of Starčević's violent tactics and narrowly Croatian policy to reconstitute the National Party, which, with the aid of Government pressure at the polls, the inclusion of officials amongst voters, a drastic system of closure in the Diet, and a muzzled press, secured the Ban's predominance. Meanwhile, the establishment of a Serb State under the provisions of the Treaty of Berlin and the incorporation in Croatia of the Military Frontier Province of the Austrian Empire had given fresh strength to the Jugo-Slav movement. Serbia aspired to form the centre of a Jugo-Slav State; and the Austrian Serbs of the frontier district introduced into the Croatian Diet a strong and ambitious element. Rivalry between Serb and Croat rapidly developed. Issue was joined in 1883 on the question of education. The Starčevićists, whose fundamental idea was Croatia for the Croatians, declined to admit the special claims of the Serbs. The Ban insisted on tolerance, and secured to the Serbs the exercise of their religious rites, the independence of their denominational schools in the matter of religious teaching, and the use of the Cyrillic alphabet. The matter did not end there. A division of opinion soon split the Serbs themselves into two factions. The Party of the Independent Serbs wished for an indepen-

dent Croatia, in which their own national aspirations —the use of a Serbian flag, the Cyrillic orthography in official publications, and the subvention of their denominational schools—would be admitted. The Party of the Serbian Radicals, on the other hand, demanded a Greater Serbia, which should include Croatia. Among the Party of Right, which had coalesced with the Independent National Party to form a "United Opposition" in 1892, the Serb question also produced a schism after the death of Starčević in 1896. The followers of Dr. Josef Frank, a pronounced Clerical—Party of Pure Right, as they came to be called—were irreconcilable, and aimed at the foundation of a kingdom of Croatia (including Slavonia, Dalmatia, Fiume, Bosnia, Herzegovina, the Littoral, Istria, Carniola, and Carinthia) under the Habsburg sceptre. The Croatian Party of Right, on the other hand, were friendly to the aspirations of the Independent Serbs.

(d) *The Resolution of Fiume and the Railway Regulations Act.*—In 1903 the Khuen-Héderváry *régime* came rather abruptly to an end. The crisis was precipitated by the refusal of the Hungarian Delegation to revise the financial compromise with Croatia. There was a sharp struggle between the Ban and his Jugo-Slav critics. The repressive measures taken against the latter produced a wave of Jugo-Slav sentiment in Istria and Dalmatia. An attempt made by some of the deputies of these provinces to lay their grievances before the Emperor was thwarted; and the incident was largely responsible for the subsequent alienation of Jugo-Slav sympathy from the Habsburg idea. The Young Jugo-Slavs of Croatia, under the leadership of M. Supilo, took advantage of a constitutional crisis in the relations between the Magyar Nationalists and the Sovereign to try to reach their aims through an understanding with the Opposition in the Hungarian Parliament; but the National Party in Croatia and the followers of Dr. Frank alike rejected this policy. It was in these circumstances that a meeting of forty Croat

deputies, representing Istria, Dalmatia, and Croatia in the Austrian Reichsrat, passed the "Resolution of Fiume" in October 1905. The Resolution affirmed the right of every nation "to decide its own fate freely and independently," and declared it to be the duty of the Croats to stand by the Magyars while they were defending their liberties. It stipulated for the incorporation of Dalmatia with Croatia, and for a Croatian Administration conducted on liberal lines on the basis of the Nagoda of 1868. These represented the minimum terms of the Jugo-Slavs. A few days later Serb deputies passed a complementary Resolution at Zara in favour of joint political action between Croats and Serbs.

The Resolution of Fiume contemplated a bargain with the Magyars, who were endeavouring at the time to extract certain concessions from the Austrian Emperor, and whose hands were likely to be strengthened by union with the Croats. M. Kossuth, in fact, favoured an understanding, though Baron Bánffy opposed it. In the event, both from want of tact on the part of the Magyars and from the absence of any common basis of action, the alliance broke down over the provisions of the Railway Regulations Act, which prescribed a knowledge of Magyar as a necessary qualification for railway employees in Croatia, and which remained a constant source of friction until November 1913. The Magyar case was that the State railway was essential to the maintenance of communication with the sea and to the mobilisation of troops for national defence; and that, this being so, the employees must be able to take their orders from Magyar-speaking officers. The railway, it was urged, being subject to the Hungarian Ministry of Commerce and Communications, was not a Government Department within the meaning of Clause 57 of the Law of 1868, under which Croatian was made the official language in Croatia.

(e) *The Agram and Friedjung Trials.*—The abortive negotiation widened the traditional breach between

Croat and Magyar; and the elections of February 1908 disclosed the presence of a dangerous spirit in Croatian politics. The inheritors of the Strossmayer tradition —the old Nationalists—were eliminated at the polls, and the only effective elements in the Diet were the greatly fortified Coalition Party of Opposition, the Catholics under the leadership of Dr. Frank, and the Party of Right, all alike hostile to Magyar suzerainty, and the two latter frankly separatist. Almost as soon as it met, the Ban (Baron Paul Rauch) found the Diet, where he had no longer any following, to be unmanageable, and forthwith dissolved it, substituting absolutist government. Jugo-Slav agitation flourished on this policy. Demonstrations amongst university students and suspicious intercourse between the Slav element in Croatia and Serbian subjects, particularly the members of the *Slovenski Jug*,[1] which was ostensibly at least no more than a Serbian reading society, though alleged to have revolutionary and liberationist tendencies, alarmed the Hungarian Government, and led the Ban into doubtful courses. Fifty-three Serbs, including the brothers Pribičević, were arrested during 1908 on the very questionable information of Nastić, a police spy. After, to say the least, obviously prejudiced trials at Agram lasting till October of the following year, they were sentenced in numerous cases to terms of imprisonment and hard labour on charges of complicity in an alleged Pan-Serb revolutionary movement in Croatia, directed from Belgrade. Some six months later the verdict was quashed by the Court of Cassation, and the proceedings were subsequently set aside by Royal decree. The accused were, therefore, left uncondemned, but also unexonerated.

Meanwhile the fraudulent[2] character of some

[1] "The Slav South."

[2] The reasons for rejecting their authenticity are summarised by Dr. Seton-Watson in *The Southern Slav Question*, pp. 284, 285, and the fraud can no longer be regarded as a matter of dispute.

incriminating documents which Professor Friedjung had made public through the *Neue Freie Presse* at the instigation of the Austrian Foreign Office had been detected. Friedjung himself was ignorant of Serbian, and therefore probably innocent of the deception, which was exposed in the course of the libel action brought against him in December 1909 by the leaders of the Croato-Serb Coalition, whom he had accused of receiving bribes from the Serbian Government to promote a conspiracy against the Imperial authority. The documents in question, which purported to be German translations of Serbian originals, were forged in the Austro-Hungarian Legation at Belgrade, and, beyond all reasonable doubt, on the instructions of Count Forgách, at that time Austro-Hungarian Minister in Serbia, and subsequently Permanent Under-Secretary for Foreign Affairs. One of the main objects of the forgers appears to have been to discredit M. Supilo, perhaps the most influential of the Croato-Serb Coalition deputies; and, though the allegation of Baron Chlumnecky, formerly an official in the offices of the Prefecture at Ragusa, that he himself had paid secret service money to M. Supilo, was discredited, M. Supilo retired from party leadership.

(f) *The Tomasić and Cuvaj Administrations.*—The Agram and Friedjung trials, coupled with the annexation of Bosnia and Herzegovina by Austria in 1908, intensified among the Jugo-Slavs a state of feeling pregnant with danger to the Dual Monarchy. A great effort was made to retrieve the situation by the appointment in 1910 as Ban, in place of Baron Rauch, of Dr. Tomasić, the old leader of the *ausgleich-freundlich* National Party in Croatia. The past career of the new Viceroy was a guarantee for constitutional government; and, when difficulties arose in the revived Diet, he endeavoured to meet them by creating afresh a Government party. The Railway Regulations Act, however, constituted a standing root of bitterness between the Croatian patriots and the Hungarian Administration; and Dr. Tomasić, after two insuffi-

ciently successful appeals to the electorate, resigned office at the close of 1911, and was succeeded by M. Cuvaj. The state of feeling in Croatia before Dr. Tomasić's resignation was demonstrated by the introduction in the Sabor, or Diet, of a resolution recommending the separation of Croatia from Hungary. This provoked strong resentment among the Hungarians. A fresh general election under the new Ban only increased the strength of the Separatists; and the Hungarian Government thereupon once more suspended the Constitution, and gave the Ban plenary powers as Royal Commissioner, introducing at the same time a press censorship and suppressing the right of public meeting. An unsuccessful attempt on M. Cuvaj's life followed; but it was not until July 1913 that this unpopular Ban was replaced by Baron Skerlecz. The change was the work of Count Tisza, who in the preceding month had become Hungarian Premier, and whose keen eye had appreciated the danger which menaced the Austrian Empire in the Balkans owing to the discontent of the Croatian people. In the spring of 1913, at Abbazia, the Party of Pure Right had formulated a programme, accepted also by the Party of Right, which embodied the Trialist solution. A Croat kingdom, comprising Croatia, Dalmatia, Slavonia, with Fiume and the region between the Mur and the Drave, Istria, Trieste, Gorizia, Gradisca, and the Islands of the Quarnero, Carniola, Southern Styria, and Southern Carinthia, besides Bosnia and Herzegovina, was to be formed under the Habsburg Monarchy. Trieste was to be the capital of a separate district composed of the Italian cities; and the Italian and Croat languages and Italian and Croat schools were to be equally privileged. The Croatian situation was the more difficult to deal with that the financial *Ausgleich* between Hungary and Croatia was due to terminate at the close of the year, and would leave Croatia financially independent.

(g) *The Skerlecz Administration.*—Baron Skerlecz, in spite of an attempt on his life, acted with

speed, skill, and sympathy. To secure an amicable maintenance of the Nagoda as the basis of the Croatian Constitution, he promised the repeal of the Railway Regulations Act and the restoration of the Constitution and of free elections. On such terms the Serbo-Croat Coalition agreed to make the Constitution workable by giving the Government their support. The conduct of the elections justified the promise given; and the maintenance of the Nagoda by common consent was assured, though bitter hostility to the arrangement was apparent amongst the remaining Separatists. Thus the situation in Croatia in the early part of 1914 appeared more hopeful, from the Austrian standpoint at any rate, than for a long while before. The Jugo-Slav movement, indeed, had not been crushed, but kindness had removed the immediate causes of its gathering momentum (see further, No. 14 in this series).

(2) Religious

Croatia was evangelised by Catholic missionaries in the seventh century. SS. Cyril and Methodius completed the work in 863 with the approval of the Pope. The temporary inclusion of the country in the Empire of Charlemagne appears to have given it an enduring bias towards Rome. There are 1,877,833 Roman Catholics in Croatia and 17,592 Uniats. The Roman Catholics use the Latin Liturgy. The Uniats use the Slavonic translation of the Greek Liturgy, made by SS. Cyril and Methodius. The population also includes 653,184 Orthodox, 17,948 Calvinists, 33,759 Lutherans, and 21,231 Jews. Persons formerly described as members of the Orthodox Church were in 1883 recognised as members of the Orthodox Church of Serbia. The change involved here is one of allegiance, not of dogma, and must be regarded as a concession to the feeling of nationality, not as a secession from one Church to another.

The religious difference constitutes the great barrier between the Croats, who are for the most part Catholics,

and the Serbs, who are for the most part Orthodox. Thus the fact that in July 1914 a Concordat was arrived at between the Vatican and the Serbian Government is of capital importance. Though the Concordat only relates to Catholicism in Serbia, it is obvious that its provisions might be extended to Croatia-Slavonia if these countries came under Serbian control at any future time. Prior to the Concordat Serbia was the only country in Europe in which Catholicism was not formally tolerated; and this was the more noticeable since Islam was admitted. In practice, however, foreigners were not interfered with; and Catholic Serbs had only to call themselves Croats to avoid persecution. The relations between the religions had begun to improve in the time of Bishop Strossmayer, whose successful combination of Catholicism with Jugo-Slav idealism gave the Serbs a new idea of the former. The growth of Serb national ambitions rendered the Serbs very friendly to the Croats, whose co-operation was essential to the formation of a Jugo-Slav State, and who came to be sometimes spoken of as "our brothers the Catholic Serbs." The desire to attract the religious sympathies of the Croats away from Italy is at the root of the Concordat which was signed on July 1, 1914, by Cardinal Merry del Val, for the Pope, and Dr. Vesnić, under M. Pašić's instructions, for the Serbian Government. No more favourable concessions have probably been secured by the Catholic Church from any Government in modern times.

The twenty-three articles of this Concordat provide complete freedom for the Catholic religion, even in the case of converts from the Orthodox Church. A Latin province is formed with the Archbishop of Belgrade at its head and one Suffragan, the Bishop of Skoplye (Üsküb). The Archbishop is directly subject to the Holy See. Both are nominated by the Pope, but the Government must first declare that there is no political objection to the nominee. The State pays 16,000 dinars a year to the Archbishop, 10,000 to the Bishop. Each takes an oath of fealty

to the King, and swears to prevent his clergy from engaging in political machinations against the State. All priests of parishes, &c., are appointed by them, each acting in his own diocese, but veto by the State is provided for. The Bishops have sole control over the religious education of Catholics. The Catholic Catechism is to be taught to Catholics in all State schools. The catechists are appointed by arrangement between the Bishops and the Minister of Public Worship, and are paid by the State.[1] They may be parish priests. An ecclesiastical seminary is to be founded at Belgrade and subsidised by the State. The Serb language is to be used in all non-theological subjects. All marriages valid in Catholic Canon Law are legally valid; all marriage cases are to be tried by ecclesiastical courts, except as regards purely civil effects. In a mixed marriage the Catholic may demand that all children be brought up Catholics. The Catholic Church is a *persona moralis*, and, as a society, may acquire, possess, and dispose of property. Church property is taxed, except churches, seminaries, and the houses of bishops and parish priests. The clergy cannot be forced to perform any function against the canons, and are therefore not liable for military service. Any future difficulties are to be settled amicably by the Holy See and the Serbian Government according to the principles of Catholic Canon Law.

The Concordat was not to the liking of the Austrian Government. The Catholic clergy of Croatia have in the past displayed Jugo-Slav leanings; and the terms of the new agreement undoubtedly removed a stumbling-block to the inclusion of Croatia in a Jugo-Slav kingdom.

(3) Educational

Public education in Croatia appears to leave a good deal to be desired. According to Professor Niederle,[2]

[1] The Bishop may dismiss a catechist on his own judgment.
[2] *La Race Slave*, p. 173 (1911).

the illiterates in Croatia number over 54 per cent. The Magyar statistics put the figure at over 56 per cent. Although education is compulsory, and communal schools are to be found in most villages, only between 60 and 70 per cent. of the children attend school. Gymnasia and colleges for both sexes exist in important towns, and there is a University at Agram. Technical schools have also been established, as well as an Academy of Sciences.

The exclusion of the clergy from the management of schools by an Act passed in the 'seventies aroused much feeling among the Orthodox clergy, and was the principal cause of the formation of the Serb party in Croatia.

GENERAL OBSERVATIONS

(1) *Popular Opinion and National Sentiment: Proposals for Expansion and Development and Future Possibilities*

As has been shown in the sketch of Croatian politics, there have been three considerable schools of thought or sentiment in Croatia. The "National" Party was conservative, and stood for the maintenance of the Nagoda and the connection with Hungary Of the parties which aimed at increased autonomy, the Starčevićists looked to Vienna; the Croato-Serb Coalition, first to the Magyar Opposition at Budapest, then to Belgrade. To the former the Trialist, to the latter the Pan-Serb, solution was the more acceptable. The so-called Trialist project consisted in the creation out of the Jugo-Slav elements in the Austrian Empire of a Slav State which would rank on a par with the Austrian and Hungarian members of the Dual Monarchy. The annexation of Bosnia and Herzegovina to Austria promised to strengthen the Trialist argument by increasing the weight of the Austrian Jugo-Slavs.

The policy of the Croato-Serbian Party would probably in the end have required the establish-

ment of a Jugo-Slav State of which Serbia, and not Croatia, formed the nucleus. Picturesque sentiment might have expressed the opposition between these two projects by saying that the former aimed at the revival of the Kingdom of Zvonimir, and the latter at that of Stephen Dushan. If the three principal links of empire are to be found in religious conviction, commercial interest, and racial sentiment, it would be proper to say that, while both religious and commercial considerations made for the Trialist solution, racial sentiment favoured the Pan-Serb idea. The Concordat concluded early in 1914 between the Serbian Government and the Vatican, which has been described above (p. 30), was, of course, a vigorous attempt to neutralise the religious difficulty which lay in the way of the Pan-Serb policy.

(2) *Questions Specially Interesting Other Countries*

The question of Fiume is obviously vital to Hungary. No other seaport can conceivably take its place. To a less degree similar considerations are applicable to the whole question of the Croatian seaboard. The other main consideration from the Magyar standpoint was that the Trialist solution would reduce the weight of Hungary in the Dual Monarchy. This is the very reason why it was not unacceptable to the German element in the Habsburg Empire. On October 1, 1918, the Austrian Premier (Baron von Hussarek) spoke of the incorporation of Croatia-Slavonia with Dalmatia as a measure "corresponding to the requirements of the Monarchy," and stated that only a constitutional solution consistent with the principles of self-determination would be considered, and that Hungary was in principle ready to support Austria in such a policy.

Serbia is naturally interested in the inclusion of Croatia-Slavonia in a Jugo-Slav kingdom, as in all projects for her aggrandisement; but it must always be remembered that the possession of these provinces is not nearly so vital to her as the possession of Bosnia and

Herzegovina and of one or more of the Dalmatian ports, except in so far as the defence of Belgrade itself is concerned.

NOTE ON FIUME.

Fiume formed part of the Empire of Charlemagne; was subsequently held in feudal tenure from the Patriarchs of Aquileia, and from the kings of Hungary; was, in 1465, or soon afterwards, surrendered to the Emperor by Wolfgang de Waldsee; and, having been captured by the Venetians in 1508, was recovered by the Empire three years later. In 1723 Charles VI, who entertained large schemes for its commercial and naval development, declared it a free port. Maria Theresa in 1779 gave it the same harbour privileges as Trieste, united it to Hungary, and subsequently elucidated its new status further by declaring it a *corpus separatum* of the Hungarian Crown. It fell under the dominion of Napoleon in 1809, and was included in the Illyrian Provinces, but was recovered by Great Britain for Austria in 1814. Hungary received it back in 1822, but lost it again in 1848-9, when it furnished part of the reward of the Croatians for their fidelity to the Emperor during the Hungarian rebellion. Under the Magyar version of § 66 of the Nagoda,[1] Fiume was once more attached to Hungary as a *corpus separatum*: but the Croatian version, which is preserved in the Croatian archives, states that "an agreement could not be reached" regarding Fiume.[2] Some

[1] See below, Appendix, p. 90.

[2] The Croat text of that part of § 66 which relates to Fiume runs as follows: "In the sense of the preceding paragraph, it is recognised that the territorial extent of the Kingdom of Dalmatia, Croatia, and Slavonia comprises: 1. The whole district which at present, together with the town of Buccari and its district, belongs to the County of Fiume, with the exception of the town of Fiume and its district, regarding which an agreement could not be reached between the two Regnicolar Deputations."

The history of what happened is related by Dr. Seton-Watson as follows: "The two versions of the document were in due

future accommodation was contemplated, but this has never been arranged, and the town remains under Hungarian control. Meanwhile two seats for the deputies from Fiume are left vacant in the Sabor at Agram.

The admirable qualities of Fiume as a seaport make it vital to the commerce of Hungary. Its two railways connect it with the Vienna—Trieste line and with Agram. The population was divided among the various nationalities, according to the 1910 return, as follows:—

Magyars	6,493
Germans	2,315
Croats	12.926
Serbs	425
Slovaks	192
Rumanians	137
Ruthenians	11
Others	27,307

Upon these figures the following observations may be made:—

The town and its adjacent territory cover 21 square kilometres, which are more densely built over than any other city of Hungary, the density being 119·6 to the square kilometre. Since 1881 the civil population has increased with great rapidity—at the rate, very roughly, of 1,000 persons a year. It stood in 1880 at

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course submitted to His Majesty for signature; and a thin strip of paper bearing on it a translation of the Magyar version, as given above, was then stuck over the corresponding portion of the Croat text! The original document is preserved in Croatian archives, where this singular falsification of an important State document may be verified. The interpolated passage is not even in the same handwriting as the rest of the document. . . . It thus appears that the definition of Fiume as ' separatum sacrae regni coronae adnexum corpus ' has never received the sanction of the Croatian Diet, and is a one-sided claim of Hungary, unproved and merely upheld by superior force."—R. W. Seton-Watson, *The Southern Slav Question*, pp. 81, 82.

20,981, and in 1910 at 48,492. The growth of the Magyar element has been marked. In 1881 the census return showed 367 Magyars, doubtless officials and their families. In 1900 the return was for 2,842. In 1910 the Magyar population had swollen to 6,493.

The Italians, who are only included in the official return among " Others " (numbering in 1910 27,307), were estimated at 17,354 in 1900, and at 24,212 in 1910. The total population in 1900 numbered 38,955. The Italians represented, therefore, rather less than one-half of it at that time; they now represent almost exactly half of the civil population.

The Croat element noticeably declined in the two decades between 1880 and 1900, representing approximately 36 per cent. of the population in 1880 and only 18 per cent. in 1900. By 1910 it had risen to be above 25 per cent. (12,926).

In religion Fiume is almost entirely Catholic. The figures in 1910 were 45,597 Catholics out of a total population of 49,806 (48,492 civilians and 1,314 soldiers).

It is worth noticing that Fiume proper is on the south divided by the river from the industrial suburb of Susak, where the Serbo-Croats are in a very large majority over the Italians (11,000 to 1,500).

IV. ECONOMIC CONDITIONS

CROATIA-SLAVONIA

(A) MEANS OF COMMUNICATION

(1) Internal

(a) *Roads*

The roads of Croatia-Slavonia comprised in 1910: state roads, 1166 km. (725 miles); provincial roads, 4626 km. (2875 miles); and communal roads, 13,000 km. (8078 miles). The main roads are generally good, especially in the mountainous districts of the west, where there are macadamized highways superior to those of Hungary. In the eastern lowlands they consist for the most part of beaten earth covered with dust or mud according to the season. The system was planned and in part constructed at the time of the Napoleonic occupation, and has been well maintained and developed since, though it is by no means yet completed.

The difference between east and west as regards the quality of the roads is presumably due in part to the fact that in the former a railway follows the line of almost every important road, thus relieving it of a great part of its burden, while the western highlands possess only a single line of railway and are thus almost wholly dependent upon road communication. The division between these two regions is a line running north-west and south-east through Karlovac (Károlyvaros). East of this line the only roads of any importance serving districts not also provided with lines of railway run as follows:—

Zagreb (Agram)—Novi Marof and Novi Marof—Križevci (Korös), also Varaždin—Ludbrieg (with smaller roads on to Gjelekovec and Koprivnica), serving

the area between the Zagreb—Varaždin and Zagreb—Koprivnica railways;

Našice—Miholjacdolnji, Našice—Orahovica, Našice—Požega—Brestovac—Uj Gradiška (with branch Brestovac—Buč), which link up various local lines in the middle east north of Brod.

In the far east, forming a group more independent of the railway system, Osijek—Vukovár—Ilok and down the right bank of the Danube to Pétervárad, Ilok—Mitrovica, Petrovaradin (Pétervárad)—Ruma, Ruma—Kupinovo, Kupinovo—Opazua—Slankamen.

In the western region the plan of the system is a southern or coastal road from Fiume (Rijeka) into Dalmatia, linked up by a series of inland roads with Karlovac. The lines of the main constituents are:—

Fiume—Buccari—Novi—Zengg—Gospić—Sveti Rok—Zrmanja, and over the Dalmatian border to Knin; between Zengg and Gospić the road is doubled, one branch following the coast to Karlobag and then striking inland, the other turning east at Zengg and proceeding *via* Otočac and Osik Lički; from Sveti Rok a branch runs south over the Velebit range to Obbrovazzo in Dalmatia;

Karlovac—Vrbovsko—Fiume (followed in the latter part of its course by the railway);

Karlovac—Modruš—Zengg (followed in the first part of its course by the railway), with a branch from north of Modruš *via* Ogulin to Novi;

Karlovac — Slunj — Rakovica — Korenica — Osik Lički, with branches from between Rakovica and Korenica (i) west to Otočac and (ii) down the Bosnian frontier *via* Lapacdolnji and Srb into Dalmatia.

(b) *Rivers and Canals*

The Danube skirts Croato-Slavonian territory for 124 miles above Belgrade and is navigable to steamers for the whole of this section of its course. Immediately above the confluence of the Save it has a width of 1706 yards and a depth of 46 feet. Traffic is mostly in the hands of the Austro-Hungarian Danube

Navigation Co. (Erste k.k. privilegierte Donaudampfschiffahrts-Gesellschaft), whose boats also run on the Drave and the Save and the tributaries of the latter. Published statistics apply to the whole river transport, and no figures are available for particular sections of the course.

The Drave is navigable by rafts, barges and flat-bottomed boats for the whole of its Croato-Slavonian course of 180 miles and, beyond that, as far as Villach (more than 100 miles further). It appears, however, that steamers do not go beyond Barcs 94 miles from the junction of the Drave and the Danube, or at any rate beyond the confluence of the Mur near Gjelekovec, 40 miles higher. Where it flows into the Danube the Drave has a breadth of 355 yards and a depth of 21 feet. The stream is sluggish and meandering, and the lower course is much canalized. The total freight transported on the Drave in 1907 was estimated at 13,000,000 tons.

The Save is a quarter of a mile wide where it joins the Danube. Its lower course is winding and has only a very slight fall, and its banks are often marshy. Shallows, sandbanks and constant changes in the level of the water impede navigation. Steamers, however, ascend as far as Sisek, a distance of 366 miles from Belgrade; while rafts and barges navigate the whole of the Croato-Slavonian course. Landing is usually effected by means of anchored barges connected by gangways with the shore. Before the war the principal shipping was in the hands of the Serbian Navigation Company. In 1907 the total freight transported on the Save was 75,000,000 tons.

Of the tributaries of the Save, the Kulpa is navigable from Sisek to Karlovac, a distance of some 85 miles, of which, however, only a very small portion is suitable for steamers; the Una is only navigable for small craft; while the Bošut is open to steam navigation for 42 miles. The total mileage of the Save and its tributaries navigated by boats of the Danube Navigation Company is said to be 470 miles.

The course of the Drave appears to be extensively canalized, the loops being in many places cut off. There are also somewhat over 40 miles of unimportant canals, said to have been constructed as early as the third century, in the far east beyond Ruma.

In 1887 it was proposed to shorten the windings of the Save near Zagreb by means of a canal which should make that centre more accessible to shipping, but the scheme was never carried into effect. The construction of canals connecting the Save with the Drave and Danube respectively has also been suggested as a means of obviating the inconveniences and expense of railway transport. There appears also to be a plan for connecting Fiume with Budapest by a canal *via* Karlovac and the Kulpa.

(c) *Railways*

Except in the Karst region of the west, where the Karlovac—Fiume line stands alone, the needs of Croatia-Slavonia, at any rate as regards railway mileage, are well supplied. The lines, if universally of single track, are with inconspicuous exceptions of normal gauge (1·436 m., or 4 ft. 8½ in.). The recent development of this system appears from the following table :—

1896 ...	...	...	1,540 km. =	957 miles
1900 ...	...	...	1,730 km. =	1,075 ,,
1905 ...	...	...	1,933 km. =	1,201 ,,
1910 ...	...	...	1,975 km. =	1,227 ,,
1915 ...	...	...	2,020 km. =	1,255 ,,

It will be observed that there was fairly rapid growth between 1896 and 1905, followed by ten years of almost complete stagnation, during which the average annual construction barely exceeded 5 miles.

The following are the more important lines :—

(Budapest —) Koprivnica — Dugoselo — Zagreb — Karlovac—Fiume, the whole completed in 1875;

(Budapest—)Petrovaradin — Indjija — Zimun(—Belgrade), the only section of the Vienna—Constantinople line that touches Croatia-Slavonia, built between 1880 and 1885;

Zagreb — Sisek — Jasenovac—Novska—Kapelanova—Brod—Vinkovci—Mitrovica—Ruma—Indjija, in part dating back to 1870, in part not completed till 1895[1];

Vinkovci—Dalj(—Zombor), dating from between 1876 and 1880.

Of secondary importance are the lines:—

Zagreb—Brdovec(—Steinbrück), built before 1870; Brdovec—Varaždin(—Czaktornya), built 1886-1890; Dugoselo—Novska, built 1896-1900; Novska—Barcs, built between 1881 and 1895; Kapelanova—Osijek—Dalj, mostly built 1891–1895.

Other lines, including practically all those constructed since 1900, are of local importance only.

A study of the map reveals two characteristics in respect of railway construction. In the first place there is no national system; the lines form part of a larger scheme and have been laid out with a view rather to Hungarian than to local requirements. In the second place, the numerous local lines have a most remarkable habit of stopping short of their obvious connections. In many cases one is forced to suppose that an original plan has been only partially carried out, and this although the lines have sometimes been in their present condition for 20 or 30 years.

As in the case of river navigation and all other affairs in which Hungary has a joint interest, the railways of Croatia-Slavonia are under the jurisdiction of the Budapest Parliament. They form indeed but a section, and a small section, of the Hungarian

[1] It is this line which connects Croatia with Bosnia. From between Sisek and Jasenovac a branch runs to Banjaluka, crossing the frontier at Novi; and at Brod, though beyond the Save, is the terminus of the narrow-gauge line to Sarajevo.

system, and their administration differs in no way from that of other portions of that system.

The lines are now mostly State-owned, having been either originally built by the Government or else purchased subsequently from the original concessionnaires, while those that yet remain in private ownership are subject to fairly complete State-control by the terms of their concessions. These terms regulate all such matters as construction, maintenance, personnel, type and amount of rolling-stock (which is sometimes provided by the State at fixed rates), placing of contracts for materials, time-tables, and, where there is a State guarantee, passenger fares and goods tariffs and financial administration generally. Concessions are usually for 90 years, but the State has extensive powers of purchase before the expiration of the term. These matters are under the control of a permanent official responsible only to the Minister of Commerce and having under him district officers; but all matters of general importance are discussed at a conference at the Ministry, at which the Minister of Finance is also represented. The district headquarters for Croatia-Slavonia are at Zagreb. In 1907 a body of 60 to 70 members called the Verkehrsrat was instituted by law to deal with the administration of the railways, and likewise with shipping, postal services, telegraphs and telephones.

No financial statistics are available for the railways of Croatia-Slavonia, since they are included in the Hungarian system, while it appears that even those for the latter are very defective. Throughout the system rates are in force which decrease with the distance traversed. Freight charges vary in a very complicated manner, there being no less than 26 different tariffs and 182 articles for which special rates are charged. There is a transport duty charged on Hungarian railways, amounting to 7 per cent. of the freight in the case of express and 5 per cent. in that of ordinary goods.

The railways of Croatia-Slavonia are said to be inadequate to the economic needs of the country. It is difficult to believe that this is so in respect either of actual mileage or of the distribution of the lines. These appear to afford reasonable access to all towns of any importance and could with small extensions at any rate be made to provide adequate communication with the country districts. What appears to be totally inadequate is the train service, and of this the bitterest complaints are heard from Croatian sources. A constant cause of inconvenience and irritation is the use of the Magyar language for station names and notices. Resentment is also felt at the obligation to travel between Croato-Slavonian towns by circuitous routes through Hungarian territory. Thus it is pointed out that the journey from Zagreb to Osijek *via* Pecs (Fünfkirchen) takes about half the time taken on the distinctly shorter route *viä* Brod. The latter, a distance of about 155 miles, is nominally covered in 14 hours, but the trains are seldom punctual, and, if a connection is missed, two days are probably spent on the journey. It is further asserted that the rolling stock is defective and out of date, especially the engines, which are constantly breaking down, and the passenger coaches, which are inconvenient and dirty; that long waits occur at all sorts of hours at unimportant stations where there is no opportunity of obtaining refreshment, and that even so the defects of the passenger service are as nothing compared with those which the inadequacy and ill-equipment of the stations impose on the goods traffic. Consignments which should reach their destination in 48 hours often spend three weeks on the way. Besides all this there is the serious allegation that the tariffs are differentiated in favour of Hungarian and to the detriment of Croato-Slavonian trade. It is pointed out that both passenger fares and goods rates from Fiume to Zagreb are the same as from Fiume to Budapest. Other vaguer allegations to the effect that the railway

administration does all in its power to enrich the Magyars at the expense of the Slavs, and to prevent intercourse between different branches of the Slav race, belong rather to the political than to the economic sphere and are more difficult to verify.

There appears to be only one line of any importance in the course of construction in Croatia-Slavonia, namely, the Lika railway, running south from Ogulin through the Karst region to Knin in Dalmatia.[1] This appears to have been undertaken chiefly to satisfy the Dalmatian desire for a more direct connection with the Hungarian railway system without imperilling the commercial interests of Fiume. Its economic importance to Croatia-Slavonia remains problematical, though it might possibly have some political effect in facilitating intercourse between the Croatian and Dalmatian Slavs.

The line was originally projected in 1908, when an agreement was effected between the Hungarian Government and a syndicate of Austro-Hungarian banks, which undertook the construction for a lump sum under State control. The total length of the line was to be 142 miles, of which about 13½ lay beyond the Dalmatian frontier, and the course was to run from Ogulin on the Fiume—Karlovac line, *via* Plăski and Blata Lake and over the Mala Kapela range, to Vrhovine and Sinac, and thence to follow the main southern road, *via* Perusić, Osik Lički, Gospić, Medak, Lovinac and Gračac, to Zrmanja, close to the frontier, which it would then cross to Knin and thus link up with the Sebenico—Spalato line.

This line was, according to the agreement, to have been completed in 4 to 5 years. By 1915 it had been carried as far as Plaški, a distance of under 20 miles.

(d) *Posts, Telegraphs and Telephones*

In 1907 the total length of the telegraph wires was 15,725 km. or 9,771 miles; in 1912 it was 18,000 km.

[1] Cf. *Dalmatia*, No. 11 of this series, p. 42.

or 11,185 miles. During the same period there was a substantial increase in "free postage," *i.e.* official correspondence, in the value though hardly in the number of money remittances, and in telegrams sent. Local telephone calls almost doubled, trunk calls more than doubled. Under all other headings the increase during the five years was slight and bears out the impression left by the figures for railway construction that the twentieth century has been for Croatia-Slavonia a period of economic stagnation.

(2) External

(a) *Ports*

Apart from Fiume, which is treated separately (see below, p. 65), the only ports worthy of particular remark are Bakar, or Buccari, and Zengg (Senj, Segna). At one time the former (a small town of 1,600-1,800 inhabitants) possessed a considerable sailing fleet, but the altered conditions due to steam navigation have greatly reduced the importance of its shipping. In the bay, which is surrounded by rugged shores and has a depth of from 12 to 15 fathoms, a considerable number of vessels of all sizes can find accommodation and shelter from the *bora*, the devastating and prevalent wind which blows from the north-east. A mooring buoy lies off the small quay on the western shore. The water supply is abundant, and provisions can be obtained.

The Bakar school of navigation has over 200 pupils on its register, of whom the majority come from the Croatian coast and the remainder from other Jugo-Slav countries, and it furnishes many officers to the shipping companies at Fiume. The Serbo-Croat language is used in instruction.

The port of Zengg (a town of some 3,000 inhabitants) is formed by the Maria Art mole at the south-west point of the bay and the St. Ambrose mole, which extends from the northern point in a south-westerly

direction. A third mole projects from the centre of the town midway between the other two. A mooring buoy lies off this central or harbour mole; and the wooden pier on masonry supports has a depth of 11 feet of water at its outer end. The harbour is protected from southerly winds, but exposed to those from the north-west and to the *bora*, which is severely felt. The bottom is not good, and the anchorage under the island of Arbe (Rab) is generally preferred. Water, provisions, and materials for slight repairs can be obtained.

Harbours of less importance are Porto-Ré, Selce, Novi, San Giorgio, Jablanac and Carlopago.

(b) *Cable*

There is a telegraph station at Zengg in connection with the cable laid from Spasovac cove to Rebizza point in the island of Veglia (Krk).

(B) INDUSTRY

(1) Labour

There is very little official information to be obtained as to labour conditions in Croatia. Wages generally seem to be low, and the native labourer finds difficulty in competing with the German and Magyar colonists, who during the last few decades have settled in the country in considerable numbers. This, apparently, is due not so much to any congenital inferiority—for among the immigrants into the United States no such discrepancy between the races is noted—as, on the one hand, to the better economic equipment of the colonists and the favour shown to them both by the State and by the big landowners, and, on the other hand, to the backward state of education and the absence of a middle class among the Croats, two factors which tend to lower economic capacity.

Agriculture, including forestry, vine-growing and gardening, gives employment to over 80 per cent. of the

population, only about 8 per cent. being engaged in other industries. At one time a main source of agricultural labour was the *zadruga*, or household community, but this patriarchal institution (see below, p. 54), is almost extinct.

The needs of particular industries are met by temporary migration, especially from the relatively well-populated western Komitats; Lika-Krbava and Modruš-Rijeka supply the east with farm labourers and foresters, while stone masons from the coast ply their trade all over the country.

The number of emigrants is large. In the years 1901-1910 about 112,000 persons, or 4·48 per cent. of the population, left the country—the great majority of whom, some 84 per cent., went to America. Those emigrating to other European states are for the most part navvies and agriculturists, who return to their homes after some months. Many of those who cross the Atlantic also return, though after longer periods of absence, for the homing instinct of the Jugo-Slav is highly developed.

The following table shows the number of emigrants per 1,000 of the population in the Komitats for the years 1901-1910 :—

Lika-Krbava	7·83
Modruš-Rijeka	14·26
Zagreb	8·34
Varaždin...	2·45
Bjelovar-Križevci	4·94
Požega	5·66
Virovitica...	4·01
Srijem	2·88
Average for Croatia-Slavonia	6·23

(2) Agriculture

(a) *Products of Commercial Value*

Croatia-Slavonia is essentially an agricultural country. The climate and soil are suitable for

various kinds of culture, and the two mountainous Komitats of Lika-Krbava and Modruš-Rijeka, the western part of Zagreb and several districts of the eastern lowlands contain admirable forests. The plain between the Drave and Save is, however, chiefly plough and meadow land, while the low hills which form the watershed are covered with coppice and vineyards. Roughly a third part of the total area of the country is arable or garden land, another third forest, and the greater part of the remainder either meadow or pasture.

The production of cereals is one of the principal resources of the country. Maize, the chief crop, is grown everywhere in the plains and up to the borders of the hill country. Wheat, which requires greater care, ranks next in importance both as regards the number of acres cultivated and the quantity produced and the value of the harvest. Oats, rye and barley are also grown in smaller quantities, and in 1907 the yield of flax amounted to 4,700 metric tons and of hemp to 10,300 metric tons, while millet was produced to the value of £70,830. Fodder (hay, clover, &c.) is cultivated to the extent of 250,000 acres; potatoes, apples, plums, cherries, nuts and chestnuts also abound, while tropical fruits flourish on the coast. Tobacco is not grown to any great extent.

The following table shows in round figures the average acreage of the principal cereals under cultivation in each Komitat during the years 1911-1914:—

Komitat.	Maize.	Wheat.	Oats.	Rye.	Barley.
Lika-Krbava ..	18,000	12,000	12,000	6,000	30,000
Modruš-Rijeka ..	33,000	22,000	10,000	8,000	12,000
Zagreb	165,000	50,000	13,000	20,000	16,000
Varaždin	75,000	15,000	7,000	18,000	5,000
Bjelovar-Križevci ..	95,000	81,000	12,000	40,000	12,000
Požega	72,000	85,000	22,000	11,000	7,000
Virovitica	70,000	121,000	42,000	20,000	11,000
Srijem . ..	220,000	190,000	48,000	33,000	18,000

The average annual produce of the principal cereals in the whole of Croatia-Slavonia during the same period was:—

	Metric tons.
Maize	326,693
Wheat	187,252
Oats	38,266
Rye	41,723
Barley	27,439

The average annual value of the principal cereal crops during the years 1911-1914 in the Komitats was as follows :—

Komitat.	Maize.	Wheat.	Oats.	Rye.	Barley.
	£	£	£	£	£
Lika-Krbava ..	59,998	53,436	22,420	26,263	105,349
Modruš-Rijeka	117,188	97,412	21,387	23,030	16,486
Zagreb ..	845,347	230,167	45,127	80,915	57,012
Varaždin ..	429,230	86,712	17,731	72,501	4,222
Bjelovar-Križevci ..	517,430	431,743	30,825	135,807	38,481
Požega ..	376,480	422,323	62,002	45,500	19,684
Virovitica ..	485,102	809,977	139,802	93,191	41,129
Srijem ..	1,877,225	1,318,445	49,211	175,311	72,757
Total for Croatia-Slavonia	4,708,000	3,450,215	388,505	652,518	355,120

The area of the vineyards has considerably decreased during the last 30 years, owing to the ravages of phylloxera and peronospora. In 1900 there were 100,000 acres, but in 1907 only 96,250 under cultivation; and the production fell from an average of 342,571 hogsheads of wine yearly between 1886 and 1890 to 252,825 in 1907. Between the years 1890 and 1900 there was an acute crisis, when the annual output was reduced to 75,952 hogsheads. The Croat vine-dressers exerted all their energies to combat the pests, with such good results that, although 15,000 acres were

still infected, the value of the production in 1907 was greater than ever before (£1,125,000). A certain amount of wine is exported, but no exact figures appear to be available.

The following table gives figures representing the averages of cultivation and production for the years 1911-1914:—

Komitats.	Area under vines.	Yield of must.	Value of must.
	Acres	Hogsheads	£
Lika-Krbava	134	209	1,434
Modruš-Rijeka	1,531	4,025	24,023
Zagreb	16,915	70,039	285,120
Varaždin	11,716	48,812	203,905
Bjelovar-Križevci	12,602	52,499	215,653
Požega	4,061	14,922	66,877
Virovitica	5,309	21,149	87,527
Srijem	18,354	93,260	466,628
Total for Croatia-Slavonia	70,622	304,915	1,351,167

Cattle-raising is practised to a considerable extent and is one of the most profitable industries of the country. The peasants devote much care to the rearing of the beasts, and the pastures are rich.

There is also a good deal of successful horse-breeding, though attempts made to improve the native breed have been opposed by the conservatism of the farmers.

The total number of domestic animals in 1895 and 1911 were:—

—	1895	1911
Cattle	908,780	1,134,857
Sheep	595,902	850,485
Horses	311,359	305,050
Pigs	882,973	1,164,022
Goats	22,418	95,598

From a table giving the number of animals to the square kilometre in the several Komitats in 1911, it appears that the distribution of cattle was fairly even, although the numbers in the two easternmost komitats, Virovitica and Srijem, were appreciably less than elsewhere; that Lika-Krbava was easily first as a sheep-rearing district, with 135 to the square kilometre, followed by Srijem and Modruš-Rijeka, with 75 and 65 respectively, and that no sheep were kept in Varaždin and very few in Zagreb or Bjelovar-Križevci; that, apart from the towns, there were more horses in the east than in the west; that pigs were most plentiful in Varaždin and Virovitica; and that only in Lika-Krbava were goats kept in any numbers.

Poultry farming, apiculture, and sericulture are carried on in the country and might all be considerably developed. In 1907 there were 3,400,000 heads of poultry, 103,000 hives of bees, and 18¾ tons of cocoons. In the same year 11,000 families were employed in sericulture, the chief centre of the industry being the komitat of Srijem, which supplies quite two-thirds of the crop.

Besides the domestic animals, various species of deer, black game, hares, rabbits, pheasants and partridges are found in considerable numbers; and bears, wild cats, wolves and foxes in the mountainous regions and forests. Beavers are numerous in the lowland streams, and wild fowl abcund in the marshes.

(b) *Methods of Cultivation*

As will be shown hereafter, in the section devoted to land tenure, estates in Croatia are either very small or of a considerable size, and there is a great difference between the respective methods of cultivating these two types of holding. For while the big proprietors, with rich land to work and capital at their disposal, are able to invest in agricultural machinery, artificial manures and other modern aids to farming, the owners of a few acres, on which the soil is probably of poor

quality, are kept by circumstances in the primitive ways. The peasants, however, are intelligent and industrious: given the opportunity they take readily to new methods and, with the help afforded them by the credit societies, have already made good progress both in agriculture and in stock-raising.

In 1900 the local autonomous budget, out of a total of 18,500,000 kronen (£770,833), assigned 1,280,000 kronen (£53,333) for the establishment of model farms and institutions for promoting improved methods of cultivation and forestry.

Irrigation.—The distinction that has been drawn between the methods of cultivation obtaining on the large estates and on the small applies equally to irrigation.

There is a special administration for the upkeep of the dams, &c., and in 1900 the sum of 200,000 kronen (£8,333) was voted for their construction and maintenance. The lack of water characteristic of the Karst country presents special difficulties.

(c) *Forestry*

The forests of Croatia-Slavonia are noted for the variety and size of their trees. According to a survey made in 1895 they covered 3,734,000 acres, or 35·53 per cent. of the surface of the country, and of this one-fifth was owned by the State. In 1914 the proportion, taking the country as a whole, is said to have been 36·65 per cent., and in the several komitats as follows: Lika-Krbava, 45·60 per cent.; Modruš-Rijeka, 45·14 per cent.; Zagreb, 37·41 per cent.; Varaždin, 35·81 per cent.; Bjelovar-Križevci, 36·95 per cent.; Požega, 39·86 per cent.; Virovitica, 33·55 per cent.; Srijem, 20·51 per cent. In former times the forests were yet more extensive, but the demands of Venetian shipbuilding caused excessive felling in the coastal districts, while the herds following in the wake of the woodcutters prevented recovery. Attempts to check this destruction were made in the eighteenth century, but met with little success. It was not till 1894 that

the forests, whether owned by the State, Church, municipalities, societies or private persons, were placed under control of the public authorities. A Croatian school of forestry was instituted at Zagreb in 1898.

It is alleged, however, that the Hungarian authorities, though they make much of the cost of the upkeep of the Croato-Slavonian forests, do little for them in comparison with those of their own country. In 1907, out of 5,000 acres of forest in course of regeneration, less than 800 were planted with trees, the remainder being sown or left to sow itself. In Hungary, on the other hand, the most modern methods of forestry are employed, and the method of planting is always adopted. Only the poorest parts of the forest are being improved, and those belonging to the State are not systematically or regularly treated; in 1907 two-thirds of such forest as was marked as capable of improvement were not touched at all.

The forests contain a great variety of trees. Oaks cover more than 840,000 acres, and those of the Slavonian forests are especially fine. On the higher ground the fir, black pine and Scotch fir extend over 435,000 acres, some of the finest specimens being found in the forests at the foot of the Kapela range. The beech, hornbeam, maple, ash, alder, chestnut, walnut, poplar, willow and elm flourish in the inland forests.

Cask staves and railway sleepers are made from oak from Slavonia and largely exported to western Europe. From 2,000,000 to 2,500,000 beech planks are yearly sent to Italy, Spain and Greece. There is a good demand for beams made from the conifers, and for maple, pine and walnut. Wood charcoal is produced to the annual amount of 6,000-8,000 tons.

The Croatian littoral has a Mediterranean flora, laurels, olives, cypresses, figs, and almonds being cultivated down to the shore, where in sheltered spots violets bloom in mid-winter. In the mountains there are specimens of alpine flora such as *rhododendron hirsutum* and *aster alpinus*. The lowlands are covered

with typical steppe vegetation, and the more fertile areas are planted with numerous fruit-trees, among which the plum predominates.

(d) *Land Tenure*

In certain districts, which correspond to the old *Grenzgebiet* or military marches, the *zadruga* or family community still survives and owns not only arable but forest and pasture land. Elsewhere considerable areas of forest land are owned by the State. Not much land is owned by municipalities outside the actual areas of the towns, and the largest estate so held, Božjakovina, near Zagreb, was only acquired about twenty-five years ago; but large properties are attached to the Catholic Archbishopric of Zagreb, the Bishopric of Djakovo, the Capitols (bodies of Canons) in Zagreb and Djakovo, the Orthodox Patriarchate of Karlovci, and the monasteries of Srijem.

In general, however, the land is divided into estates which are in the absolute possession of the holder. These estates are for the most part either small holdings of 1 to 20 acres or large ones of over 200 acres. The latter include practically all the more fertile land, particularly that in Srijem, Virovitica, Bjelovar-Križevci and parts of Zagreb, while the small farms are confined to the poorer districts of the west. The explanation of this division is that the large holdings represent estates either granted by the Crown for services rendered, or bought on advantageous terms from the Government by politically favoured individuals, whereas the native peasants have had to content themselves with land which was less worth while acquiring. Thus on the expulsion of the Turks many Austrian courtiers received gifts of land in Slavonia from the Emperor; and in Croatia, after the suppression of the "Zrinjski Movement," the enormous possessions of the old Zrinjski and Frankopan families were confiscated by the Emperor, who bestowed them on his own German and Hungarian courtiers or on Croat nobles who had opposed the national movement.

This unequal distribution of the land makes life very hard for the peasant, and conditions are aggravated by the system of local taxation by which the big landowner only pays the same amount as the richest peasant, although he may often possess more than half the land of the whole commune. The consequence is that throughout Croatia-Slavonia peasant property is heavily mortgaged.

(3) Fisheries

Fishing is carried on all along the Croatian coast and the inhabitants of this region are largely dependent upon it for their livelihood. In the Gulf of Quarnero and the Canale di Zengg cod are caught in great quantities; crabs are also plentiful, and in quality are only equalled by those from Norway. Barbel, trout and other fresh-water fish are caught in the streams and rivers.

(4) Minerals

Since the geological structure of the north-eastern seaboard of the Adriatic is fairly uniform, Croatia might be expected to show some evidence of the mineral wealth which is claimed, though on no very reliable authority, for Dalmatia. It is possible that the resources of the country have not as yet been fully explored; but so far at least the known deposits of Croatia-Slavonia are of small importance, and not more than 1,000 persons are employed in the industry. Lignite is found in the neighbourhood of Brod, Koprivnica and Ireg and on the eastern slopes of the Karst district near the Austrian frontier, but is only worked in the Zagreb district, where some two million crowns' worth (£83,333) is extracted annually. In the east a few ores occur in isolated patches; gold at Gormirje, and zinc at Kulevesica; copper and sulphur are also known to exist. Iron ore occurs near the Una on the Bosnian frontier and also in the heart of the Karst mountains,

where of late years several blast furnaces have been started in the Velebit range. The annual value of the output, however, is said to be not much more than £4,000. There are hot mineral springs of some importance.

(5) Manufactures

As already stated, a very small (though an increasing) proportion of the population is engaged in non-agricultural industries. For the most part the factories are of correspondingly limited dimensions, more than half the industrial enterprises in the country being carried on by their proprietors without assistants. About 23 per cent. of the workers, far more than are employed in any other branch of manufacture, are occupied in the making of clothes, but they are scattered among a great number of small undertakings.

With few exceptions, the only factories of any considerable size are some of those where wooden articles, such as agricultural implements, tool handles, &c., are produced: in 1907 one of these had nearly 600 hands and ten others more than 200 each.

The industry of which the total output, according to the monetary estimate, is of the highest value, as will be seen from the figures tabulated below, is the manufacture of alimentary products: there is an important sugar factory at Osijek, where 700 men and women are employed and the annual output is 8,600 metric tons.

Chemical and metallurgical works are nearly all small; and, while there are numerous distilleries, they are apparently insignificant peasant enterprises, the average quantity of alcohol which each produces yearly being only 18½ gallons. There are also a good many small breweries and flour mills.

Apart from actual forestry work, there are various forms of industry which owe their existence to the forests. Reference has already been made to the factories for woodware. The sawmills give employment to 3,000 workers. In the forests themselves are

some half a dozen factories for the production of tannin from waste oak, at which the annual output is from 1,500 to 2,000 tons. In recent years the manufacture of bent-wood (beech) furniture has been started.

The peasants spin and weave in their own homes, making carpets and, in the eastern Komitats, thick silk and cotton tissues of oriental pattern. Some of these goods find their way to the markets, but it would seem that the greater part are reserved for the personal use of the makers and their families.

According to a report of the Zagreb Chamber of Commerce, published in 1909, the industrial situation was most unsatisfactory. Bad harvests, political unrest, scarcity of money and want of confidence had, in combination with the American crisis, caused the small industries to languish and impeded the development of the large ones. And although in 1911 there was a slight improvement, in 1913 everything again suffered in consequence of the Balkan Wars. Both large and small industries are greatly hampered by the want of charcoal, the high price of imported labour and of raw material, the difficulty of transport, and especially the tariffs on the State railways.

The aggregate value of the production of the larger factories in 1912 was as follows:—

	£
Alimentary products	2,908,750
Artistic reproductions and works of art	85,458
Chemicals	541,125
Clothing	49,416
Iron and metal	86,666
Leather, bristle, hair, and feather ...	448,791
Machinery and power	77,958
Paper	161,083
Stone, earth, clay, and glass	806,500
Textile	557,833
Wood and bone	1,328,333
Total	**7,051,913**

(6) Power

In the mountainous districts of Croatia-Slavonia there are reserves of water power which are utilised to a certain extent and if properly developed would in a measure compensate for the lack of coal. In the region of Plitvice alone there are about 15 mountain lakes and cascades of as much as 250 ft. capable of utilisation, but so far these have not been exploited, though before the war a French society was making researches with a view to discovering utilisable sources of power.

Of 52,000 horse-power used in the larger factories, 38,000 was generated by steam, 3,000 by gas or oil, 5,000 by water, nearly 4,000 by electricity, and a small quantity by other motors.

(C) COMMERCE

(1) Domestic

(a) *Principal Branches of Trade*

The wants of the people are very few, and in the country districts most of the daily necessaries of life are supplied by the peasants themselves. The simple farm implements, household furniture and utensils are chiefly made at home by the peasants, who are particularly skilled in the manufacture of all kinds of wood and carved wares and usually occupy themselves in this way during the winter months. When the household needs have been supplied, the surplus is sold in the towns.

(b) *Towns, Markets and Fairs*

At Zagreb, besides the daily sale of country produce by the peasants, who set up their stalls in the principal thoroughfares and squares of the town, three cattle fairs are held yearly, and there are also three held at

Vinkovci, the same number at Mitrovica, six at Koprivnica and nine each at Velika Gorica and at Križevci. The business transacted on these occasions is considerable. Križevci is the principal centre for cattle, and the usual number sold is 7,000 or 8,000. Horses are brought to all the fairs, and from 500 to 1,000 commonly change hands. The main markets for sheep and pigs are Mitrovica and Vinkovci.

(c) *Organisations to promote Trade and Commerce*

In 1913 the following economic associations existed in Croatia-Slavonia:—

the Croato-Slavonian Economic Society of Zagreb, which was founded in 1841 and reorganised in 1907 and is the centre of 99 co-operative societies;

the Economic Consortium, a union of 98 co-operative societies;

the central league of 254 Croatian peasant co-operative societies at Zagreb, which was founded in 1910 and has 36,000 members;

the union of 354 Serbian co-operative societies at Zagreb, founded in 1897;

the Croato-Slavonian Economic Society of Osijek, a union of 76 different co-operative societies, founded in 1911;

97 professional, industrial and agricultural associations, of which several were savings and credit societies for employees only: of these 19 were founded between 1871 and 1900 and the rest between 1901 and 1913.

It is possible that there is a certain amount of overlapping in this classification.

(d) *Foreign Interests and Penetration*

If regarded as an integral part of Austria-Hungary, Croatia-Slavonia may be said to be almost entirely free

from foreign economic influences. From the separatist point of view, on the other hand, it is permeated with them. While, that is to say, very little capital from outside the Dual Monarchy has been invested in the country, not only are its industries largely under Magyar-German-Austrian control, but for the formation of new enterprises sanction has to be obtained from the Government at Budapest, which is accused of using every effort to induce prospective merchants to instal their business in Hungary itself rather than in Croatia.

(2) Foreign

Croatia-Slavonia being treated for purposes of commerce as one with Hungary, no separate statistics of an official nature are published, and in the absence of customs barriers between the various constituents of the Austro-Hungarian Empire the difficulty of ascertaining the movements of goods between different parts must obviously be great. Such statistics as exist emanate from Croato-Slavonian sources; and, as they appear to contain flagrant inconsistencies, it would be unwise to attach too great an importance to them.

(a) *Exports*

Live-stock forms by far the most important export of the kingdom, and it is clear from the percentages for the different komitats that a good deal of the breeding is definitely for export purposes. Thus Bjelovar-Križevci exports 25 per cent. of the cattle it raises; Zagreb 16·4 per cent. of the horses; Varaždin 36·5 per cent. of the pigs; and Zagreb again 20·4 per cent. of the sheep and goats. The value of these exports is considerable, but no particulars as to their destinations are available.

The great bulk of the export of other commodities is to other parts of the Empire. Much the most impor-

tant is wood; next come cement and leather, then textiles, fats, chemicals and alimentary products; lastly, spirits, sugar, beer and metals. The only exports of any importance to countries outside the Austro-Hungarian union are wood to Germany and Italy, with lesser amounts to France, Great Britain, Belgium, Switzerland and Serbia; leather to Great Britain, with lesser quantities to Germany, Italy and Bulgaria; textiles and spirits to Germany; and cement to Bulgaria. As regards trade within the Empire, it may be noted that the great bulk of the chemicals and cement go to Hungary, fats and alimentary products to Austria, the greatest proportion of wood and textiles to Hungary, and of leather to Austria; spirits are more evenly divided between Austria, Hungary and Bosnia-Herzegovina, while the minor exports, paper and metals go almost exclusively to Hungary, sugar and beer to Bosnia-Herzegovina. This at least was the distribution in 1912, when the total of the more considerable exports was reckoned at about £3,224,000 exclusive of live-stock, of which total £208,333 worth was exported by way of Fiume.

(b) *Imports*

The import trade of Croatia-Slavonia, so far as goods of any importance are concerned, is even more closely confined to the Empire than are the exports. Germany supplies a certain quantity of chemicals, and Germany and Serbia certain fats. The only considerable imports consist of corn and textiles from Hungary, and lesser quantities of sugar-beet, leather, spirits and fats. The chief Austrian imports are textiles and leather, though in each case the value is less than that of the Hungarian imports. A certain amount of wood comes from Bosnia-Herzegovina.

Customs and Tariffs.—In all matters relating to customs and tariffs, including commercial treaties, Croatia-Slavonia is regarded as part of Hungary.

(D) FINANCE

(1) Public Finance

Under the terms of the Nagoda (1868), 45 per cent. of the revenue of Croatia-Slavonia was reserved for the expenses of internal administration, while the remaining 55 per cent. was to be paid to the joint treasury at Budapest under the head of contributions to mutual interests, represented chiefly by the railways and postal system. It was at the same time guaranteed by the Hungarian Government that the sum retained by Croatia should not be less than 2,500,000 gulden, and in 1873, as compensation for the annexation of Fiume, this guaranteed minimum was raised to 3,500,000 gulden. The increase in 1889 of their contribution to the common fund to 56 per cent. of their revenue, however, caused great dissatisfaction among the Croatians, who are also inclined to allege that, since accounts are only kept at Budapest and are not even checked by the authorities at Zagreb, the annual assessment is not honestly made. On the other hand, the reserved revenue of Croatia is constantly and increasingly inadequate to the expenditure of the country, and the deficiency is met by Hungary without hope of reimbursement. The arrangement made in 1889 was reaffirmed in 1906.

(2) Currency

The currency is identical with that of Hungary.

(3) Banking

The credit of Croatia is largely dependent on the Austro-Hungarian Bank, which has branches at Zagreb, Osijek and Zemun; and it is therefore immediately affected by financial conditions in Austria. For instance, the effects of the crisis of 1873 were profoundly felt and have not yet altogether disappeared. There has, however, been a marked improvement in recent years, and a notable increase in the number of

banking institutions and the amount of deposits. "The two great features of Croatian banking at the present time are, on the one hand, owing to cheap money, a somewhat feverish activity in founding new banks, and, on the other hand, a growing movement in the direction of concentration."[1]

The most important of the local joint-stock banks is the Croatian Discount Bank at Zagreb, founded in 1868, which has a capital of 8,000,000 kr. Of the savings banks, which "are industrial rather than benevolent associations, receiving money deposits for use in safe banking business,"[2] the chief is the First Croatian Savings Bank (capital 6,000,000 kr.), which, illustrating the tendency towards concentration above noted, has absorbed a number of smaller concerns.

There are also a large number of credit associations, the main business of which is to furnish money to the peasant proprietors, especially in connection with the breaking up of the *zadrugas* (see p. 54), and to negotiate mortgages and bills of exchange.

Quite recently the establishment of two new banks at Zagreb has been announced: (1) the Kroatische Handelsbank A/G, formed with the co-operation of a number of credit institutions, Austrian, Hungarian and Bosnian, for the purpose not only of transacting ordinary banking business but also of financing industrial and commercial enterprises;[3] (2) the Kroatisch-Böhmische Industrie Bank, with a capital of 10,000,000 kr.[4]

The following tables show the numbers of joint-stock banks, savings banks, and co-operative associations in various years from 1870 to 1913, and the sums of money dealt with under various headings from 1880 to 1913. These tables are taken from the *Statistischer Atlas der Königreiche Kroatien und Slavonien* (1875–1915), compiled by Dr. R. Signjar and published at Zagreb.

[1] G. Drage, *Austria-Hungary* (1909), p. 471.
[2] *Ibid.*
[3] *Algemeen Handelsblad*, September 3, 1918.
[4] *Fremdenblatt*, July 6, 1918.

The figures given in this work are only to be accepted with caution, but there does not seem to be any particular reason for doubting their substantial accuracy in the present instance.

Year.	Banks.	Savings Banks.	Credit Co-operative Societies.	Total.
1870	2	8	4	14
1880	5	33	18	56
1890	7	41	46	94
1900	19	75	148	242
1905	33	97	642	772
1910	52	137	744	933
1913	61	146	832	1,039

Year.	Working Capital and Shares.			Reserve Fund.			Savings Bank Deposits.		
	£	s.	d.	£	s.	d.	£	s.	d.
1880	220,833	6	8	250,000	0	0	1,500.000	0	0
1890	416,666	13	4	416,666	13	4	2,333,333	6	8
1900	1,458,333	6	8	458,333	6	8	3,750,000	0	0
1905	2,000,000	0	0	791,666	13	4	6,333,333	6	8
1910	3,541,666	13	4	1,291,666	13	4	9,270,333	6	8
1913	5,208,333	6	8	1,458,333	6	8	11,291,666	13	4

Year.	Bills of Exchange without Risk.			Mortgages.			Loans with Guarantee.		
	£	s.	d.	£	s.	d.	£	s.	d.
1880	916,666	13	4	416,666	13	4	83,333	6	8
1890	1,333,333	6	8	666,666	13	4	166,666	13	4
1900	2,916,666	13	4	2,291,666	13	4	333.333	6	8
1905	4,916,666	13	4	3,250,000	0	0	1.033,333	6	8
1910	8,166,666	13	4	4,791,666	13	4	1,500,000	0	0
1913	8,270,333	6	8	6,395,833	6	8	1,583,333	6	8

FIUME

(1) Development on Land

As soon as the Hungarian Government had obtained what, from the Magyar point of view, constituted definite possession of Fiume (1868), they took steps to enhance the economic value of their acquisition by adding both to its harbour accommodation and to its means of communication with the interior; and although the development of neither of these has been altogether adequate, the commercial history of the town may be regarded as starting from 1870.

(a) *Railways*

At that date Fiume was only accessible by a single line of railway from St. Peter on the Trieste–Laibach stretch of the Austrian Südbahn, so that its land traffic was entirely in the control of Austria and at the mercy of the rivalry of Trieste; but in 1875 a line was built to connect the town with Zagreb, *viâ* Ogulin and Karlovac, and thence with Budapest. The gradual passing of practically the whole railway system of Hungary into the hands of the Hungarian Government has been of great advantage to Fiume, which has also benefited by a scale of freight charges designed to encourage the foreign trade of the kingdom. The approach to the town, however, is difficult for heavy traffic by reason of the configuration of the hinterland. The old line to St. Peter, ascending 1,895 ft. in the 39 miles of its course, is the easier of the two. But the line to Zagreb is naturally the more used, and this, within twenty miles of the coast, climbs the Karst hills to a height of 2,745 ft., rendering necessary the use of specially constructed locomotives. By these natural obstacles the capacity of Fiume to become the clearing-house of the whole of the sea-borne trade of Austria-Hungary, in the event of Trieste passing into the hands of Italy, would inevitably be limited.

A more striking if more easily remedied disadvantage under which the town suffers is the absence of direct railway communication with the south-east. At present it receives a fair percentage of the goods exported from Bosnia and Herzegovina; but the extension of the railways of these provinces (sanctioned in 1912,[1] in spite of determined opposition at Budapest), the development of the Dalmatian ports, and the linking of the Bosnian lines with Spalato, would inevitably cause a diversion of traffic which, in the event of the creation of an independent Jugo-Slav state, not including Fiume, might amount to a virtual boycott.

(b) *The Port*

On the improvement of the port itself it is estimated that the Hungarian Government spent 75,000,000 kr. between 1871 and 1913. The total quay length is now 6 km., providing accommodation for 40 large and small steamers and 120 sailing ships; but this is admittedly insufficient for the actual traffic. The principal harbour is the Porto Grande (begun in 1847 as the Porto Nuovo), which has a quay length of over 3 km., and is protected by the Maria Theresa mole and breakwater and five lesser moles. There are also smaller harbours for sailing vessels, for timber, and for petroleum. A floating dock and a dry dock have recently been constructed, and at the termination of the railway, which comes right down to the water's edge, there are large storehouses and grain-elevators. Although there is a complete equipment of cranes, it appears that most of the loading and unloading is done by hand.

(c) *Local Industries*

Fiume is the head-quarters of the Whitehead Torpedo Works; and the "Danubius" Society, which builds almost exclusively for the Austro-Hungarian

[1] For details of this railway extension see *Bosnia and Herzegovina*, No. 12 of this series, pp. 36 *et seq.*

navy, has its shipyard there. The only other ships built in Hungarian yards are a few fishing smacks and an occasional yacht.[1]

In the town itself and along the coast towards Abbazzia there are many industrial works, mostly of recent construction: petroleum and rice refineries, starch, tobacco, chocolate, paper and macaroni factories, chemical works, and tanneries. Fiume is thus able to furnish a small share of the merchandise exported from its harbours, and to convert a certain proportion of the raw materials which it imports into manufactured articles.

Wine is made in the neighbourhood of Fiume, where the warm climate and stony soil are favourable to vine-growing; and there is good fishing in the Gulf of Quarnero and a considerable trade in tunnies with Venice and Trieste.

(2) Development of Shipping

(a) *Government Subsidies: Development of Shipping Companies*

At the date (1868) of the acquisition of Fiume by Hungary the Hungarian mercantile fleet consisted of one steamer of 95 tons and 386 sailing vessels. The total tonnage was 82,158 and the number of seamen 2,340. The development of traffic at the port was at first secured by subsidies to the Austrian Lloyd (1871) for voyages between Fiume and the East, and to a Liverpool line (Glynn & Co., 1871 and 1878) for voyages between Fiume and Liverpool, *via* Italian ports. By a reversion to the same policy, the Cunard Line (with the assistance of the "Adria") was subsidized in the years 1903-8 to run a service to North America. Since 1880, however, and in particular since

[1] Between 1891 and 1913, 33 vessels of 3,985 tons were built for Hungarian account in Austria and 74 vessels of 130,360 tons in Great Britain.

1891, when the payments to the Austrian Lloyd ceased in consequence of allegations of discrimination in favour of Trieste, Hungarian Government subsidies have been mainly devoted to developing the services of Hungarian steamship companies. The policy of securing an outlet by sea for Hungarian trade on Hungarian ships was fostered, not merely by the desire to be independent of foreigners, but also by the protective customs and railway policy of Germany.

The first subsidized Hungarian company, the Royal Hungarian Sea Navigation Company "Adria," was formed in 1881 by the conversion into a Hungarian company of an Austro-British foundation, the Adria Steamship Company. Its sphere of operations is the West European and North and South American traffic; and, under the agreement with the Austrian Lloyd mentioned below, it may also sail to the Black Sea. The annual subsidy drawn before the war is stated to have been 4,600,000 kr.[1] In 1891 a second newly-founded company, the Hungaro-Croatian Sea Navigation Company, was subsidized to take up the Fiume–Dalmatia–Istria service, which was abandoned by the Austrian Lloyd. This company, on the renewal and increase of its subsidy in 1901, took over a Fiume–Venice–Ancona service, which had been provided for since 1891 by a subsidy to the firm of Leopold Schwartz. The total annual payment for both services was 590,000 kr., but the contract expired at the end of 1916. Finally the Hungarian Levant Steamship Company (founded 1897) received in 1898 a contract for a subsidized service with Galatz, Constantinople, and the Black Sea, to be extended at the option of the Government to Alexandria with calls at ports in Asia Minor and Syria, and to Patras with calls at Turkish and Greek ports, although until 1906 part of the trade was reserved for the Austrian Lloyd, to which a corresponding proportion of the subsidy had to be surrendered. In 1911, the Levant Company further undertook to

[1] Statement of Hungarian Minister of Finance, *Die Zeit*, July 6, 1916.

make eight voyages yearly to Australia *viâ* the Suez Canal and Colombo. The annual subsidy drawn before the war was 1,590,000 kr.[1] This development of native undertakings has placed in Hungarian hands the control of the greater part of the sailings to the West. The eastward traffic, on the other hand, remained to a large extent in the hands of the Austrian Lloyd, which has continued under obligation to visit Fiume under agreements delimiting its sphere of operations and that of the "Adria." The terms of the agreement of 1908 are unfavourable to Fiume, as the calls at that port need take place only before departure from and after arrival at Trieste, and are thus dependent upon the company's arrangements in respect of the rival Austrian port. This is a matter of importance, as rather more than 60 per cent. of the sea-borne trade of Hungary is with the Eastern Mediterranean and British India.

Reference is made in the next paragraph to the chief non-subsidized Hungarian shipping companies.

(b) *Shipping Lines*

According to Lloyd's Register for 1918–19, the following are the number of vessels and the gross tonnage comprised in the fleets of the principal subsidized Hungarian shipping companies:

Company.	No. of ships.	Gross Tonnage.
"Adria" Royal Hungarian Sea Navigation Co. ..	27	57,654
Hungaro-Croatian Sea Navigation Co. (Società in Azioni Ungaro-Croata di Navigazione Marittima a Vapore)	45	16,328
Hungarian Levant Steamship Co.	7	22,539

[1] *Ibid.*

The most important non-subsidized companies are the "Atlantica" Sea Navigation Co., which has seven steamers of 29,423 gross tonnage, and the Hungaro-Croatian Free Navigation Co. (Società in Azioni Ungaro-Croata per la Navigazione Libera), with three steamers of 11,472 tons. These companies, being "under no obligation to ply between particular ports," were stated by the U.S. Consul-General at Budapest (Report for Oct.–Dec. 1913) to have been "more successful than those which benefited by subsidies, but were obliged to confine their carrying service to certain ports."

The number of ships registered at Fiume rose from 127 in 1910 to 166 in 1913, and the net tonnage from 110,116 in the former to 142,223 in the latter year.

(c) *Traffic: Numbers, Tonnage, and Nationality of Ships*

The average number of vessels yearly arriving at and departing from Fiume rose from 6,914 for the period 1881–5 to 13,214 for 1890–5 and to 23,802 for 1901–5. In 1911, 33,981 vessels were entered and cleared, of which 97·51 per cent. were steamers and 2·49 per cent. sailing ships. In 1913 the figures were 31,381, that is to say, 27,923 steamers and 3,458 sailing ships. The tonnage entered and cleared averaged 332,062 tons from 1871 to 1875, and 2,878,330 tons from 1896 to 1900; in 1911 it was 5,986,018 tons and in 1913 6,910,434 tons. About 20 per cent. of this traffic was local, that is, confined to Austro-Hungarian ports on the Adriatic.

The greater number of the ships using Fiume naturally sailed under the Hungarian flag, which in 1911 flew over 36·2 per cent. of the imports arriving at the port and over 53·9 per cent. of the exports leaving it. Austrian ships carried 36 per cent. of the imports and 23·1 per cent. of the exports; British, 19·1 per cent. and 12·6 per cent.; Italian, 4·6 per cent. and 7·9 per cent., and ships of other nationalities, chiefly Greek and German, 4·1 per cent. and 2·5 per cent.

(3) Commerce

Compared with what is carried by rail or river a very small proportion (in 1913 it was 7·3 per cent.) of the import and export trade of Hungary passes through Fiume. Of the total commerce dealt with at the port, Austria provides 17 per cent. of the exports and takes 15 per cent. of the imports. The balance is practically all Hungarian, except 2·8 per cent. of the exports, which come from Bosnia; but Bosnia sends more goods to Trieste for shipment than to Fiume, because the services available from Trieste are better.

(a) *Exports*

In normal times by far the most important articles exported are sugar and timber, though the figures for 1912, compared with those for 1911, show a decided increase in respect of several other commodities, notably corn, flour, beans, and magnesite.

Of the sugar 99 per cent. is grown in Hungary and the greater part goes to the United Kingdom, the second largest receiver being British India. In 1912, out of a total export valued at 98,100,000 kr., the share taken by the United Kingdom was worth 43,400,000 kr., and that of British India 42,000,000 kr., while Turkey took nearly two-thirds of the remainder. The figures for 1912 show a remarkable advance on those for previous years.

Of the timber 82 per cent. comes from Hungary (representing 36 per cent. of the total Hungarian timber export) and consists chiefly of fir and beech from Croatia, and oak, ash, beech, chestnut, poplar, and walnut from Slavonia. The remaining 18 per cent. is supplied by Austria and Bosnia. Italy takes about half, and France a third part of the balance. Most of the oak goes to France and England, the beech to Italy and Spain, and the pine to Sicily, Africa and Greece.

Among the minor exports are natural mineral waters, which for the most part go to England and the United States, and tannin (oak extract), which is practically all taken by England.

The weights in round numbers of the principal articles exported in 1911 and 1912, together with the average for five years, are given by H.M. Consul at Fiume, in his report for 1912, as follows:

Articles.	Weight in 1,000 metric tons.		
	1911.	1912.	Average, five years.
Beans	25	36	38
Cement	12	9	11
Cereals—			
Flour	58	67	57
Wheat	17	17	18
Barley	10	14	16
Maize	40	46	39
Oats	7	10	8
Rice, shelled	28	16	15
Magnesite	46	54	44
Paper, cellulose	16	18	16
Petroleum	11	10	13
Sugar	142	313	185
Timber—			
Oak, beech and fir—			
Staves	18	20	19
Squared	22	20	27
Sawn timber	206	215	187
Oak extract	11	9	11
Sleepers	35	38	35

During the same period the total value of exports, distributed among the countries of destination, was as follows:

Country of Destination.	Value in £1,000.		
	1911.	1912.	Average, five years.
British Empire	1,759	2,980	2,080
Austria-Hungary	2,323	2,590	2,192
Italy	1,083	1,510	1,106
United States	500	652	553
France	437	607	489
Turkey	371	507	465
Germany	314	680	219
Egypt	166	310	195
Portugal	158	270	185
Netherlands	144	170	166
Spain	145	98	124
Belgium	114	70	113
Brazil	36	75	69
Greece	36	66	48
Argentina	24	40	28
Tunis	17	25	15
Japan	7	33	11
Russia	12	10	22
Rumania	4	12	8
Other countries	95	170	92
Totals	7,745	10,875	8,180

(b) *Imports*

The principal imports are cereals and textile raw materials.

The cereal import fluctuates with the Hungarian harvest and consists mainly of rice from British India, more than half of which is forwarded by rail to Austria: this forms the largest portion of the Indian trade with Fiume. There was a large increase in the import of maize in 1912.

The textiles (cotton from the United States, British India, and Egypt, and jute from British India) are sent in large quantities to Austria and Germany, whence they are returned to Hungary as manufactured goods.

Leaf tobacco is imported from Turkey and, in much smaller quantities, from the United States, and manufactured tobacco from Egypt. The export of tobacco is, however, larger than the import.

The chief imports from the United Kingdom are coal, hardware, and machinery. A considerable quantity of phosphates is sent from Christmas Island *via* India.

The principal imports in 1911 and 1912 and the five years' average, according to H.M. Consul, were:

Articles.	Weight in 1,000 metric tons.		
	1911.	1912.	Average, five years.
Asphalt	15·5	17	11
Cement	36	30	26
Coal	158	145	182
Cotton—			
Raw	9	9	10
Goods and yarn..	1·3	2	1
Fruit	16	16	15
Jute	17	15	15
Maize	32	96	32
Oil seeds..	29	21	23
Phosphates	82	92	72
Pyrites	10	13	12
Rice	129	116	120
Sulphur	11	12	10
Wine	24	37	35

The total value of imports from different countries in these years was:

Country of Origin.	Value in £1,000.		
	1911.	1912.	Average, five years.
British Empire	2,938	2,982	2,286
Austria-Hungary	1,172	1,450	1,187
United States	1,112	1,191	1,074
Italy	627	900	558
Turkey	242	540	295
France	284	214	260
Rumania	230	223	115
Argentina	172	557	248
Germany	138	190	186
Egypt	176	190	153
Brazil	108	104	77
Chile	57	80	88
Spain	70	120	68
Russia	83	10	89
Tunis	43	70	40
Greece	47	47	41
Netherlands	19	56	30
Japan	34	15	31
Belgium	17	21	24
Portugal	7	1	3
Other Countries	130	46	82
Totals	7,706	9,007	6,935

(4) General Progress and Prospects

In the early years of Hungarian control the commerce of Fiume expanded at a rate which was not subsequently maintained. Its sea-borne trade, which averaged 100,000 tons during the years 1860–9, almost doubled in the next decade and in the 'eighties sprang to an average of 602,000 tons. No other European port could boast a proportionate development. The average for 1890–9, however, which was 955,000 tons, showed

a distinct slackening of progress. After ten years of steady progress a period of stagnation had set in about 1888, and, though there was a big jump upward in 1893, a corresponding drop occurred a few years later. Nevertheless, in the last thirty or forty years of the nineteenth century the commerce dealt with at the port had increased by 855 per cent., and only Hamburg, with an increase of 843 per cent., could boast a comparable record. The growth of the trade of Trieste during the same period had only been 100 per cent., and whereas the share of Fiume in the trade of the seven ports of Trieste, Fiume, Venice, Genoa, Marseilles, Bremen, and Hamburg had risen from 1·8 to 3·9 per cent., that of Trieste had fallen from 11·3 to 5·2 per cent.

During the present century the trade of Fiume has shown a fairly constant upward tendency. The figures for 1913 were 2,097,000 tons, which represented an improvement of 119 per cent. on the average figures for 1890–9; but during the same period Bremen, Trieste, Hamburg, and Venice had all made appreciably greater progress. Trieste could claim an increase of 171 per cent. and a share of 5·8 per cent., instead of 5·2 per cent., in the trade dealt with by the seven ports previously named. Fiume's share in that trade, on the other hand, had diminished by 0·1 per cent.

There is, however, no cause to conclude that the fortunes of Fiume are on the wane. In the first part of the period under review its development was necessarily abnormal, being the result of a special and deliberate effort to convert a town which had hitherto been quite insignificant into the principal port of a large and progressive country. Moreover, for reasons both geographical and political, this development was bound to be to some extent at the expense of Trieste, which had only been making the steady advance appropriate to an established and healthy centre of commerce. As soon, however, as Fiume had, to a considerable extent, made up the ground lost by its late arrival in the field, and its state

of evolution had been approximated to that of Trieste, the Austrian port began to profit by the advantages which it still possessed, its greater wealth and its better railway system, and, stimulated by the spirit of rivalry and backed by the powerful favour of the Austrian Lloyd, to reassert its ascendency. This is merely a natural reaction which, while disappointing to those who hoped to see Fiume the first port of the Adriatic, in no way precludes the continued progress of the Hungarian port.

APPENDIX

ARTICLES OF THE HUNGARIAN CONSTITUTION DEFINING THE RELATIONS OF HUNGARY TO CROATIA-SLAVONIA[1]

I. Article XXX of 1868 (The Nagoda)[2]

An agreement having been reached between the Parliament of Hungary on the one hand and the Sabor[3] of Croatia, Slavonia, and Dalmatia on the other hand, with regard to composing by a joint enactment the constitutional questions at issue between them: this agreement, after being also confirmed, enforced, and sanctioned by His Imperial and Apostolic Royal Majesty, is hereby inarticulated as a joint fundamental law of Hungary and of Croatia, Slavonia, and Dalmatia, in the following terms:—

Since Croatia and Slavonia have alike *de jure* and *de facto* belonged for centuries to the Crown of St. Stephen, and since it is laid down in the Pragmatic Sanction also, that the lands of the Hungarian Crown are indivisible from one another: Hungary on the one hand, and Croatia and Slavonia on the other hand, have upon this basis concluded the following agreement with a view to composing the constitutional questions at issue between them:—

§ 1. Hungary and Croatia, Slavonia, and Dalmatia form one and the same state complexity, alike towards the other territories under His Majesty's rule and towards other countries.

§ 2. From this unity and coherence as a state it follows that the King of Hungary and of Croatia, Slavonia, and Dalmatia is crowned with one and the same Crown and with one and the same coronation ceremony, and that for all territories under the Crown of St. Stephen a joint Coronation Diploma is drawn up and published in the Joint Parliament of these territories.

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[1] The translated texts and annotations which follow are taken, with corrections, from Dr. R. W. Seton-Watson's *The Southern Slav Question and the Habsburg Monarchy* (1911), pp. 361, etc.

[2] The subsequent modifications of particular clauses are inserted or indicated in square brackets.

[3] For the sake of clearness in this translation the word "Sabor" is used to denote the Croatian Diet, the word "Parliament" to denote the Hungarian Parliament; in the original, the same word is used for both.

The original of this Coronation Diploma, meanwhile, is in addition to the Magyar text to be drawn up in the Croat language also, and in it also the integrity and provincial constitution of Croatia, Slavonia, and Dalmatia are to be guaranteed.

The Coronation Diploma of the year 1867 is also to be drawn up (now after the event) in the original Croat text and to be sent as soon as possible to the Sabor of Croatia, Slavonia, and Dalmatia.

§ 3. From the above-mentioned indivisible unity of state it further follows that—in respect of all affairs which are common to all the territories of the Hungarian Crown and to the other territories of His Majesty, or which are disposed of by joint agreement —Hungary and Croatia, Slavonia, and Dalmatia must possess one and the same representation and legislature, as also, as regards the executive power, a Joint Government.

§ 4. Croatia, Slavonia, and Dalmatia recognise as valid and binding Article XII of the Hungarian Parliament of 1867, which defines the joint affairs existing between the territories of the Crown of St. Stephen and the other territories of His Majesty, or the affairs which are not actually joint, but are to be disposed of by joint agreement, and also the manner in which such affairs are to be administered: and in the same way the agreements which have already come into effect on the basis of this law, especially Articles XIV, XV, and XVI of 1867; but under the express condition that in future similar fundamental laws and agreements can only come into effect subject to the legal participation of Croatia, Slavonia, and Dalmatia.

The fundamental law mentioned in this paragraph, as also the Articles quoted, are to be now after the event drawn up in Croat original text and to be sent as soon as possible to the Croatian-Slavonian-Dalmatian Sabor for promulgation.

§ 5. Apart from those subjects which are common to the territories of the Crown of St. Stephen and to the other territories of His Majesty, there are also other affairs which are of common interest to Hungary and to Croatia, Slavonia, and Dalmatia, and regarding which the joint character of legislature and government is by this agreement recognised as necessary for all territories of the Hungarian Crown.

§ 6. Such a joint affair of all territories of the Crown of St. Stephen is above all the adoption of the expenses of the Civil List.

§ 7. A further joint affair is the sanction of recruiting, the legislation on the Army system and liability to military service, and control of the quartering and victualling of the Army. In these respects, however, the following provision is made for Croatia, Slavonia, and Dalmatia:—

(*a*) Out of the contingent of recruits which has to be sanctioned jointly, the portion falling to Croatia, Slavonia, and Dalmatia is fixed according to the proportion of the total population: but it goes without saying that if the pre-

vailing system of defence be revised, the details of the new system which is to be enforced will be applied to Croatia, Slavonia, and Dalmatia also;

(*b*) The recruits falling to the share of Croatia, Slavonia, and Dalmatia will be enlisted in the regiments of these territories;

(*c*) At the enlistment consideration will be had for the category to which the recruits are best suited, and the recruits of the sea coast will be for the most part assigned to the Navy.

§ 8. The financial system is a joint affair between Hungary and Croatia, Slavonia, and Dalmatia, alike in respect to legislation and administration, in the manner described below. Consequently the Joint Parliament for all territories of the Crown of St. Stephen is entrusted with the regulation of the whole system of taxation; the ratification of direct and indirect taxes, both with respect to the categories of taxation and to tax-assessments; similarly the calculation, manipulation, and collection of taxes; the introduction of new taxes; the ratification of the joint budget proposals, as also the examination of balances respecting the joint expenditure; the contracting of new State debts or the conversion of already existing debts; the administration, conversion, burdening or sale of immovable State property; control over monopolies and royalties (*jura regalia majora*) and generally all provisions relating to any financial matter common to all territories of the Crown of St. Stephen. This holds good in respect of the sale of Croatian-Slavonian State lands [*under which State forests are also included*, § 2, Article XXXIV, 1873], with the limitation that the Sabor of Croatia, Slavonia, and Dalmatia is also to be heard on this point, and that without its approval such a sale may not take place. With regard to all these affairs the joint financial executive—which is exercised by the Royal Hungarian Minister of Finance, responsible to the Joint Parliament—extends to Croatia, Slavonia, and Dalmatia also.

§ 9. Joint affairs of all territories of the Hungarian Crown are coinage—metal currency—and the banknote system; further, decisions as to minting and the general monetary standard; examination and approval of commercial and State treaties, such as equally affect the territories of the Crown of St. Stephen; provisions respecting banks, institutions of credit and insurance; concessions; weights and measures; the protection of patents and trademarks, official stamps,[1] the rights of literary and artistic property; sea law, commercial law, the law of bills of exchange and mining law; and generally matters of commerce, customs,

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[1] *I.e.*, the stamping of hallmarks, &c.

telegraphs, post office, railways, harbours, shipping, and those roads and rivers which jointly concern Hungary and Croatia, Slavonia, and Dalmatia.

§ 10. With regard to the regulation of trade matters, including hawking, likewise with regard to societies which do not exist for public gain, and also with regard to passports, frontier police, citizenship, and naturalization, the legislation is joint, but the executive in respect of these affairs is reserved to Croatia, Slavonia, and Dalmatia.

§ 11. Croatia, Slavonia, and Dalmatia recognise that they are bound to contribute in proportion to their taxable capacity, to those expenses which are involved on the one hand by those affairs which are recognised as common between the territories of the Hungarian Crown and the other territories of His Majesty, and on the other hand by the affairs described above as common between all territories of the Hungarian Crown themselves.

§ 12. This proportion is—according to the same data, on the basis of which the proportion to be contributed by the territories of the Hungarian Crown to the expenses of the affairs common to them and the other territories of His Majesty was fixed for 10 years—for the like period

for Hungary 93·5592201 per cent.,
for Croatia and Slavonia 6·4407799 per cent.

[*For revision of this, see below*, pp. 91, 93.]

§ 13. Since, however, the total net income of Croatia and Slavonia could at present only cover the sum which according to the standard of taxable capacity contained in the preceding paragraph would fall to the share of these countries out of the expenditure for joint affairs, only in the event of these countries making over the greater part of the sum required for their internal administration; Hungary, having regard to the renewal of the fraternal relation which subsisted for centuries between it and Croatia and Slavonia, willingly agrees that at the very beginning a fixed sum, which is to be fixed from time to time by an agreement for the costs of internal administration of these countries, shall be deducted, and that the sum which remains over after satisfying the needs of the internal administration shall be employed for the expenses involved by joint affairs.

§ 14. On the basis of the principle laid down in the preceding paragraphs the following financial arrangement has been reached between Hungary on the one hand and Croatia and Slavonia on the other hand:—

§ 15. The needs of internal administration of Croatia and Slavonia are fixed at 2,200,000 florins for these ten years during which the existing agreement between the territories of the Hungarian Crown and the other territories of His Majesty lasts.

§ 16. This sum is above all covered by 45 per cent. of the

direct and indirect taxes and other public sources of income of Croatia and Slavonia; that is, out of the total income of those countries 45 per cent. are paid over to whatever provincial or municipal bank the legislature or government of these countries[1] shall request.

§ 17. Fifty-five per cent. of the total income of Croatia and Slavonia are assigned to the Joint Treasury to cover the joint expenses.

[*By* § 3, Article XXXIV, 1873, *these paragraphs* (§§ 15, 16, 17) *and also* §§ 25 *and* 26 (*see below*) *were repealed and superseded by the following provision*:—

The needs of the internal administration of Croatia-Slavonia, from January 1, 1873, for the period during which the agreement concluded between the territories of the Hungarian Crown and the other kingdoms and territories of His Majesty concerning the proportional contribution to the cost of joint affairs lasts, are in the first place covered by 45 per cent. of the direct and indirect taxes and other public sources of income of Croatia and Slavonia; that is, out of the net public income of these countries 45 per cent. are paid over to whatever Croatian-Slavonian provincial or municipal bank the Legislature or Government of these provinces shall request.

Fifty-five per cent. of the total income of Croatia and Slavonia are assigned to the Joint Treasury to cover the joint expenses.

The 45 per cent. of the total income of Croatia and Slavonia are reckoned in this manner, that from the total direct and indirect taxes of Croatia and Slavonia, from the income of the State lands in Croatia and Slavonia, and from other public sources of revenue only such disbursements are deducted as are connected with the calculation and collection of taxes—in which the cost of the joint financial administration is not included—with the administration of State lands, with the collection and direct manipulation of indirect taxes, monopolies, and other public sources of revenue.

For the modification of § 3, Article XXXIV, 1873, *see* § 4, Article XL, 1889 (p. 92).]

§ 18. From those sources of income which are, in accordance with §§ 16 and 17, to be divided between the demands of Croatia and Slavonia's internal administration and the joint expenses, are excluded the following:—

(*a*) Octroi taxes on wine and meat, which can in future also be used in Croatia-Slavonia to cover communal expenses, according to the practice which has hitherto prevailed.

(*b*) The income from further Custom dues, in accordance with Article XII of 1867.

[*See* Article X, 1906 (pp. 92, &c.]

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[1] In the Croat text *sdruzenih kraljevinah* (united kingdoms).

§ 19. Should the administrative territory of Croatia and Slavonia be increased by the actual re-incorporation of Dalmatia or by the administrative union of the Military Frontiers, the revenues of the territories united to Croatia-Slavonia will similarly be divided between the requirements of the Croatian-Slavonian internal administration and those of joint affairs, according to the scale fixed in §§ 16 and 17.

§ 20. The "additional tax" which at present exists both in Hungary and in Croatia-Slavonia, will be added to the State taxes.

§ 21. The mortgage redemption charge, however, will so far as Croatia-Slavonia are concerned continue to be administered by the Mortgage Redemption Office of these countries until the land tax redemption debt has been entirely paid off, and will be paid by the Department of Finance to the account of that office. The joint guarantee of the territories of the Hungarian Crown for this redemption debt continues in future also, and any help which may be required for this purpose will be advanced from the Joint Treasury according to the practice adopted hitherto.

[*By* Article XXVII, 1891, *this was modified as follows*:—

The annual requirement for the amortisation, payment of interest, and administration of the Croatian-Slavonian mortgage redemption debt is, until this debt has been completely wiped out, to be met from the income of the combined direct taxes and land redemption charges of Croatia and Slavonia, and the sums corresponding to this requirement are to be paid over to the account of the Croatian-Slavonian Land Redemption Office. This provision has also to be followed in the reckoning which has to be made with Croatia-Slavonia for the year 1890. A special law, in the sense of sub-sections 1 and 2 of § 5 of Article LIV, 1890, deals with the surpluses which have accrued up to December 31, 1889, out of the proceeds of the Croatian-Slavonian land redemption charges, and whose amount was fixed by joint agreement at 2,660,000 florins.

The joint guarantee of the territories of the Hungarian Crown for this land redemption debt remains in force.]

§ 22. The Royal Hungarian Minister of Finance exercises the executive in Croatia-Slavonia in respect of direct and indirect taxes, monopolies, stamps, dues, and charges, and also of the State lands through the Finance Department in Agram, which is to be appointed by him.

§ 23. Those sections of the Provincial Treasury in Agram, which deal with matters belonging to Croatia and Slavonia's autonomous sphere of influence, are in every respect subject to the control of the said countries. The balances drawn up by the said Provincial Treasury sections are, however, to be communicated to the joint Finance Minister, in order that the financial data of all

the territories of the Hungarian Crown may be compiled in their entirety.

§ 24. The autonomous Provincial Government and the executive authorities of Croatia-Slavonia are entirely ready to assist the organs of the joint Finance Minister in securing and collecting the revenues of State, and carefully comply with the legal decrees of the Finance Minister, as responsible to the Joint Parliament.

§ 25. Should the 45 per cent. of the total income in certain years not suffice to cover the requirements of the internal administration of Croatia-Slavonia, as laid down above (§ 15), then Hungary advances the balance.

§ 26. If, on the contrary, the said 45 per cent. amount to a larger sum than that which was fixed by agreement for the requirements of Croatia-Slavonia's internal administration, then the surplus is employed to cover joint expenses.

[§§ 25 *and* 26 *were superseded by* § 3, Article XXXIV, 1873, *see above*, p. 82.]

§ 27. Should, however, the revenues of Croatia and Slavonia, in consequence of increase in taxable strength, exceed that portion of the joint expenses which would fall upon them according to the standard of taxable strength contained in § 12, then the surplus is at the disposal of Croatia-Slavonia, without Croatia and Slavonia being bound to cover those sums with which they have fallen into arrears in previous years in respect to the joint expenses.

[§ 27 *was repealed by* Article X, 1906, *see below*, p. 92.]

§ 28. The statement of the revenues of Croatia and Slavonia is drawn up on the basis of the principles contained in the above paragraphs, and is submitted to the Joint Legislature of the territories of the Hungarian Crown at the same time as the statement of accounts of all the territories of the Hungarian Crown.

The statements, after being examined there, are also communicated to the Sabor of Croatia and Slavonia for its cognisance.

[*Finally revised by* § 7, Article X, 1906, *see below*, pp. 95, 96.]

§ 29. The keeping of special returns as to the revenues of Croatia and Slavonia can only come into effect after the agreement has been reached, viz., from January 1, 1869. Until the agreement has been accepted by both legislatures and sanctioned by His Majesty, the Estimates for 1867 are authoritative so far as Croatia and Slavonia are concerned, in assigning the expenses of internal administration.

§ 30. Of Croatia and Slavonia's arrears of taxation up to the end of 1867 inclusive and still claimable, 63 per cent. are to be applied for the requirements of the said countries, while 37 per cent. fall to the Joint Treasury.

§ 31. With regard to those affairs which are common between the territories of the Hungarian Crown and the other territories of His Majesty, as also with regard to those which have been described in the above paragraphs as common for the territories of the Hungarian Crown themselves, the legislative right belongs to the Joint Parliament of all the territories of the Hungarian Crown, which is to be summoned annually to Pest.

§ 32. In this Joint Parliament Croatia and Slavonia are represented, in proportion to the number of their population, by twenty-nine deputies. The town of Fiume and the Coast district are not included in this, in consideration of the reason mentioned in § 66. Should the number of the Hungarian deputies alter in course of time, the number of the deputies of Croatia-Slavonia will be fixed according to the same principles as are followed in fixing the number of the Hungarian deputies, the proportion to the population being retained.

§ 33. If the population of Croatia-Slavonia should be increased, whether by the administrative union of the Military Frontiers, or by the re-incorporation of Dalmatia, then the number of deputies of the said countries will likewise be increased in proportion to the increase of the population.

[*By* § 2, Article XV, 1881, *these* §§ 32 *and* 33 *were repealed and the following clause was substituted*:—

The number of the deputies to be sent by Croatia-Slavonia to the House of Deputies of the Joint Hungarian Parliament is for the future—beginning at the date when the population of the Military Frontiers, after their administrative union with the said countries, shall actually take its place in constitutional life—fixed at the definite number of 40, irrespective of the proportion of population. In this the town of Fiume and the Coast district are not included, in accordance with the reason adduced in § 66 of Article XXX of 1868. Should the number of members of the House of Deputies of the Joint Hungarian Parliament in general be altered by a subsequent law, then the above-mentioned number of Croatian-Slavonian members of the Hungarian House of Deputies will be altered in the same proportion in which the total number of members to be fixed by the new law will stand towards the present total number of members.]

§ 34. Croatia, Slavonia, and Dalmatia elect their deputies to the Joint Parliament from the midst of their own Sabor, for the whole period for which the mandate of the Joint House of Deputies is valid.

In the event of the Croatian-Slavonian-Dalmatian Sabor being dissolved in the interval, the deputies of Croatia, Slavonia, and Dalmatia remain members of the Joint Parliament until the newly summoned Croatian-Slavonian-Dalmatian Sabor elects new deputies.

[*To this clause the following addition was made by* § 4, Article XXXIV, 1873:—

In the said event the Sabor of Croatia, Slavonia, and Dalmatia is to be convoked within three months reckoned from the dissolution.]

§ 35. The deputies of Croatia, Slavonia, and Dalmatia exercise their right of personal expression of opinion and voting during the debating of those affairs which have been declared as common in the above paragraphs, and further they do so independently, without instructions, exactly in the same way as the other members of the Joint Parliament.

§ 36. Croatia, Slavonia, and Dalmatia also send to the Upper House of the Joint Parliament two deputies from their midst.

[*This paragraph was repealed by* § 3, Article XV, 1881, *which runs as follows*:—

Beginning from the date indicated in § 2 of the present law (*see above*, § 33), Croatia and Slavonia send to the Upper House of the Joint Parliament three deputies from the midst of their own Sabor.]

§ 37. The Magnates, as also those temporal and ecclesiastical dignitaries of Croatia, Slavonia, and Dalmatia who possessed seats and votes in the Upper House of the Hungarian Parliament previous to 1848, will in future also be members of the Upper House with equal rights, for so long as this House is not organized on a different basis.

[*This re-organization was carried out by* Article VII, 1885.]

§ 38. The joint affairs will, so far as possible, be discussed in the Joint Parliament first of all and one after the other; in any case care will be taken that the deputies of Croatia, Slavonia, and Dalmatia shall be left at least three months' time annually for the treatment of their internal affairs in their own Sabor.

§ 39. The total costs of the Joint Parliament, and consequently also the salaries and board allowance of the deputies of Croatia, Slavonia, and Dalmatia are to be covered from the Joint Treasury.

§ 40. Since the Joint Parliament of the territories of the Hungarian Crown exercises one part of its functions, namely, the fixing of the estimates for those joint affairs which are recognised as originating from the Pragmatic Sanction, through a delegation sent from its midst, there shall be elected to the Hungarian Delegation by the Joint Parliament out of the deputies of Croatia, Slavonia, and Dalmatia as many members as fall to their share according to the standard by which the said countries are represented in the Joint Parliament.

[§ 40 *was repealed by* Article XV, 1881.]

§ 41. It is consequently established that from among the deputies of Croatia-Slavonia four members are to be elected to the

Delegation from the House of Deputies, and one member from the Upper House.

§ 42. Should the number of the deputies of the Croatian-Slavonian-Dalmatian Sabor increase as a result of the extension of territory mentioned in § 33, then the number of those members who are elected to the Delegation from among the deputies of Croatia, Slavonia, and Dalmatia will be increased in corresponding proportion.

[*Repealed by* Article XV, 1881.]

§ 43. With regard to all those affairs which in Article XII of 1867 and in the present agreement have been declared as common for all territories of the Hungarian Crown—with the exception of the affairs contained in § 10—the executive power is exercised in Croatia, Slavonia, and Dalmatia also, by the Central Government residing in Budapest, through its own organs.

§ 44. From the standpoint of the representation of Croatia, Slavonia, and Dalmatia's interests, a special Croatian-Slavonian-Dalmatian Minister without portfolio is nominated for these countries as part of the Central Government residing in Budapest This Minister is a member of the Joint Cabinet Council, with the right to vote in it, and is responsible to the Joint Parliament. He likewise forms the connection between His Majesty and the Provincial Government of Croatia, Slavonia, and Dalmatia.

[*To this paragraph the following addition was made by* § 5, Article XXXIV, 1873:—

In this capacity he submits to His Majesty unaltered and without delay the reports of the Ban; and only in the event of doubts arising from the standpoint of the State community or community of interests laid down by Article XXX of 1868, and in case it should not be possible to remove these doubts after the Ban has been consulted, he submits, simultaneously but separately, to His Majesty his own remarks regarding them, or as the case may be the remarks of the Joint Hungarian Government.]

§ 45. The Central Government makes a point of acting on the territory of Croatia, Slavonia, and Dalmatia in harmony with the special Government of these countries; as, however, it is responsible for its action to the Joint Parliament, in which Croatia, Slavonia, and Dalmatia are also represented, its measures must consequently be supported by the Croatian-Slavonian-Dalmatian Provincial Government and Courts, and indeed must be directly carried into execution by them, in so far as the Central Government possesses no organs of its own.

§ 46. At the request of Croatia, Slavonia, and Dalmatia an assurance is given to these countries that the Central Government shall appoint natives of Croatia-Slavonia-Dalmatia alike to the Croatian-Slavonian departments of the central offices, and to their

organs in the territory of the said countries, so far as is at all possible, in consideration of the necessary technical training.

§ 47. With regard to all those subjects which are not reserved in this agreement to the Joint Parliament and the Central Government, Croatia, Slavonia, and Dalmatia enjoy full autonomy alike in the legislative and the executive domain.

§ 48. Consequently the autonomy of Croatia, Slavonia, and Dalmatia extends, alike in respect of legislature and administration, to matters of administration, religion, and instruction in these countries, as also to (matters of) justice, under which is also to be understood the administration of justice in every instance, with the exception of Admiralty courts.

§ 49. With regard to the requirements of the fund for religion and schools, the debts will be disposed of, so far as the past is concerned, by mutual agreement.

[*To which the following addition was made by* § 6, Article XXXIV, 1873:—

After this mutual agreement has been reached the part relating to Croatia and Slavonia will be separated from the jointly administered funds and paid over to the autonomous Government of the said countries.]

§ 50. At the head of the autonomous Provincial Government in Croatia, Slavonia, and Dalmatia stands the Ban, who is responsible to the Croatian-Slavonian-Dalmatian Sabor.

§ 51. The Ban of Croatia, Slavonia, and Dalmatia is appointed by His Imperial and Apostolic Royal Majesty, on the proposal and under the signature of the Royal Hungarian Joint Premier.

§ 52. The civil dignity of the Ban, however, is in future separated from the military, and it is established as a rule that for the future a military person may not exercise any influence upon the civil affairs of Croatia, Slavonia, and Dalmatia.

[§ 52 *was superseded by* § 7, Article XXXIV, 1873, *as follows*:—

The Ban may not possess any military position (sphere of interest).]

§ 53. The Ban in his civil position bears in future also the title "Ban of Croatia, Slavonia, and Dalmatia," and enjoys all privileges and dignities of the Banal office, which are compatible with his new position. Consequently he remains in future also a member of the Upper House of the Joint Parliament.

[§ 53 *was repealed by* § 8, Article XXXIV, 1873, *and replaced by the following provision*:—

The Ban bears in future also the title "Ban of Croatia, Slavonia, and Dalmatia," and remains a member of the Upper House of the Joint Parliament.]

§ 54. The future organization of the autonomous Provincial Government is to be fixed by the Croatian-Slavonian and Dalmatian Sabor, on the proposal of the Ban and with the sanction of His Imperial and Apostolic Royal Majesty.

§ 55. After this agreement has been sanctioned the Croatian-Slavonian Aulic Chancellory will be at once dissolved.

§ 56. In the whole territory of Croatia-Slavonia the Croatian language is the language alike of the Legislature, the Administration, and the Judicature.

§ 57. Inside the frontiers of Croatia-Slavonia the Croatian language is prescribed as the official language for the organs of the Joint Government also.

§ 58. Croatian-Slavonian applications and petitions from Croatia-Slavonia are to be accepted by the Joint Government also, and the decision respecting them is to be issued in the same language.

§ 59. It is further declared that the deputies of Croatia-Slavonia, as the deputies of a political nation possessing a special territory of its own, and of a country which in its internal affairs possesses a Legislature and Government of its own, may use the Croatian language also, alike in the Joint Parliament and in its Delegation.

§ 60. The laws enacted by the Joint Legislature for Croatia-Slavonia and Dalmatia are to be drawn up also in a Croatian original text, signed by His Majesty, and are to be sent to the Sabor of the said countries.

§ 61. Croatia, Slavonia, and Dalmatia can, within their own frontiers, in their internal affairs, use their own combined colours and coat of arms, the latter, however, being surmounted by the Crown of St. Stephen.

§ 62. The emblem of the joint affairs of the territories of the Hungarian Crown is formed by the combined arms of Hungary and of Croatia, Slavonia, and Dalmatia.

§ 63. At times when joint affairs are being debated, the combined Croatian-Slavonian-Dalmatian flag is to be hoisted beside the Hungarian flag, upon the building in which the Joint Parliament of the territories of the Hungarian Crown is being held.

§ 64. On the coinage which is struck by the territories of the Hungarian Crown, the title " King of Croatia, Slavonia, and Dalmatia " is also to be included in the Royal title.

§ 65. Hungary recognises the territorial integrity of Croatia, and promises to promote its completion. It will in future be specially insistent that that portion of the Military Frontiers which belongs to Croatia-Slavonia and the military communes situated therein shall be united with these countries alike in legislative, administrative, and judicial matters; and just as Hungary has hitherto made representations with regard to this matter on repeated occasions, so in future also it will demand the re-incor-

poration of Dalmatia, on the ground of the rights of the Holy Hungarian Crown, and will promote its union with Croatia. Regarding the conditions of this re-incorporation, however, Dalmatia also is to be consulted.

§ 66. In the sense of the preceding paragraph, the following are recognised as belonging to the territory of Croatia, Slavonia, and Dalmatia:—

1. That territory which, together with the town and district of Buccari, at present belongs to the County of Fiume, with the exception of the town and district of Fiume. The town, harbour, and district of Fiume form a separate body attached to the Hungarian Crown (*separatum sacrae regni coronae adnexum corpus*), with regard to whose special autonomy and the legislative and administrative conditions relating thereto, an agreement is to be reached by means of negotiations between the Hungarian Parliament, the Sabor of Croatia, Slavonia, and Dalmatia, and the town of Fiume in joint understanding.[1]
2. The County of Agram with the towns of Agram and Karlovac (Karlstadt) and the free district of Turopolje.
3. The County of Varaždin with the town of Varaždin.
4. The County of Križevci (Kreuz) with the town of Križevci.
5. The County of Požega with the town of Požega.
6. The County of Virovitica with the town of Virovitica.
7. The County of Syrmia.

[8. The County of Bjelovar.

Point 8 *was added by* § 9, Article XXXIV, 1873.]

Further the following frontier regiments:—

1. That of the Lika.
2. That of the Otočac.
3. That of Ogulin.
4. That of Slunj.
5. The first Banal Regiment.
6. The second Banal Regiment.
7. That of Varaždin-Križevci.
8. That of Varaždin-St. George.
9. That of Gradiška.
10. That of Brod.
11. That of Peterwardein.

Finally the present Dalmatia Regiment.

[Points 7 *and* 8 *drop off, under* § 8, XXXIV, 1873.]

§ 67. Until the territorial integrity of Croatia, Slavonia, and Dalmatia, as described in the preceding paragraphs, has been

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[1] For the Croat version of this clause see above, p. 34, footnote.

restored, Hungary consents that the Customs Offices in Semlin, Mitrovica, Rača, Klenak, and Jakova be separated from their present direct administrative control and subordinated to the Agram Finance Department, as recognition of the territorial link.

§ 68. After this agreement has been sanctioned, those laws and existing resolutions which conflict with it cease to be valid.

§ 69. On the contrary, all those constitutional rights and fundamental laws, whose enjoyment and protection have in the past extended equally to Hungary and Croatia-Slavonia, and which do not conflict with this agreement, are regarded in future also as joint rights and fundamental laws of the territories of the Hungarian Crown.

§ 70. This agreement is, after receiving the Royal sanction, to be inarticulated as a Joint Fundamental Law of Hungary and Croatia, Slavonia, and Dalmatia.

II. Article XL of 1889

The financial provisions of Article XXX, 1868, *were revised by* Article XL, 1889, *which ran as follows:—*

Since the period of duration of the financial portion of the agreement contained in Article XXX of 1868 (as laid down in § 12 of this law), and also the period of its provisional extension under Articles XLIII of 1887 and XXXIV of 1888 have expired; a new financial agreement has been reached by joint consent, between the Hungarian Parliament on the one hand and the Sabor of Croatia, Slavonia, and Dalmatia on the other hand, in the manner prescribed in § 70 of Article XXX of 1868. This agreement, having also been confirmed, enforced, and sanctioned by His Imperial and Apostolic Royal Majesty, it is hereby inarticulated as a Joint Fundamental Law of Hungary and of Croatia, Slavonia, and Dalmatia, as follows:—

§ 1. According to the principle recognised on the part of Croatia, Slavonia, and Dalmatia in § 11 of Article XXX of 1868, that these countries are bound to contribute, in proportion to their taxable capacity, to those costs which on the one hand the territories of the Hungarian Crown and the other territories of His Majesty have recognised as common, and on the other hand to those which are involved by the affairs declared as common by all the territories of the Hungarian Crown in the said Article XXX of 1868; this proportion of taxable capacity has—according to the same data on the basis of which the quota to be contributed by the territories of the Hungarian Crown towards the expenses incurred jointly with the other territories of His Majesty was fixed by Article XXIII of 1887 up to the end of 1897—been fixed for the same period at

92·064805 per cent. for Hungary,
7·935195 per cent. for Croatia and Slavonia.

§ 2. Since, however, the considerations indicated in § 13 of Article XXX of 1868 still hold good, Hungary hereby willingly consents, that out of the revenues of Croatia and Slavonia there shall first of all be deducted a certain portion which is fixed in this Agreement for the period of its validity for the expenses of internal administration of these countries, and that the sum which remains after the requirements of internal administration have been satisfied shall be employed for the expenses of joint affairs.

§ 3. On the basis of the principles laid down in the preceding paragraphs, the following financial agreement has been reached between Hungary on the one hand and Croatia and Slavonia on the other hand.

§ 4. From January 1, 1890, up to the date till which the agreement regarding the quota to be contributed to the expenses of the joint affairs of the territories of the Hungarian Crown and of the other kingdoms and territories of His Majesty lasts, the requirements of the internal administration of Croatia-Slavonia is to be covered first of all by 44 per cent. of the direct and indirect taxes, as also of the other public income of Croatia and Slavonia, in so far as these do not fall under the provisions of § 5 of the present law; that is, 44 per cent. of the net public income of these territories are to be paid over to whichever provincial or local treasury the legislature or government of these territories shall request.

56 per cent. of the total revenue of Croatia and Slavonia are to be paid over to the Joint Treasury, to cover the joint expenses.

The 44 per cent. of net public revenue of Croatia and Slavonia are calculated in such a way that from the total direct and indirect taxes of Croatia and Slavonia, from the revenue of the state lands situated in Croatia and Slavonia and from the other public sources of revenue (so far as these do not fall under § 5 of the present law) only such expenses are to be deducted as are connected with the calculation and collection of taxes (under which the cost of the joint financial administration is not included), with the administration of state lands, with the collection and direct administration of indirect taxes, dues, and other public sources of income.

Arrears of taxes due up to the end of 1867 and collected since January 1, 1890, are to be dealt with in future under § 30, Article XXX, 1868.

[Paragraphs 5 *and* 6, *having been subsequently repealed, need not be given here.*]

III. Article X of 1906

The latest Financial Compromise between Hungary and Croatia was concluded in 1906, *and runs as follows*:—

The period of the financial compromise as laid down in Article XL of the year 1889, and also the period for which this was extended by Articles XLII, 1897, V, 1899, XLVII, 1899, XXXII, 1900, XXIX, 1901, and XXV, 1902, having lapsed, a new finan-

cial compromise has been concluded by joint agreement, in accordance with § 70, Article XXX, 1868, between the Parliament of the Kingdom of Hungary on the one hand and the Sabor of the Kingdom of Croatia-Slavonia and Dalmatia on the other hand. This agreement having been approved, confirmed, and sanctioned by His Imperial and Royal Apostolic Majesty, is hereby enacted as a joint fundamental law of the Kingdom of Hungary and the Kingdom of Croatia-Slavonia and Dalmatia, as follows:—

§ 1. All claims or debts of Hungary towards Croatia and Slavonia or of Croatia and Slavonia towards Hungary in the past —including the year 1903, up to December 31—are to be regarded as mutually cancelled, so that from the period previous to January 1, 1904, no debt of any kind exists any longer between Hungary and Croatia and Slavonia.

§ 2. According to the principle recognised by the Kingdom of Croatia-Slavonia and Dalmatia in § 11, Article XXX, 1868, that these territories are bound to contribute, according to their taxable capacity, to those expenses which are necessitated on the one hand by the affairs recognised as common between the territories of the Hungarian Crown and the other territories of His Majesty and on the other hand by the affairs described in the aforesaid Article XXX, 1868, as common to all the territories of the Hungarian Crown; this proportion of taxable capacity is fixed for the period from January 1, 1904, to December 31, 1913, on the basis of the total revenues of Hungary on the one hand and Croatia-Slavonia on the other hand during the years 1893 to 1902, from the direct taxes—excluding the military exemption tax and the transport tax from the stamp and law duties and from the tobacco and salt monopolies, in the proportion of

91·873 per cent. for Hungary,
8·127 per cent. for Croatia and Slavonia.

§ 3. Since, however, the considerations laid down in § 13, Article XXX, 1868, are still in force, the Kingdom of Hungary gladly consents now also, that first of all a fixed amount—which will be fixed in this compromise for the period of its duration, for the internal administration of these territories—shall be deducted from the revenues of Croatia and Slavonia, and that what remains over after the requirements of internal administration shall be devoted to the expenditure involved by joint affairs.

§ 4. On the basis of the principles stated in the above paragraphs the following financial compromise has been concluded between Hungary on the one side and Croatia and Slavonia on the other.

§ 5. From January 1, 1904, to the end of 1913, the requirements of the internal administration of Croatia are met out of the public revenues of Croatia and Slavonia as defined below—in so far as these revenues do not fall under § 6 of this law—namely,

out of the public revenues of these territories the portion fixed below is to be paid over to whatever Croatian-Slavonian provincial or municipal treasury the legislature or government of these territories[1] shall prescribe.

The remainder of the net public revenue of Croatia and Slavonia is to be paid into the Joint Treasury (§§ 12 and 27, Article XXX, 1868) in payment of the proportion due for joint expenses.

In order to render it possible to calculate the net public revenue of the Kingdom of Croatia and Slavonia, a distinction must be drawn between

(1) those sources of revenue in respect of which the joint public revenue drawn from them can be fixed as undoubtedly belonging to Croatia and Slavonia; and
(2) those sources of revenue, in respect of which the joint public revenue drawn from them cannot be fixed as undoubtedly belonging to Croatia and Slavonia.

The net public revenue of Croatia and Slavonia derived from sources of income which fall under (1) is calculated in such a manner that from the income of state lands situated in Croatia and Slavonia and from other public revenue (such as does not fall under § 6 of this law) only such expenses are to be deducted as are connected with the calculation and collection of taxes (in which the expense of the joint financial administration is not included), with the administration of state lands, and with the collection and direct manipulation of the remaining public revenue.

The revenue of Croatia and Slavonia derived from sources of income which fall under (2)—especially from the transport duty (under Article XX, 1875), from the existing octroi duties on wine and meat, from lotteries and from such revenue as, accruing in the future, would fall under the sources in income mentioned in (2) —is calculated in such a manner that from the joint gross revenue of the territories of the Hungarian Crown falling under these heads, the expenses of collection and direct administration of this revenue—in which the expense of the joint financial administration is not included—are deducted; and out of the net yearly revenue of these territories of the Hungarian Crown 8·127 per cent. is reckoned as the revenue which Croatia and Slavonia derives from these sources, in proportion to taxable capacity.

Forty-four per cent. form that portion of the net public revenue of Croatia and Slavonia which (by alinea 1 of this §) is to be applied to the requirements of internal administration; but with this limitation, that the 44 per cent. quota of the net revenue falling under (2) may not exceed that sum which would be realised, if this revenue had exceeded the revenue of the previous

[1] In the Croat text, "sister-kingdoms."

year (beginning with 1905) by 5 per cent. The surplus over that sum is to be employed firstly in meeting a deficit, if the net revenue from the state forests situate in Croatia and Slavonia should fall below the net revenue of 1902, or if the revenue from one of the sources specified under (1) should cease as the result of legislation, or be so affected thereby as to fall beyond the net revenue of 1902. But the sum which is not required for this purpose is to be paid into the Joint Treasury, together with 56 per cent. of the net revenue of Croatia and Slavonia calculated on the above basis.

§ 6. Paragraph 18, Article XXX, 1868, is amended in such a way that the following are excluded from the revenue which under § 5 has to be divided between the requirements of the internal administration of Croatia and Slavonia and the expenditure for joint affairs:—

(*a*) Revenue from frontier Customs, which in future also are to be calculated as contributing towards the payment of the affairs recognised as common between the territories of the Crown of St. Stephen and the other territories of His Majesty.

(*b*) Excise duties on wine and meat, which are in future also to be applied to meeting communal expenditure.

(*c*) The clergy tithes paid by the Catholic population of the county of Bjelovar, which can also be applied to meeting the autonomous expenditure of Croatia and Slavonia.

(*d*) The military exemption tax (under Article XXVII, 1880), which, as revenue devoted to a particular purpose, cannot be a subject for division.

§ 7. The annual settlement of accounts between the Kingdom of Hungary and the Kingdom of Croatia and Slavonia is to be made in the manner developed by § 5, Article XL, 1889, with the following alterations:—

I. The actual revenue derived by Croatia and Slavonia from transport duty (under Article XX, 1875), excise duties on wine and meat, and lottery monopolies, and the expenses incurred in connection with them, are to be omitted from this settlement; in their place, the net revenue of Croatia and Slavonia derived from such sources of income as are subject to dispute, is fixed in such a way that, when the transport duty (under Article XX, 1875) excise duties on wine and meat, and lottery monopolies have been finally calculated, the actual joint revenue of the territories of the Hungarian Crown are reckoned up, the following deductions being made in the particular year:—

(1) The joint expenses connected with the administration of the transport duty (under Article XX, 1875) and those specified in the final settlement as direct taxes and land redemption charges for all the territories of the Hungarian Crown.

(2) The joint expenses connected with the administration of the excise duties on wine and meat, for all the territories of the Hungarian Crown, with the exception of

(*a*) the actual expenses incurred on the basis of § 1, Article VI, 1899 and § 1, Article XVIII, 1901, in towns with municipal rights and open communes throughout the territories of the Hungarian Crown;

(*b*) the actual expenses incurred on the basis of Article XXXV, 1888, in redemption of and interest on the indemnity fund for Croatian and Slavonian inn licences.

(3) The joint actual revenue obtained on the basis of excise duties imposed in Hungary upon meat.

(4) That part of the actual revenue obtained by taxes imposed in Hungary upon wine, coming under the taxes on wine regulated by Article XLVII, 1887.

(5) The actual expenses incurred by the administration of lotteries throughout the territories of the Hungarian Crown, described in the final State settlement as lottery dues. Of the revenue obtained on this basis in the territories of the Hungarian Crown, 8·127 per cent. is to be regarded as the revenue which Croatia and Slavonia derive from these sources (*i.e.*, from disputable sources). On the basis of § 50, Article XXXV, 1888, Croatia and Slavonia have to meet out of this revenue the expenses of amortisation and interest on the indemnity fund for Croatian-Slavonian inn licences, in such a way that the sum remaining after these expenses have been met forms the net revenue of the Kingdom of Croatia and Slavonia from the sources specified above.

II. As the public revenue of Croatia and Slavonia from stamp dues obtained (under Article XXIII, 1868) from railway and steamer enterprises is to be reckoned that sum which has actually flowed into the Croatian-Slavonian State treasury and revenue office under this title.

III. As joint expenses between Hungary and Croatia and Slavonia are to be reckoned those expenses which are applied to such affairs as are recognised by §§ 5-10, Article XXX, 1868, as common between Hungary and Croatia-Slavonia and Dalmatia. Accordingly, departing from the method hitherto adopted in the annual settlement of accounts,

(1) the following are not to be regarded as joint expenses:—

(*a*) the costs of industrial and commercial technical education;

(*b*) the costs of agricultural and economic statistics for the Ministry of Agriculture;

(*c*) the expenditure in interest on, and amortisation of those capital sums raised on the basis of Article XIV, 1904, or of any State loans which may be raised in the future, and these capital sums are to be applied to such public works as cannot be regarded as joint within the meaning of §§ 5-10, Article XXX, 1868.

(2) Only that percentage of the expenses of the central administration of the Ministry of Agriculture is to be regarded as joint expenses of Hungary and Croatia and Slavonia, which is formed by the expenses falling jointly upon Hungary and Croatia and Slavonia, in proportion to the total expenses of the Ministry of Agriculture.

§ 8. Those sections of Articles XXX, 1868, and XXXIV, 1873, which are not repealed by the present statute are maintained unaltered.

NOTE ON PLACE-NAMES IN CROATIA-SLAVONIA

Place-names in Croatia-Slavonia, besides their regular Slav forms, usually have a Magyar form or spelling as well, which is the one officially recognized, while in some cases German and Italian forms also appear and are more generally familiar. The following table of equivalents may be found useful:—

Croatian.	Magyar.	German.	Italian.
Bjelovar-Križevci	Belovár-Körös		
Karlobag			Carlopago
Karlovac	Károlyvaros	Karlstadt	
Karlovci	Karlócza	Karlowitz	
Koprivnica	Koproncza, Kaproncza	Kopreinitz	
Križevci	Körös	Kreuz	
Lika-Krbava	Lika-Korbava		
Modruš-Rijeka	Modrus-Fiume		
Osijek, Osjek	Eszék	Essegg	
Petrovaradin	Pétervárad	Peterwardein	
Požega	Pozsega		
Rijeka, Rjeka		St. Veit am Flaum	Fiume
Selce	Szelce		
Senj		Zengg	Segna
Sisek, Sisak	Sziszek	Sissek	
Srijem, Srjem, Srem	Szerém	Syrmien	
Varaždin	Varasd		
Virovitica	Veröcze		
Zagreb	Zágráb	Agram	
Zemun	Zimony	Semlin	

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A special map, issued by the War Office (G.S.G.S. No. 2917), gives the internal divisions of Croatia-Slavonia.

For ethnography, see the Ethnographical Map of Central and South-East Europe, issued by the War Office (G.S.G.S. 3703*a*) in four sheets: Maps, vol. 4 in this series; and "L'Europe ethnique et linguistique: Atlas descriptif, en trois cartes," published by De Agostini's Geographical Institute, Novara (1917).

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