# HSR

# Hungarian Studies Review

Vol. IX, No. 2 Fall 1982

### Hungary's Economy

Scott Eddie discusses "Tax Union" aspects of the Austro-Hungarian monarchy. John Komlos presents a critical analysis of a recently-published volume on Hungarian economic history, followed by an interview with one of Hungary's leading economic planners.

### Noteworthy Immigrants

Katherine Gyékényesi Gatto writes about the literary contribution of Hungarian-American poet György Gyékényesi. Mária Kresz presents the work of Géza de Kresz, Hungarian-Canadian musician.

### Review Articles

**Hungarian Studies Review**



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*Hungarian Studies Review*, Vol. IX, No. 2 (Fall 1982)

# Part I
# Hungary's Economy

*Introduction*

An observer surveying the North American media today will undoubtedly come across references to the "Hungarian economic miracle." While some economists might question the appropriateness of this label, few will deny that, compared to the state of the economy in many East European countries today, Hungary enjoys remarkable prosperity. Moreover, such contrast between the economies of Hungary and her neighbors is not new. Toward the end of the last century for example, Hungary experienced a period of rapid economic development which prompted some Western observers to refer to Hungarians as the "Yankees" of the Habsburg Empire. Due to the vicissitudes of her history, Hungary has not enjoyed these periods of prosperity often, or for long periods of time, as indeed the country's economy suffered greatly in the wake of both world wars of our century. Despite the many ups and downs, or possibly because of them, Hungary's economic development in modern times is a subject of considerable controversy among historians, political scientists and economists today. It is our good fortune to present in this issue three studies which offer new insights and new information both on Hungary's economic development and on the controversies that surround it.

The three works presented here belong to different genre of scholarly publishing. Professor Scott Eddie's piece is a full-fledged article, the kind of study which is usually featured in learned journals devoted to reporting the results of original research. Professor Komlos' essay can be best classified as scholarly criticism, usually found in book reviews or review articles. It takes issue with the findings of an established Hungarian historian, György Szabad. The editors hope that the dialogue initiated by this review will be followed by a detailed and constructive exchange of opinions between Professors Komlos and Szabad in a future issue of the *Review*.

The last item in this section on Hungary's economy is an interview with Rezső Nyers, one of Hungary's leading economic planners. Though such interviews are not commonly featured in academic periodicals, this one offers much that might be of interest to students of Hungary's economic development, and we felt that its inclusion was justified. A further reason for its publication was the fact that it seemed remarkably candid for an official of a Communist state. Nyers' outspokenness is illustrative of the state of affairs in Hungary today: namely, that opinions can be voiced, often quite freely, as long as they do not reflect unfavourably upon Marxist doctrines, the Soviet Union, and/or the international Communist movement.

In presenting the second and third items of this section alongside a traditional piece of scholarship, we may appear to have acted contrary to time-honoured academic conventions. In reality our decision is in conformity with our policy of favouring the occasional use of unconventional means of publishing information of interest to students of Hungary and Hungarian affairs.

*N.F.D.*

*Hungarian Studies Review*, Vol. IX, No. 2 (Fall 1982)

# Limits on the Fiscal Independence of Sovereign States in Customs Union: "Tax Union" Aspects of the Austro-Hungarian Monarchy, 1868-1911*

*Scott M. Eddie*

*Introduction*

Economic historians, insofar as they have attempted to deal with Austria-Hungary as a unit, have focussed almost exclusively on the customs union and its ramifications.[1] Economic theorists, following the path blazed by Viner, have analyzed the welfare gains and losses from the formation of a customs union in terms of "trade diversion" or "trade creation" effects.[2] They have modified Viner's original formulation to take into account consumption as well as production effects, to consider economies of scale and terms-of-trade repercussions, and to deal with distortions in internal price levels away from competitive equilibrium ("shadow") prices.[3] Still, this entire body of theoretical literature remains in one fundamental way cast firmly in the Vinerian mold: it all proceeds from the basic assumption, implicit or explicit, that factors of production are immobile between the partners in the customs union.

Austria-Hungary was much more than a simple customs union: it was a genuine common market, with full monetary

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integration and a partial tax union. Moreover, the "economic compromise" between the two partners in the Dual Monarchy also provided for full and free mobility of factors of production, both labour and capital.[4] Therefore analyses of Austro-Hungarian economic performance based directly on theoretical models of customs union risk giving a distorted or at least incomplete picture. When factors are mobile, it becomes necessary to draw on the theory of tax and expenditure unions, as well to face the issues raised in the literature of "fiscal harmonization." [5]

In one way, the situation in Austria-Hungary makes it "easy" for the economic historian: a common currency from a single bank of issue obviates the potentially thorny problems of analysis arising from fluctuations in the exchange rate or from restrictions on currency transactions between the two partners. The common currency amounted, at least, to a virtual economic guarantee of full mobility of capital, and vastly facilitated the mobility of labour as well. While on the monetary side Austria-Hungary was a fully-integrated single-currency area, on the fiscal side it became only a partial tax union and there was no attempt whatever, to my knowledge, toward expenditure harmonization.

To prevent distortions in commodity flows for pure tax-avoidance reasons (a form of "trade deflection"), the two sides to the partnership agreement recognized the need to coordinate taxation, beyond merely having a common external tariff. The result was the placing of the so-called "consumption taxes," the major excise taxes on meat, sugar, alcoholic beverages, and (later) petroleum, in the category of "dualistic affairs" which were to be regulated by identical laws passed in each country.[6] There was more, however, to the partial tax union than the requirement of identical excise taxes. In each country there were state monopolies of salt, tobacco, and the lottery, which played a major role in the indirect taxation system. Since, at the advent of Dualism, Hungary took over the Austrian system virtually intact, these monopolies of identical items operated nearly identically and were an important extension of the tax union.[7] The third major component of indirect taxes in both Austria and Hungary were the stamps and fees for documentation, certifications, and other services that were part and parcel of the bureaucratic state. These levies were essentially similar —

even identical at first — so that it is reasonable to conclude that the tax union aspects of the Austro-Hungarian alliance included all of the important elements of indirect taxation.[8]

Again, because the fledgling Finance Ministry of Hungary took over the Austrian system of taxation *in toto* with only minor modifications in 1867, the Dual Monarchy was nearly a complete tax union at first. There was no requirement, however, that any but the major consumption taxes remain identical, and both countries immediately began to make use of the wide latitude in taxation, particularly direct taxation, offered by the "Compromise of 1867." Both were engaged in a protracted — one is tempted to say nearly continuous — process of "tax reform."[9] The result was not only considerable divergence in the system of direct taxes (particularly after 1873, of which I will write more later), but also the periodic recognition that this divergence could not be allowed to exceed certain limits. The partners concluded supplementary tax agreements, in addition to the provisions of the "economic compromise," which represented a further, if incomplete, measure of tax harmonization.[10] The extent of tax union between Austria and Hungary was then, to a first approximation, nearly complete for indirect taxation but very loose and partial with respect to direct taxes.

On the expenditure side, beyond the required contribution toward the cost of "common affairs" (about 95 per cent of which was the cost of the Imperial Army and Navy), the "Compromise" left both governments with a free hand. Expenditure patterns differed widely, and the complaints about the adverse effects on one partner resulting from the fiscal actions of the other (especially in respect to Hungary's program of subsidizing industrial development) bear witness to the lack of any measures of expenditure harmonization.[11] Since neither government had anything resembling a modern and extensive social welfare program, we can safely conclude that the failure to engage in expenditure harmonization, insofar as it affected the movement of factors, was most likely felt in the sphere of capital.[12]

That the fiscal harmonization, or public finance aspects of the Austro-Hungarian alliance deserve more attention than they have received is, evident I think from the above introduction. This paper, being a preliminary and very incomplete exploration of the issues involved, cannot pretend to offer any definitive answers. I would hope, however, that it might

elicit interest in the study of Austro-Hungarian fiscal policy. One of the legacies of the bureaucratic state that was Austria-Hungary is a rich lode of statistics, perhaps nowhere so rich as in the area of public finance. This body of economic ore lies almost completely unexploited.[13]

*1. Background, structure, and aims of the fiscal systems*

While this paper abstracts from developments in the monetary system of Austria-Hungary, it cannot ignore money altogether, since money creation had been the most frequently used method of covering deficits in the unstable, crisis-ridden financial affairs of the government of *Vormärz* Austria.[14] In the two decades before the signing of the Compromise of 1867, the financial crisis reached such proportions that the Habsburg government was forced to sell off the State railways to raise revenue.[15] This measure nearly succeeded in restoring — perhaps "introducing" is a more accurate term — some order in Imperial finances, but war in the Italian provinces once more drove the budget into deficit and the government to the Central Bank. Specie payment had long since been discontinued, and the *Agio* — the premium in paper currency one had to pay for the silver florin — fluctuated widely. Further budgetary strains were caused by: the Seven Weeks' War with Prussia, in which defeat at Königgrätz signaled the end of Habsburg strivings for hegemony in "greater Germany"; and the fundamental reorientation of foreign policy which necessitated internal political stability and led directly to the "Compromise of 1867." These actions meant that the Dual Monarchy began with a weak and precarious system of public finance.

Taking into account that the debt of the Empire had been largely the result of wars which could not be said to have commanded widespread support in Hungary, and the historical record of indiscipline in managing the public accounts, it is not surprising that the issues of the sharing of the outstanding public debt and of the ratio in which the two states were to contribute to the costs of "common affairs" (the so-called *Quota* ratio) were two of the most contentious items at the negotiations which led to the "economic compromise," the trade and tariff alliance which defined the economic relationships of the two partners in the Austro-Hungarian Dual Monarchy. This economic alliance also included a provision expressly limiting the amount

that could be borrowed from the Austrian National Bank, and set a ceiling on money creation. Both governments — Austria's and Hungary's — were thereby subjected to the discipline of the capital market, and could run deficits only to the extent of the public's willingness to lend to them.

Direct taxes, indirect taxes, stamp and documentation fees, and income from state monopolies and enterprises were the components of the revenue systems of both governments at the outset, and remained so — with of course changes in relative importance, as we shall see — throughout the Dual Monarchy's existence. Direct taxes included the land tax, the house and buildings tax, taxes on personal and interest income, and an "earnings tax" (*Erwerbsteuer, keresetadó*). This last was an attempt to tax earning capacity, rather than actual earnings, of professionals and of both incorporated and unincorporated businesses.

Indirect taxation included more than just the taxes so names: the consumption taxes on alcoholic beverages, sugar, meat, and (after 1882) petroleum. Stamp and documentation fees, and the income of the state monopolies, also had the character of indirect taxes, and indeed were included in the category of "indirect imposts" (*Indirekte Abgaben*) in the Austrian statistics. The income from State enterprises, while large in gross terms, was on a net basis a relatively small and fluctuating source of public revenue in both states.[16]

With the advent of Dualism, the Hungarian government embarked immediately upon a program of economic development, in which every effort was made to change the perceived backwardness which they blamed upon a lack of autonomy in government.[17] The situation of the capital market was quite propitious, considering the dismal record of Habsburg finances before the Compromise, and Hungary began to accumulate a large debt in the furtherance of these aims, which at first focussed on provision of infrastructure. The centrepoint was the interest guarantees for the construction of private railways (a policy borrowed from the Austrians), which soon gave way to a policy of nationalization and a massive building program for the state rail network. In the first two decades of Dualism, "one third of the loans actually taken up were turned to economic development investments."[18] The Hungarian government was thus relieved of the necessity to resort to crushing taxation; it could "pursue an

active fiscal policy without stifling the private sector" because of the capital inflow which resulted from the sale of government bonds to foreigners, mostly Austrians.[19] The Hungarian government continued an active development-promoting policy, albeit perhaps less successfully after the inflow began to be much reduced in the 1890s.

The Austrian central government, on the other hand, carried on a much less aggressive fiscal policy. Its history had been one of promotion of domestic industry via development mostly of the domestic market, and that via protection or prohibition, at least since the reign of Maria Theresa. The Austrian government also had to give far greater weight to the "nationality question" in its fiscal affairs than did Hungary. As the franchise widened, eventually to universal male suffrage in 1907, the nationality considerations assumed ever greater importance. Even the construction of railway lines often was dictated by nationality considerations: they became the price paid for political support — most often of the "Polish club" from Galicia — in the *Reichsrat*.[20] The ill-fated "Koerber Plan" sought to reduce disparities in standards of living among various peoples of Austria through the vehicle of a massive public-works program to build canals and other transportation facilities.[21] Official statistics of tax collections and government expenditures show that the state budget had an important regional redistributional effect: tax collections considerably exceeded expenditures in the richer provinces (the German, Czech, and Italian areas); the difference flowed to the eastern and southern Slavic lands, most markedly to Galicia. It thus seems fair to say that considerations of growth gave the Hungarian budget its essential character, while equity measures dominated the Austrian budget.

There also existed, of course, the common budget — this covered essentially the external affairs in which the Monarchy faced the outside world as a unit: the military, the diplomatic service, and the common finance ministry set up to handle their finances. The military accounted for about 95 per cent of the common budget. A peculiarity of the Austro-Hungarian system was that tariff revenue was earmarked to cover common expenses, but it always fell far short, and the shortfall was covered in the *Quota* ratio. In Austria-Hungary, then, tariff revenue does not figure into the yield of indirect taxes in either of the sepa-

rate state budgets. The discussion which follows, which does not consider the common budget, does not, in consequence, deal explicitly with tariff revenues.

2. *The pattern of development of public revenues*

Many discussions of public revenue are distorted, in my opinion, because they fail to distinguish between sources which are essentially taxes and those which are merely the ordinary business income of enterprises which happen, for one reason or another, to belong to the state. To deal with both the income and the outlays of these enterprises in gross terms, when comparing them to other revenues, only compounds the distortion.[22] Even the governments' own publications typically include only the net income of the tax-like business operations, the salt, tobacco, and lottery monopolies, as revenues; it is therefore inconsistent to deal with gross receipts and expenditures when considering other enterprises. Accordingly, the main tables which summarize the development of both income and outgo (Tables 1 and 2) include net monopoly income as an indirect tax, and if the other government enterprises show a profit, it is entered as revenue, whereas a net loss then is counted among the expenditures.

The early Hungarian data in these tables are placed in brackets to show that they are not comparable with the later Hungarian data because of changes in the method of reporting used in the source. Until more detailed sources can be consulted, it should also be assumed that the Hungarian and Austrian data are not strictly comparable either. *In particular, the use of ordinary expenditure and revenue since "ordinary" is an arbitrary definition used to suit the budget-makers of the time; means we are dealing only with a part of government revenue and outlays,*[23] moreover, what is "ordinary" in one jurisdiction may be "extraordinary" in the other, and *vice-versa*. The data which follow, it must be emphasized, *represent only a guide for further investigation, and not a definitive treatment of the question.*

Examining the period in which the data are presumed to be comparable over time, if not across space (1879-1913), the total revenues of the Austrian government — as defined in the Tables — grew at a 3.2 per cent annual average rate, compared to a 2.7 per cent yearly average for Hungary. The "gross" receipts —

including the gross income before deduction of operating expenses for the state enterprises, but excluding borrowed funds — show less divergent growth rates: 3.5 per cent per year for Austria, 3.3 per cent for Hungary. The Austrian net revenues, since they can be compared over the entire period, exhibit relatively slower growth, an average of 2.2 per cent annum (comparing the 1869-1873 average to that of 1909-1913).

The Austrian Empire of the *Vormärz* had collected about 31.5 per cent of its total revenue from direct taxes in 1847, and Table One indicates that this proportion had not materially changed by the early years of the Dual Monarchy, at least in Austria itself.[24] Despite the introduction of the income tax into Imperial Austria in 1849 and the reforms of direct taxes in Hungary in 1875 and in Austria in the 1890s, the share of direct taxes in the state revenues of both partner countries declined gradually but steadily during the course of the Dualist era. The increase in the income of the consumption taxes and other indirect imposts reflected increasing incomes and higher standards of living, as well as increases in the rate of tax on these items. The failure of direct taxes to keep pace, whether by accident or design, is a first indicator of the regressive nature of the tax system in both countries (or at least that they did not become more progressive as time passed).[25] The differences in the observed shares of the indirect revenue sources in Austria and in Hungary were primarily accounted for by the vastly greater income which Austria enjoyed from the beer and sugar taxes: in the mid-nineties, for example, while the spirits and wine taxes brought in very similar sums in the two countries, beer-tax receipts in Austria were about twelve times what they were in Hungary, and sugar-tax receipts about six times. The beer tax alone accounted for about eight per cent of total Austrian government revenue at this time (down from 12 per cent around 1870). The differences were reflections both of dissimilar consumption preferences and of different levels of per capita income.

During the Dual Monarchy period, unlike in the 1850s, the sale of state properties was a negligible source of revenue; indeed, both central governments of Austria-Hungary added mightily to the amount of property which they owned. The net income of state enterprises appears to have been of greater importance in Hungarian than in Austrian revenues for most periods, but

# TABLE 1

## Distribution of Central Government Income by Source

*(Per Cent of Total Ordinary Income)*

A - Austria
H - Hungary

| Five-year Average | Direct Taxes | | Indirect taxes, fees and monopolies | | Net income of state enterprises | | Sale of state property | | Other | | Total A : H per cent |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | H | A | H | A | H | A | H | A | H | |
| 1869-73[a] | 32.2 | [42.4] | 58.0 | [53.8] | 1.6 | [2.8] | 2.5 | n.a. | 5.8 | [0.9] | [193] |
| 1874-78 | 31.9 | [43.8] | 58.2 | [45.5] | _ b | [9.5] | 0.4 | n.a. | 9.5 | [1.3] | [166] |
| 1879-83 | 30.7 | 37.1 | 63.3 | 42.2 | _ b | 1.0 | 0.1 | 1.5 | 5.9 | 18.2 | 130 |
| 1884-88 | 31.8 | 33.5 | 63.8 | 41.3 | _ b | 2.2 | 0.1 | 2.1 | 4.2 | 20.9 | 111 |
| 1889-93 | 29.8 | 31.1 | 64.5 | 50.3 | 2.2 | 8.0 | 0.2 | 1.0 | 3.4 | 9.6 | 112 |
| 1894-98 | 28.1 | 29.1 | 63.9 | 52.0 | 4.6 | 8.4 | 0.0 | 0.6 | 3.3 | 10.0 | 114 |
| 1899-1903 | 29.1 | 27.9 | 64.8 | 52.1 | 4.2 | 10.1 | 0.1 | 0.1 | 1.8 | 9.9 | 125 |
| 1904-08 | 27.5 | 28.1 | 66.6 | 54.3 | 4.4 | 7.5 | 0.1 | 0.3 | 1.4 | 9.8 | 129 |
| 1909-13 | 24.8 | 28.5 | 70.4 | 61.1 | 3.5 | 1.5 | 0.1 | 0.1 | 1.2 | 8.8 | 151 |

a. 1871-73 for Hungary

b. Loss; entered in Table 8, Central Government Expenditure

Sources: Austria: Zentralrechnungsabschluss über den Staatshaushalt der im Reichsrate vertretenen Königreiche und Länder für das Jahr... Der österreichische Staatsshaushalt in dem Jahrzehnt 1903 bis 1912 ("Österreichische Statistik," N.F. 12. Band, 1. Heft, (Vienna: 1915) Hereafter cited as Zentralrechnungsabschluss and Staatshaushalt, resp.

Hungary: Magyar Statisztikai Évkönyv [Hungarian Statistical Yearbook]

since so much of outlays on railway acquisition, construction, equipping, and the like was included in 'extraordinary expenditure', we cannot make any meaningful comparisons in this area. Finally, if most of the unidentified 'other income' for Hungary came from indirect tax-like sources, any differences from the Austrian revenue pattern would disappear almost completely.

Within the general similarity of patterns, however, the two governments met their growing revenue needs in somewhat different ways. Over the period in Austria, the income from state monopolies and from the stamp and documentation fees increased more rapidly than the other income here considered, so that while together they had supplied under 40 per cent of tax revenue (exclusive of tariffs) in 1868, they accounted for almost half in 1913. Meanwhile, consumption taxes became relatively less important as a revenue source, while the indirect imposts in total were increasing. In Hungary, however, the increase in the relative share of total revenue collected from those indirect levies grew because the share of consumption taxes trebled (from less than nine per cent in 1868/70 to over 26 per cent in 1911/13), while that of stamp and documentation fees nearly doubled (8.6 per cent to over 15 per cent). The state monopolies, on the other hand, declined in relative importance, as their share in total revenue collections fell from more than 27 per cent to less than 21 per cent.

Both Austria and Hungary were involved in a protracted process of 'tax reform' throughout nearly the entire Dual Monarchy epoch. The indirect taxes underwent considerable modification in both countries throughout the 1880s. One of the most important of these modifications was a great increase in the tax on alcoholic spirits (the 'brandy tax'): in Austria its revenue tripled from 6.7 million florins in 1887 to 29.2 millions in 1889; in Hungary the increase in the spirits tax served as the very cornerstone of Premier Kálmán Tisza's three-year plan (introduced 1887) to bring balance to the Hungarian budget. Changing the sugar tax from a tax on input (beets) to output (sugar produced) proved a particular boon to the Hungarian sugar industry, which processed beets of lower sugar content than did the Bohemian mills. Along with a boom in production came, of course, a flood of revenue: the Hungarian government's income from this source multiplied tenfold by 1913,

compared to the levels of the middle 1880s. At the same time, the much larger Austrian sugar tax revenues became relatively less important. The third principal change in the indirect taxes, the introduction of the petroleum tax in 1882, has already been mentioned.

The reforms of the 1880s meant more to Hungary than to Austria, as the following figures clearly demonstrate:

*Revenues from Consumption Taxes (1887 = 100)*

| Year | Austria | Hungary |
|---|---|---|
| 1889 | 114 | 127 |
| 1890 | 121 | 138 |
| 1891 | 120 | 147 |
| 1892 | 129 | 159 |
| 1893 | 133 | 188 |

Hungarian revenues from the consumption taxes, were only 45 per cent of Austrian revenues in 1887, 63 per cent in 1893, and increased to fully 80 per cent of the Austrian total in 1913. We may note additionally that after 1888, the rebate of consumption taxes on exports was paid from consumption tax revenue, rather than from tariff revenue. Since 80 per cent or more of these rebates went to Austrian producers, but common expenditures not covered by tariff revenue were shared roughly 70:30 between Austria and Hungary, this change in the source of rebates was to Hungary's advantage. Finally, the 1899 renewal of the 'Economic Compromise' contained a provision long sought by the Hungarians: that consumption taxes, collected at point of production, would henceforth flow into the Treasury of the country in which the items were consumed.

The direct taxes, which has already assumed their essential form in the 1820s, continued nearly unchanged — except for the introduction of the income tax in 1849 — until the 'reforms' which began in 1896. These reforms, still incomplete when the War broke out, were designed to reduce the taxes on real property and to compensate for this reduction by increasing the income tax. The earnings tax already discriminated very strongly against limited corporations (with rates two to four times as high as those for unincorporated businesses). This discrimination was further intensified in the tax reform by the addition of a transitional surcharge on the earnings tax for joint-stock companies. In all, the 1896 reform in Austria has been labelled

'a signal triumph for the agrarian interests' and a manifestation of 'the prevailing bitterness against large-scale enterprise'. [26]

As a result both of the reforms and of growing incomes, income tax receipts in Austria increased from about 35 million crowns (roughly £ 1¼ million) in 1898 to 101 millions (about £4.2 million) in 1913, but even the latter figure represented less than 5 per cent of total ordinary revenue for the Austrian government. The Hungarian income tax, despite its nominally wider range and somewhat more progressive structure, was an even less important revenue source than its Austrian counterpart. A further reform to add both more 'bite' and more progressivity to the Hungarian income tax was introduced in 1909, but implementation was postponed, and then the First World War intervened.

While the sums collected from the direct taxes increased steadily, the indirect forms of extracting revenue from the public gained in relative importance as the period progressed. Given the structure of the increase, it is likely that both countries' taxation systems became more regressive in the process. This would seem to be particularly true for Hungary: total revenue from the consumption excises expanded to more than eleven times its initial level and the stamps and fees income more than sextupled (this latter is probably an index of increased bureaucratisation as well). Income from direct tax collections, on the other hand, grew at a slower-than-average rate, so that these revenues reached only 2-2/3 times their 1868-70 levels by 1911-13, whereas the total non-tariff, non-enterprise revenue expanded to 3-2/3 times its initial level over the same period. Since customs revenues nearly sextupled, i.e., increased more rapidly than total internal tax collections in either Austria or Hungary, we can conclude that the consumers of the Habsburg Empire were in this fashion yet further burdened by the weight of indirect taxation.

*3. The pattern of development of public expenditures*

While the structure of revenues for Austria and Hungary appeared very similar, more divergence can be noted in their patterns of expenditure (see Table 2). Because the *Quota* ratio (63.6 : 36.4 in the 1907 agreement) was much larger than the ratio of the two governments' expenditures, 'common affairs' account for a significantly larger share of Austrian than of

# TABLE 2

## Distribution of Central Government Expenditure

*(Per Cent of Total Ordinary Expenditure)*

A - Austria

H - Hungary

| Five-year Average | Common Affairs | | Home Defence Corps | | Debt Service | | Parliament | | Internal Governments; Subsidies | | Net Loss on State Enterprises | | Pensions | | Other | | Total A - H per cent |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | H | A | H | A | H | A | H | A | H | A | H | A | H | A | H | |
| 1869-73[a] | 27.5 | [16.4] | 2.6 | [2.8] | 36.5 | [29.1] | 0.2 | [0.6] | 27.7 | [45.3] | _b | _b | 4.5 | [1.2] | 1.0 | [4.6] | [128] |
| 1874-78 | 28.9 | [18.6] | 2.7 | [2.7] | 33.0 | [33.9] | 0.4 | [0.5] | 30.5 | [38.9] | 0.1 | _b | 4.1 | [1.4] | 0.2 | [3.9] | [135] |
| 1879-83 | 27.4 | 15.8 | 2.6 | 2.5 | 36.4 | 49.4 | 0.5 | 0.5 | 27.6 | 18.9 | 1.3 | _b | 4.3 | 1.5 | - | 11.5 | 123 |
| 1884-88 | 25.5 | 15.0 | 3.4 | 3.1 | 36.7 | 46.1 | 0.3 | 0.4 | 25.7 | 21.2 | 3.6 | _b | 4.7 | 1.8 | - | 12.4 | 121 |
| 1889-93 | 20.4 | 11.8 | 4.8 | 5.1 | 41.9 | 46.0 | 0.3 | 0.5 | 27.4 | 24.4 | _b | _b | 5.0 | 2.3 | 0.3 | 9.9 | 118 |
| 1894-98 | 19.6 | 10.5 | 5.3 | 5.1 | 40.9 | 40.7 | 0.3 | 0.5 | 28.7 | 27.5 | _b | _b | 5.2 | 2.2 | - | 13.4 | 110 |
| 1899-1903 | 17.2 | 11.9 | 5.9 | 5.1 | 36.4 | 36.7[c] | 0.3 | 0.5 | 34.2 | 34.1 | _b | _b | 6.0 | 2.5 | - | 9.3 | 120 |
| 1904-08 | 17.4 | 12.2 | 6.3 | 4.6 | 33.8 | 31.5 | 0.3 | 0.4 | 35.5 | 46.0 | _b | _b | 6.7 | 2.8 | - | 2.5 | 118 |
| 1909-13 | 19.7 | 14.3 | 7.5 | 5.9 | 32.5 | 26.0[c] | 0.3 | 0.3 | 32.7 | 41.0 | _b | _b | 7.2 | 2.8 | - | 9.6 | 119 |

a. 1871-73 or Hungary

b. Net income; entered in Table 1, Central Government Income

c. Four-year average

Sources: See Table 1.

Hungarian outlays. Relatively small, and essentially similar shares of total expenditure were devoted to the home defence corps and the parliaments of the two states; and while pensions absorbed a considerably larger share of the Austrian budget, they were growing more rapidly as a proportion of Hungarian government outlays. *The principal differences emerge in the two largest expenditure categories, namely: debt service and the cost of internal government.*

*Nearly half of Hungary's budget* in the early 1880s was spent on servicing her accumulated debt, and it still claimed over 40 per cent in the late 90s. The reduction in this share began in the 1890s and continued until only a little over one quarter of the total budget had to be set aside for debt service by the end of the period. Over the same time span Table 2 reveals some slight reduction in the proportion of debt service in the Austrian budget; the change is not nearly so dramatic, however, and the debt service component is virtually the same size relative to the total budget as it was in the late 1870s. The explanation for these dissimilar trends is to be found primarily in the Hungarian government's greater involvement in infrastructure investment, in the different timing of railway nationalization in the two countries, and in the phasing of capital flow between Austria and Hungary.

The costs of internal government included the outlays of the various ministries of the two states (except that the railway department, elevated to ministry status in Austria in 1890, was included with state enterprises) and such subsidies (other than to state-owned enterprises) as were specifically reported in the accounting summaries. Once the critical first needs were met, and Hungarian finances achieved a certain order, the activities of the government in this 'internal' sphere began to quickly grow. While the counterpart share in the Austrian government's outlays grew as well, the more rapid increase in this category of expenditure for Hungary is explained mainly by the faster growth of the interior and finance ministries in Hungary, and the even more rapid increase in expenditures on education (from less than 3 per cent of the budget in the late 1880s and early 1890s, to just over 9 per cent by 1913). The 'other expenditures,' substantial in most periods for Hungary, are not further identified, but there is some likelihood that they might fall under the 'internal government and subsidies' rubric, further sharpen-

ing the contrast between the Hungarian and Austrian patterns.

Using the same periods of comparison as earlier for revenues, we find that the net ordinary expenditure of the Hungarian government increased at an average annual rate slightly in excess of 2.7 per cent, while in Austria the growth rate was just over 2.6 per cent (2.1 per cent 1869/73 to 1909/13). In gross terms, i.e., including the gross outlays reported for all state enterprises, the rates of increase for Austria and Hungary in the 1881/81 - 1911/13 period were 3.2 per cent and 3.7 per cent, respectively.

The simple comparison of revenue and expenditure growth of the two central governments can be very misleading, however, since the importance of lower levels of government could have been considerable. There was no direct equivalent in Hungary of the *Länder* (provincial) governments in Austria. The next level below the central government in Hungary was the county (*megye*); below that came the municipal, or community (*község*) governments. The study of these lower levels of government is a statistical *terra incognita*, but it is known that in both Austria and Hungary the outlays of these lesser governments grew more rapidly than those of the central governments. Austrian *Länder* were spending about 200 million crowns a year by the outbreak of the war, and the Hungarian counties and towns about 150 million.[27] These sums amount in each case to roughly one-eighth to one-seventh of the outlays of the central government. Were all revenues and expenditures — extraordinary as well as ordinary — included in our analysis, these fractions would shrink dramatically. Continuing our exclusive concern with the central governments does not vitiate any conclusions we might be able to draw concerning the impact of government fiscal operations on the economies of Austria and Hungary.

If we were able to include these lower governments in our fiscal considerations, they would likely only reinforce, rather than alter the patterns observed. In Austria's case for example, the likely effect would have been to increase the share of "internal government" on the expenditure side, and to reduce all others (except perhaps "debt service," but since there are no data whatever on debts of the *Länder*, it is impossible to tell). In Hungary, the same should have been the case. Since in both countries the revenues of the lower governments came from surtaxes on the direct and indirect taxes, and since the 1896 tax reform in Austria increasingly turned over the real estate taxes

to provincial jurisdiction, inclusion of these governments' tax receipts on the revenue side might slightly increase the share of taxation in total revenue, but no significant change is to be expected.

*4. Governments in the capital market: the financing of deficits*

In the preceding section, treating as it does only ordinary income and outlay, a discussion of government surplus or deficit was not appropriate. For this, total expenditure and total revenue must be considered. Alas, sources differ on the course of deficits or surpluses for the two governments.[28] The most reliable secondary source for Hungary shows a deficit every year from 1869 through 1889,[29] while the State Accounting Office, in its report to Parliament in February of 1900, indicated deficits only in the years 1873-1882.[30] Reforms by two successive Finance Ministers succeeded in raising the gross revenues of the Hungarian central government by 60 per cent, (1886-1893) which produced an essential balance in its finances until 1900. From the turn of the century to the end of the period under review, growing deficits characterized Hungarian government finance.[31]

The difficulty of financing her deficits weighed rather heavily on Hungary during the early years of the Monarchy, producing the threat of state bankruptcy and a touch-and-go situation in the Summer of 1873. The crisis was overcome with the placing of a long-term issue of 153 million florins, and the situation was further, if rather paradoxically, ameliorated by the consequences of the Crash of 1873. The excesses of the pre-1873 boom in Austria produced both a private and an official reaction; the former manifested itself in a general reluctance to invest in private bonds and shares, the latter in legislation more strictly regulating and circumscribing such investment. A large pool of savings sought other, safer outlets, and Hungarian government securities appealed to an increasing number of Austrian investors.[32]

Capital market conditions all over Europe became very favourable in the 1880s, and the flow of foreign savings into Hungarian government securities became a veritable flood. By 1878, more than one-seventh of all outstanding Hungarian government debt was held by Austrians, and in 1893 in excess of three-fifths was in Austrian hands. Of the balance, about even

shares were owned by Hungarians and by the aggregate of all other foreigners except Austrians. The Hungarian government was able to push forward with its infrastructure program, including the nationalization of the railways, without being forced to raise taxes to the point where it would have severely hindered private investment.[33] By permitting the Hungarian government to avoid drastic tax reform, the inflow of Austrian and other foreign capital also helped to prevent major divergence in the two countries' tax systems, preserving the essential character of the tax union between them. Economic growth had proceeded relatively rapidly in Hungary under government tutelage, so that when Austrian investors began to withdraw their savings from Hungarian government securities in 1894, tax revenues were sufficiently large to absorb much of the pressure.[34]

Far less can be said at this point about the financing of Austrian government deficits (see footnote 28). If the pattern of deficits and surpluses in ordinary expenditure roughly reproduces that for all expenditure, then the Austrian sequence resembles very much the situation in Hungary: a few surplus years at the beginning, deficits beginning in the 1870s and continuing throughout the 1880s, then nearly continuous surpluses after the tax reform of the late 1880s until at least the first few years after the turn of the century. This accords roughly with the pattern of growth (and occasional shrinkage) of Austrian state debt, which increased about thirtyfold during the years of the Dual Monarchy, and on which the interest payments at the end of the period exceeded the principal at the beginning of the years under review.[35] The debt grew, the currency remained stable, and Austria herself was a net importer of capital. She, like Hungary, appears to have been able to take advantage of the favorable capital-market conditions to tap both the savings of her own citizens and those of foreigners. The period of the Dual Monarchy appears to have been one of very favourable fiscal conditions, especially when compared to the chaos of the earlier time.

*5. Developments of significance for the tax union: some speculations*

For a brief time, Austria-Hungary was a nearly complete tax union. Independent developments in both countries, mainly in the sphere of direct taxation, then took the Dual Monarchy

away from this position, so that soon the tax union was concentrated only in the area of indirect taxes, with but a loose and partial harmonization in direct taxation. As time passed, the increasing share of indirect taxes in the revenue of both countries implies that after the early moves away from tax harmonization, the tax union became closer again simply because the part of the system in which union was very close increased in relative importance as a revenue source.

With respect to the financing of "common affairs," there were two changes with minor, and probably nearly exactly offsetting effects on the closeness of tax union. First, the increases in Hungary's *Quota* share, since Hungary relied more heavily on direct taxes than did Austria, would — *ceteris paribus* — marginally decrease that closeness. On the other hand, a change in the rebate system on goods exported outside the Monarchy operated in the opposite direction: consumption taxes on these exports were rebated out of tariff revenue before that revenue was applied to common affairs, reducing net tariff receipts (they actually became negative in 1881). After 1888, these rebates were given from the revenue of consumption taxes themselves. Since about 80 per cent of the rebates went to Austria, whose *Quota* share never exceeded 70 per cent, the change in the rebate system reduced the effective burden of common affairs for Hungary, and increased it for Austria. By the same reasoning as used for the *Quota* change above, this change would — *ceteris paribus* — marginally increase the closeness of tax union.

Any improvement in the degree of "closeness" of the tax union during the latter part of the Dualist era should, then, have come about almost entirely through the mere fact of increase in the share of indirect taxation in the revenue systems of both countries, and not as the result of any concerted effort at tax harmonization between Austria and Hungary. Closer tax union, *ceteris paribus*, should imply a reduction in distortions in factor movements. The dramatic movements of capital between the two partners and the striking changes in their magnitudes are not by themselves, of course, evidence of any distortions whatsoever. Such distortions in the flows as might have been induced by the taxation systems of the two countries seem likely to have favored capital inflow into Hungary, since in particular the Hungarian system did not discriminate against corporations and large enterprises, as did the Austrian system.[36]

Although there were Austrian complaints that the Hungarian government program of industrial promotion, which included tax holidays as an incentive, siphoned away capital which otherwise would have been invested in Austria, there were equally vociferous complaints from the Hungarian side that the program was ineffective, and that Hungarian firms could not get a foothold because of the competition of established Austrian enterprise.[37] Since there is little evidence in the data that the Hungarian industrial promotion program succeeded either in promoting exports or replacing imports, it does not seem likely that differences in the tax systems had anything more than a marginal impact on the flow of capital between the two partners. If this be the case, then reduction of distortions through a somewhat greater degree of closeness of tax union must have been very small indeed.

Besides the change in the rebate system for consumption taxes mentioned above, the Hungarians also sought and secured a change in the tax system itself in 1899, when taxes collected at point of production now nevertheless were to accrue to the Treasury of the country where the goods were consumed. This change from the "origin principle" to the "destination principle" should have had no production impact whatever, since producers in both countries were still equally burdened by the tax, and outside producers still had the same common tariff to contend with. The revenue impact could have been considerable, however, and the Hungarians clearly thought it would be to their advantage. The only consumption tax in which the data reveal a sustained increase after 1900 over the levels of 1899 and previous years is, unfortunately for this hypothesis, the sugar tax. Because the sugar cartel had divided the market so effectively by 1900 that sugar exports from one partner to the other had virtually ceased, the explanation for the enhanced sugar tax receipts must be sought in changes in the tax itself.[38] Indeed, since sugar tax revenue increased markedly in Austria as well, we cannot find any evidence for a "tax diversion effect" of any significant size.

Within this restricted framework of tax union analysis, it is obvious that a great deal of work needs to be done before anything very concrete might be said about the impact of the differences in Austrian and Hungarian fiscal systems on output or factor allocation in their common market. What I have

tried to demonstrate is what could be done if more resources were applied to these questions. In the area of public finance more broadly conceived, other important questions have also been highlighted. One that seems particularly important to a more rational and less emotional analysis of the *Quota* question is the question of tax effort. The *Quota* was supposed to be determined by a formula based on taxpaying capacity, but the two sides could never agree on a single formula. Now that estimates of national income and income per capita, at least for the final years of the Dual Monarchy, are beginning to become available, perhaps it is time to turn to the question of whether or not the *Quota* shares were in accord with, or diverged significantly from, the ability of the two partners to pay. Other interesting and important questions will no doubt occur to members of this readership. It is a safe bet that the existing scholarly literature will give no satisfactory answers to those questions, since the entire area of public finance, as the introduction tries to point out, is virtually *tabula rasa* for Austria-Hungary.

**NOTES**

1. An easily-accessible account in English of the Hungarian literature can be found in Péter Hanák, "Hungary in the Austro-Hungarian Monarchy: Preponderancy or Dependency?" *Austrian History Yearbook*, Vol. III, part 1 (1967), pp. 260-302. Two recent dissertations at the University of Chicago have taken up the economic issues of customs union directly: Thomas Huertas, "Economic Growth and Economic Policy in a Multinational Setting: The Habsburg Monarchy, 1841-1865," Department of Economics, 1977, esp. ch. 2; and John Komlos, "The Habsburg Monarchy as a Customs Union: Economic Development in Austria-Hungary in the Nineteenth Century," Department of History, 1978, esp. ch. 1. A less sophisticated and much more openly Hungarophobe work is that of Krisztina Maria Fink, *Die österreichisch-ungarische Monarchie als Wirtschaftsgemeinschaft: ein historischer Beitrag zu aktuellen Integrationsproblemen* ("Südosteuropaschriften," vol. 9, Munich: Rudolf Trofenik, 1968.

2. Jacob Viner, *The Customs Union Issue* (New York: Carnegie Endowment for International Peace, 1950).

3. Surveys of this literature may be found in Richard G. Lipsey, "The Theory of Customs Unions: A General Survey," *Economic Journal* 70: 496-513 (September 1960) and Melvyn B. Krauss, "Recent Developments in Customs Union Theory: An Interpretive Survey," *Journal of Economic Literature* 10: 413-436 (June, 1972).

4. Ákos Paulinyi, "Die sogenannte gemeinsame Wirtschaftspolitik Österreich-Ungarns," in Adam Wandruszka and Peter Urbanitsch (eds.), *Die Habsburgermonarchie 1848-1918, Band I: Die Wirtschaftliche Entwicklung* (Vienna: Österreichische Akademie der Wissenschaften, 1975), p. 585.

5. See for example Carl S. Shoup (ed.), *Fiscal Harmonization in Common Markets* (2 vols., New York: Columbia University Press, 1967).

6. Paulinyi, p. 568.

7. László Katus, "A tőkés gazdaság fejlődése a kiegyezés után" (The development of the capitalist economy after the Compromise) in *Magyarország Története*

(History of Hungary), vol. VI (Budapest: Akadémiai Kiadó, 1979), p. 945.

8. The distinction between indirect and direct taxation is not a precise one in economics. The ultimate effect of any tax depends on its *actual* incidence (to what degree it is shifted forward onto buyers or backwards onto suppliers of inputs), rather than on what lawmakers *intended* its incidence should be. See Richard A. Musgrave, *Theory of Public Finance* (New York: McGraw-Hill, 1959), p. 227.

9. See my "Economic Policy and Economic Development in Austria-Hungary, 1867-1913," *Cambridge Economic History of Europe*, vol. VIII (forthcoming).

10. Josef Wysocki, "Die österreichische Finanzpolitik," in Wandruszka and Urbanitsch, p. 73.

11. Eddie, "Economic Policy...."

12. Even these effects may have been rather small and insignificant. See the discussion in my "The Terms and Patterns of Hungarian Foreign Trade, 1882-1913," *Journal of Economic History* 37 (June, 1977), pp. 352-353.

13. An example of the richness of this data source can be found in the massive study of Harm-Hinrich Brandt, *Der österreichische Neoabsolutismus: Staatzfinanzen und Politik 1848-1860* (2 vols., "Schriftenreihe der historischen Kommission bei der bayerischen Akademie der Wissenschaften," Schrift 15; Göttingen: Vandenhoek Ruprecht, 1978). A far less successful attempt to mine these data from the Dualist period is that of Josef Wysocki, *Infrastruktur und wachsende Staatsausgaben: Das Fallbeispiel Österreichs, 1868-1913* ("Forschungen zur Sozial- und Wirtschaftsgeschichte," Band 20; Stuttgart: Gustav Fischer, 1975).

14. Alois Gratz, "Die österreichische Finanzpolitik von 1848 bis 1948," in Hans Mayer (ed.), *Hundert Jahre österreichischer Wirtschaftsentwicklung 1848-1948* (Vienna: Springer, 1949), p. 224.

15. *Ibid.*

16. While both Wysocki (*Infrastruktur...*) and Katus ("Magyarország gazdasági fejlődése, 1890-1914" /Hungary's Economic Development, 1890-1914/, *Magyarország Története* /History of Hungary/, vol. VII, Budapest: Akadémiai Kiadó, 1978) point out that state enterprises, most important of which were the railways, accounted for about 40 per cent of gross state outlays, the *net* income (or loss) was a very much smaller fraction of net revenue or expenditure (see Tables 1 and 2).

17. "The establishment of the constitution found the country in such a condition, that in every direction, in every branch of the life of the state, there was an immeasurable need which demanded satisfaction in the area of investments. The country so deeply felt her need that it is necessary to begin with the realization of these investments without delay, since only with their help will she be able to make up the neglect of centuries and secure the prerequisites of material development." Az állandó pénzügyi bizottság általános jelentése az 1873-ik évi államköltségvetés tárgyában /General Report of the Standing Finance Committee in the Matter of the 1873 State Budget/, *Országgyűlés képviselőházának irományai* /Parliament. House of Representatives Documents/ 1873, no. 175, vol. II. My translation.

18. Katus, "Capitalist Economy," p. 951. My translation.

19. Komlos, p. 172.

20. Wysocki, *Infrastruktur...*, pp. 168-172.

21. An account of this plan and its tribulations can be found in Alexander Gerschenkron, *An Economic Spurt that Failed: Four Lectures in Austrian History* (Princeton: Princeton University Press, 1977).

22. This is one of the most frequently-mentioned (but unlikely the most serious) of the flaws in Wysocki's *Infrastruktur*, for example. While such a viewpoint may be justified when considering the growth in state employment, it is not, in my view, when one is considering the burdens of the revenue system on the populace.

23. By combining some available figures for the 1903-1912 period (from *Zentralrechnungsabschluss* and *Staatshaushalt* — see source notes, Table 1), we can obtain some idea of the magnitude of error which is likely because of considerations of ordinary rather than total, or net rather than gross, revenue and expenditure for Austria. During the years 1903-1912, extraordinary outlays made up between 6 and 13 per cent of total outlays, and extraordinary income accounted for from 0 to 13 per cent of total revenue. The difference between net and gross revenue ranged from 38 to 46

per cent, while that for expenditure ran from 40 to 45 per cent. Moreover, the inclusion of extraordinary revenue and expenditure would change deficit to surplus, or vice versa, in *six* of the ten years.

24. Mihály Szepessy, *Ausztria birodalmi adórendszere* /Austria's Imperial Tax System/ (Pest: Pfeifer, 1867), p. 5.

25. Even contemporary observers saw the tax system as regressive. "Under our present tax system, the burden of the lower class of the people is much greater than that of the well-to-do." Sándor Milhoffer, *Magyarország közgazdasága* /The Economy of Hungary/ (Budapest: 1904), as quoted in Katus, "Capitalist Economy," p. 950. My translation.

26. John V. Van Sickle, *Direct Taxation in Austria* ("Harvard Economic Studies," vol. XXXV, Cambridge: Harvard University Press, 1931), pp. 28, 34.

27. Wysocki, "Finanzpolitik," p. 74. Katus, "Economic Development," p. 276.

28. Wysocki (*Infrastruktur*, p. 136) presents a table which allegedly shows total outlays and revenues for 1868, with the implied deficits and surpluses. Unfortunately, the deficit or surplus shown in his table is — except for two years — exactly equal to that reported for *ordinary* income and expenditure in the *Zentralrechnungsabschluss*, up through 1899. For the rest of the period it differs markedly, but it agrees neither with the *Zentralrechnungsabschluss* data (as before) nor with the official accounts including extraordinary items, as given in *Staatshaushalt* for the years 1903-1912. Until further research has been done, we remain in the dark about this elementary fact of government finance.

29. Katus, "Capitalist Economy," p. 945.

30. A magyar királyi állami számvevőszék jelentése /Report of the Royal Hungarian State Accounting Office/, *Országgyűlés képviselőházának irományai* /Parliament. House of Representatives Documents/, 1896-1901 no. 802, vol. XXVIII.

31. Katus, "Capitalist Economy," p. 946; *idem*, "Economic Development," p. 274.

32. Komlos, pp. 182-184.

33. *Ibid*, p. 172.

34. Komlos (pp. 150-153) attributes the slowdown in Hungarian industrial growth between 1896 and 1907 to this withdrawal.

35. Josef Püregger, *50 Jahre österreichische Staatsschuld 1862-1912* (Vienna: 1912), as quoted in Wysocki, *Infrastruktur*, p. 140. According to Szepessy, however, the debt of the Empire was 3144 million florin in 1865 (p. 12), which is nearly the level of 3456 million reported by Püregger for 1910. Since Hungary took over only a small fraction of the Imperial debt something is obviously wrong here, and it is most likely that Püregger's early figures are vast understatements of the true position. The amount Hungary agreed to pay yearly as *interest* in 1867 was about one-quarter of the amount which Wysocki draws from Püregger as the *principal* of Austria's share in 1869. With contemporary interest rates on Austro-Hungarian government securities in the 5-7 per cent range, there is a blatant inconsistency here.

36. Herbert Matis, in *Österreichs Wirtschaft 1848-1913: Konjunkturelle Dynamik und gesellschaftlicher Wandel im Zeitalter Franz Josephs I.* (Berlin: Duncker & Humblot, 1972), attributes the "petrification" of Austrian industry to the bias in the tax system against corporations and other measures to protect small business (p. 328).

37. See for example Iván Berend and Miklós Szuhay, *A tőkés gazdaság története Magyarországon 1848-1944* /The History of the Capitalist Economy in Hungary 1848-1944/ (Budapest: Kossuth, 1973), p. 96.

38. Eddie, "Terms and Patterns," p. 345.

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# Hungary's Economy, 1849-1867: A Critique of a Recent Hungarian Assessment

*John Komlos*

György Szabad, "Az önkényuralom kora (1849-1867)," /The Age of Neoabsolutism, 1849-1867/ *Magyarország Története* /History of Hungary/ (Budapest: Akadémiai Kiadó, 1979) VI, part I: 525-608.

Reviewing part of a volume of a larger series is an unusual undertaking for a scholar. Szabad's essay is merely part of a book; the book itself is, in turn, part of a multivolume history of Hungary. It is incumbent on historians to review at least parts of this work. Since it is difficult for one person to review the entire volume, I have decided to review the section which deals with economic history, my field of expertise.

In the past, Hungarian historians have often referred to pre-1867 Austria as Hungary's oppressor. Since the mid-1960s, they have gradually revised this view and have evinced much more intellectual maturity about the relationship between Hungary and Austria under the Habsburg scepter. Although a negative tone can still be found in the analysis of that relationship, only in the recounting of the history of the 1850s does the old vocabulary of exploitation still dominate the narrative.

During the years of Absolutism that span the period from the end of the Hungarian War of Independence in 1849 to the Compromise of 1867, Hungary was an integral part of the Habsburg Monarchy, and hence was administered as any of the Empire's other political units: not even a modicum of representative government existed. This authoritarian arrangement need not have had an adverse effect, however, on Hungary's economic development. The issue of the economic consequences of the Absolutist government's policies is likely to be a controversial one for some time. The study under review does

not contribute to the resolution of the crucial questions confronting the student of the period.

Professor Szabad argues, for instance, that the Austrian government decided to spur capitalist development in Hungary, but at the same time subordinated this development to its own needs. The major problem with this assertion is that several elements of it remain unexplored. How did Austria coerce Hungary into serving its needs? What were those needs? What kind of distortions did this coercion cause in the Hungarian economic fabric?

The implication of his suggestion is that, freed from the shackles imposed by Austria, Hungary could have fared much better economically on her own. It seems, however, that a relatively backward country, such as Hungary during the mid-nineteenth century, would have been without the financial and the real infrastructure necessary for an effective economic mobilization and would have probably had great difficulties relying exclusively on its own pool of skilled labor and accumulated domestic capital.

Szabad also implies that the Austrian government consciously decided on the path of capitalist development for Hungary, actively directing her on this path. Once again, however, no examples are cited to support this claim. As far as can be discerned, the government in power in Vienna at this time was not a more activist regime than its pre-March predecessor; instead a continuity in development was apparent. The economic development that did occur in the 1850s was primarily an outgrowth of market forces at work rather than some manifestation of government omnipotence, as implied by the author.

Austrian capitalists were supposed to have monopolized the Hungarian market. It is true that Austrian entrepreneurs dominated certain branches of the economy, and that they played a significant role in others. They did not collude, however, nor did they act as a monolith. There was no means available for them, either legally sanctioned or illicit, to exact exorbitant prices and thereby, hurt the Hungarians. The Austrian entrepreneurs acted in an atomistic fashion; by competing among themselves, they prevented any monopoly from being formed.

Nor is there any evidence that these capitalists sought to control certain branches of the economy for ulterior motives,

that is, to be able to command key positions of the economy in order to wield power over it. Austrian investments in Hungary were heavily concentrated in transport, the extractive sector, and in the financial sector. Yet were not these industries precisely those that were expanding quickly and hence, provide a lucrative return on investment? In other words, there seems to be no reason to impute sinister motives to Austrian investors.

According to the author, the Hungarians refused, "at times with apparent unanimity," to pay taxes.[1] Their refusal to do so, it is asserted, continually threatened to upset the government budget. This alleged statement is used to indicate unified Hungarian resistance to Austrian oppression. Again the data point to a different conclusion. It is true the Hungarians were the worst taxpayers in the Monarchy. Out of 12.5 million gulden total arrears to the central government, 7.0 million gulden were due from Hungary.[2] This was not a substantial change, however, from the 1840s. In 1846, for instance, out of 15.9 million gulden total arrears, Hungary had owed 8.9 million gulden.[3] In other words, when compared with the figures for 1846, Hungary's tax debt had, by 1857, actually decreased, although it was to increase in the 1860s.

Szabad's assertions about tax delinquency in Hungary may be interpreted in a completely different way from that which he intends. The failure of many Hungarians to pay the taxes on land may indicate not widespread rebelliousness, but simply a shortage of money in Hungary due to the limitations of an underdeveloped market economy. Furthermore, the very fact that back taxes on land were tolerated without foreclosing on the properties in question, testifies to the limits of enforcement of government policies. If, as the author suggests, the Austrian authorities had been as oppressive and the Hungarians' failure to pay such taxes been as damaging to government revenues, why were not the properties of such delinquent taxpayers confiscated?

Although the problem of tax delinquency was indeed an irksome one, it was by no means debilitating to the Austrian government. In 1857, the Hungarian land tax was 18 million gulden, of which 91 per cent was actually paid that same year. In addition, enough of the back taxes were paid in that year to decrease the total outstanding arrears of Hungary from 8.3

to 7.0 million gulden. Incidentally, the total tax arrears in 1857 of 12.5 million gulden do not appear significant when compared with the government revenues of 420 million gulden. A slippage of 3 per cent is hardly likely to have threatened the Monarchy's stability.[4] In sum, the whole problem of taxation is oversimplified in this essay.

The state finances are also misrepresented. The reader is told, for example, that the service on the peasant-emancipation bonds alone accounted for 1/4 to 1/2 of direct taxes. This statement is implausible. In fact, about 7.8 million gulden in interest and 6.8 million gulden in principal were redeemed in 1864. These amounts do not loom significantly large when compared with the 122.7 million gulden taxes collected directly. In any case, it is not reasonable to compare an expenditure item with direct taxes alone; instead, it should be compared with the total tax revenues, which were in the order of 450 million gulden.[5] The author also asserts that revenues were "squandered" by the government, but, without some indication of what expenditures the author considers superfluous, such a statement cannot be given much credence.

The aforementioned is not to be construed to suggest that the Austrian government was on sound financial footing. Deficits were no doubt large, but they did not threaten the government with bankruptcy. The economy did not teeter on the verge of collapse, and there is no point in presenting the reader with that impression.

The entire discussion of taxation is misinformed and one can only conclude that it is a misrepresentation of reality. The fact that taxes were increasing in nominal terms does not, by itself, prove that they were also increasing in real terms, or that such taxes were either burdensome or exploitative. Was the price level constant? Did not incomes also increase? Should not one also be aware of the fact that the tax burden previously accruing to the Church and to the landlord had now been eliminated? Thus the existence of "taxploitation," a word coined by the author, does not follow from the mere fact of an increase in taxes.

Szabad would like to demonstrate the repressive nature of Austrian tax policy by pointing to the high proportion of taxes (26 per cent) collected from the sale of tobacco and salt. To put things in proper perspective, however, one must keep in

mind that the expenses incurred by the government in manufacturing and marketing both products were considerable: the net revenue from their sale as a share of the total revenues collected by the state, net of the expenses incurred in generating these revenues, was 17 per cent in 1857.[6] Even this figure makes the tax seem more burdensome than it really was. Some of the tobacco products were sold to foreigners as an ordinary business transaction; in that case, the tax did not burden the domestic population. Furthermore, only the difference between the price that prevailed as a consequence of the monopoly position of the government and the price that would have prevailed had these products been deregulated can be considered a tax, and not the price itself.

Another erroneous argument is the author's claim that Hungary paid more taxes than the value of the services the Austrian government returned to Hungary. In support of this thesis, Szabad makes an accounting of actual income and expenditures of the Austrian government in Hungary, which indeed shows a deficit. He fails to mention, however, the fact that the same accounting shows a deficit for all the provinces of the Austrian Empire, for the simple reason that those expenditures of the central government that could not be allocated to any single province were left out of the calculations. The armed forces, the Court, and the diplomatic corps all absorbed revenues that could not be allocated to any one province. The author also fails to mention that this deficit was, for Hungary, among the smallest in the Monarchy, on both a per capita basis and a per square mile basis: only Tirol, Vorarlberg, Salzburg, Dalmatia, and Bukowina had a smaller deficit than Hungary.[7] In fact, the Hungarian "deficit" was, on a per capita basis, less than half the deficit of the rest of the provinces, and less than one-third on an acreage basis.

The relative smallness of this deficit cannot be accounted for entirely by the income side of the ledger, but must be ascribed in large measure to the fact that certain government expenditures were disproportionately large in Hungary. On various water works, one million gulden were spent in Hungary in 1857, while only 300,000 gulden were spent in Bohemia, and only a half million in Lower Austria. In the same year (1857), 4.3 million gulden were spent on building roads in Hungary. The provinces with the nearest amount to that spent

on building roads were Galicia, with 1.4 million gulden, and Bohemia, with one million gulden. Another such expenditure, one not mentioned by the author, was a benevolent action of the Austrian government: the 14.5 million gulden welfare payment made in 1864 to help needy Hungarians who had been badly hurt by the harvest failure of the preceding year. [8]

It is also necessary to refute Szabad's assertion that Hungarians paid more than their fair share of taxes. In support of this contention, he states that "in the early 1860s, the per capita land tax was 4 per cent higher in Hungary than the average for the Empire." Is such a small difference really significant? In 1864 this tax, which no doubt fluctuated from year to year, was 1.77 gulden per capita in Hungary (excluding Transylvania and Croatia), while the Empire-wide average was 1.76 gulden. [9] This is a negligible difference. The author likewise overlooks the fact that the tax was not evenly distributed within Hungary. In 1857, the land tax for Hungary proper, as well as for Croatia and Transylvania, was considerably less than the average for the Empire as a whole. The Bánát was the only region where the tax per capita was above the average. [10]

The example of the Bánát brings us to the main reason why the comparison of the land tax per capita across the various provinces is extremely misleading: the higher the productivity of the land, and the lower the population density, the higher this indicator will be, even if the tax burden is distributed equitably. That was precisely the situation in the Bánát: low population density was coupled with what was probably the best land in the Empire. The tax per acreage, therefore, is a better indicator of the burden of the land tax than the one used by the author. In 1864, Hungarians paid 5.06 gulden per Austrian square mile, the average for the Empire as a whole was 5.6 gulden per Austrian square mile.

The land tax by itself, however, is not a good measure of the distribution of the tax burden. In 1857, Hungarians paid only 60 per cent of the total taxes (direct and indirect) that were paid per capita by their Austrian counterparts; on an acreage basis, the balance was even more in Hungary's favor. Yet this measure is imprecise as well. Since Hungarians clearly had a lower per capita income, the incidence of the indirect taxes would not have fallen on them with as much force. The proper measure is the amount of taxes as a percentage of national

income. On this basis, the indication is that Hungary was paying, if anything, less than its fair share. Although slightly more than 30 per cent of the Monarchy's GNP originated in Hungary,[11] the sum of the direct taxes and the consumption tax paid by Hungary was less than 30 per cent.[12] Thus, there is no evidence that Austrian tax policy discriminated against Hungary.

The above analysis is, of course, not meant as a substitute for a systematic evaluation of Austrian tax policy during the years between 1849 and 1867. The main purpose of this critique is to point out the degree to which the issues involved have, up to now, been obfuscated.

Professor Szabad's essay contains yet another misconception: the notion that the 1850s in Hungary were characterized by an agricultural boom. He implies that the dynamics of this decade differed significantly from the preceding ones in both exports and production. The whole notion of a "boom," however, is contradicted by the data on internal transportation and foreign trade in the Monarchy. The growth rate in grain exports between 1833 and 1843 was 5.3 per cent; in succeeding decades, up to the eight year average centering on 1871, the average was only slightly higher, at 5.9 per cent.[13] In fact, the first half of the 1850s was marked by adverse weather conditions and harvest failures. The temporary dislocation of the labour market caused by the peasant emancipation exacerbated conditions, and there were severe sporadic famines. As a consequence, the Monarchy's foreign balance in the grain trade was negative in the first half of the 1850s; only in the second half of the 1950s did production reach trend values.

The reader can see the lack of validity in the author's argument when one examines the reason he gives for increased production, namely the increased demand caused by the Crimean War, the Italian War, the American Civil War and Indian Mutiny of 1857. There is no evidence, however, that any of these conflicts increased the demand for Hungarian grain.

During the Crimean War, there was no adequate transportation system that would have enabled Hungarian producers to export grain to the Crimea. Furthermore, the shift of less than a hundred thousand men from Western Europe to the Balkans could have hardly had a significant effect on the trade of a Monarchy with an internal market of 30 million. Although

war was declared in September, 1853, the Russian government did not close the port of Odessa to grain exports immediately; it offered an inventory of 5.5 million hektoliter for sale as late as November of that year.[14] When Russia did prohibit the export of grain,[15] this was as much the result of the bad harvest as it was of the needs of the war effort.[16] Although Wallachia also prohibited the export of grain for a while, it lifted this ban in the fall of 1854.[17]

Some trade diversion could have taken place because of the closing of the port of Odessa, but the Austrian Empire had no surplus grain to take advantage of this development in any event. Hence, even if the Monarchy had been in a position to respond, the trade diversion induced by the war would have been short-lived, and could not have significantly influenced production. The only effect of the Crimean War on Austria's grain trade was to cause her to import somewhat more grain than she would have otherwise. Troops were stationed in grain-deficit areas, where it was cheaper to import the grain from abroad than to procure it from the center of the Monarchy.

It is misleading to argue, as the author does, that the Indian Mutiny of 1857 hindered the export of grain from India. As the table below indicates, the data show quite the contrary, that exports were not affected by the mutiny.

EXPORTS OF GRAIN
from British India by sea to foreign countries
Thousand of Pound sterling (£)

| | Wheat | Other grain | Rice |
|---|---|---|---|
| 1855 | -* | 180 | 1,562 |
| 1856 | 174 | 124 | 2,598 |
| 1857 | 138 | 148 | 2,301 |
| 1858 | 143 | 198 | 3,449 |
| 1859 | 117 | 251 | 2,433 |

*included in other grain

Source: Statistical Abstract Relating to British India, 1840-1865. Compiled from Official Records and Papers presented to Parliament.

It is suggested that the Second War of Italian Independence of 1859 also contributed to the "grain boom" of the period. Yet, would the Austrian soldiers and horses deployed on the

battlefield not have had to eat had they stayed at home? The *Creditanstalt* was able, in 1859, to purchase 2.5 million hektoliters of grain for the military, a transaction amounting to about 1.5 per cent of the Monarchy's output, without affecting the price of grain.[18] This fact suggests that the army purchases for the Italian War did not increase the demand for grain within the Monarchy, and that they were insignificant compared with total grain consumption.

The author further suggests that the American Civil War brought prosperity to Hungarian grain producers, by causing a decrease in grain exports from the United States. This argument is also erroneous. While the Southern market for grain was cut off by the Northern blockade, the North diverted its exports to Europe, with a more than fourfold increase in quantities shipped abroad. Prior to the war, the average annual exports of grain from the United States had been about 5 million bushels. In 1861 exports increased to 31 million bushels, and stayed around that level throughout the conflict.[19] In short, the political events which Szabad supposes to have contributed to the Hungarian export boom turn out to have had quite different implications.

Another difficulty with Szabad's thesis is the fact that, at the same time that the author emphasizes the severity of the exploitation of Hungary by Austria, he also argues that something just short of an economic miracle took place in the former country during the very years in which it was being exploited. This position is difficult to maintain, for the effects of the economic reforms that had taken place in the 1850s were not likely to have had an appreciable impact immediately on economic development. It is repeatedly suggested, however, that the economic regime of the 1850s differed fundamentally from that of the 1840s. The fact is that the 1850s did not witness an increase in economic well-being of unusual proportions, and that at the same time, the exploitation of Hungary by the Austrians was either non-existent or small. One cannot rule out, on the basis of evidence thus far presented, that a careful accounting might even show the balance to have been in Hungary's favour.

The author also advances the argument that the railroads, built in this period primarily with foreign capital, served the interests of foreigners. As evidence for this contention, he points

out that the railroad connections were not built to reach the iron-producing regions of the country. Szabad has misunderstood the motivations of these capitalist-entrepreneurs: their purpose was not to serve anyone's interests, but to make profits. For that end, they needed to extend the railroad lines to places that had bulky goods to send over long distances in large quantities. The logic of their endeavour was to connect the grain-producing and coal-producing centres with the Imperial capital of Vienna, and thus with the European rail network. The Austrians were not alone in benefiting from this endeavour; in this case, the Austrian and Hungarian spheres of interest merged. Did not the coal miners gain from the increased sales of coal? Did not the Hungarian agricultural interests benefit from the lower costs of transportation to Vienna?

In conclusion, Szabad's essay contains numerous assertions of dubious validity. I believe that this segment of the huge volume is not an effective aid for the serious student of this period.

**NOTES**

1. Szabad, *Az önkényuralom kora*, p. 543.
2. Direction der administrativen Statistik, *Tafeln zur Statistik der Österreichischen Monarchie*, New Series, III, 1855-1857, Part I, Section B/III, Table 7, pp. 16, 23-4.
3. *Tafeln*, 1845-1846, Part I/B, Table 9.
4. *Tafeln*, New Series, III, 1855-1857, Part I, Section B/IV, Table 24, p. 24.
5. Austria. Statistische Central-Commission, *Statistisches Jahrbuch der österreichischen Monarchie für das Jahr 1865*, pp. 407, 457, 459, 464.
6. *Tafeln* 1855-1857, Part I, Section B/IV, Table 24, p. 52.
7. *Ibid*, p. 48.
8. *Statistisches Jahrbuch*, 1865, p. 478.
9. *Ibid*, p. 406.
10. *Tafeln*, 1855-1857, Part I, Section B/III, Table 7, p. 24.
11. Péter Hanák, "Magyarország az Osztrák-Magyar Monarchiában, túlsúly vagy függőség," /Hungary in the Austro-Hungarian Monarchy, preponderancy or dependency/ Péter Hanák, ed., *Magyarország a Monarchiában* /Hungary in the Monarchy/ (Budapest: Gondolat, 1975): 300.
12. This was 50 million gulden out of 170.9. The incidence of indirect taxes, other than the consumption tax, is difficult to ascertain. *Statistisches Jahrbuch 1866*, pp. 343, 351.
13. *Ausweise über den Handel von Österreich, 1831-1847. Hivatalos Statisztikai Közlemények, 1867-1875* /Official Statistical Communications./ Both cited in John H. Komlos, "Austro-Hungarian Agricultural Development, 1827-1877," *The Journal of European Economic History* VIII (Spring 1979) 1, p. 49.
14. *Gazdasági Lapok* (Economic Journal) (November 20, 1853) p. 570.
15. *Ausweise über den Handel von Österreich* (1855) p. 570.
16. The harvest of 1855 yielded about two-thirds of the usual amount.
17. *Gazdasági Lapok* (Economic Journal) (November 23, 1854) pp. 583-4.
18. *Geschäftsbericht .... Creditanstalt* (1859) p. 3.
19. U.S. Department of Commerce, *Historical Statistics of the United States, Colonial Times to 1970* (Washington, D.C.: Bureau of the Census, 1975) Part 2, p. 899.

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# A Conversation with a Communist Economic Reformer

*John Komlos interviews Rezsõ Nyers*

In 1968, when Hungary diverged from the main road of Socialism to find its own particular pathway, with a decentralized economic policy, Rezsõ Nyers was the secretary of the Central Committee of the Hungarian Socialist Workers' Party (prior to which, he had been Finance Minister). Hungary's economic reforms are due to him, perhaps more than to anyone else. He comes from a working-class background — his father was a printer. Prior to the Second World War, he had been a Social Democrat — not exactly the most advantageous political background for a Communist to have.

This interview was held in 1982, on occasion of his first visit to the United States. Nyers appears impressed by what he finds, but does not seem to be particularly well-informed about our system. He is not overpowering: although small in stature, he appears full of strength and vitality. Our conversation is not animated, but he smiles frequently.

*NYERS*: At the end of 1963 I initiated an informal regular gathering among friends to discuss the future of our economic policy. There were a dozen of us.

*KOMLOS*: Twelve angry men?

*NYERS*: No, not exactly. We were merely dissatisfied with our economic policy. The truth is that most of us, economists as well as politicians, had been somewhat intent on reform ever since 1953; so the roots of the 1968 reform can actually be traced back to 1953. Only at the end of 1963, however, did we begin those discussions about reform that finally led to 1968. It took perhaps two years to prepare the main outline of the program, and then another year and a half to work out, with the aid of about two hundred experts, the specifics of the program. But initially our group was merely an unofficial gathering of friends.

*KOMLOS*: A Sunday Circle?

*NYERS*: Perhaps it was, but we met in party headquarters, not in our own residences. Non-Communists also participated.

*KOMLOS*: With the knowledge and approval of the party?

*NYERS*: I was the secretary of the Central Committee at the time.

*KOMLOS*: What was your aim in 1963?

*NYERS*: We wanted to acknowledge the views of elements of society outside of our party that were not inimical to our aims. We wanted to bring various groups of society into alliance with us; we call this "the politics of alliance." Socialist policy, we believed, ought to be in harmony with the population, at least with its progressive elements.

The truth of the matter is that we were dissatisfied with the direction of our political life and with the productivity of our society's wealth. We wanted a certain democratization of our economic life, and we also wanted equality of opportunity. We were dissatisfied with the Stalinist model of a planned economy: we found it to be over-centralized and too cumbersome for the Hungarian case. We came to realize that there were several roads to socialism, and decided that we wanted to find the road that was suitable to Hungarian circumstances.

*KOMLOS*: Were workers drawn into the process?

*NYERS*: The reform came from above: our policy was to do everything for the workers' benefit, but without them. The leaders of the trade unions were, however, consulted.

Our aim was to make our economy both more productive and more socialist. Internal and external forces made it suitable for us to experiment. By 1962 our capacity to effect further economic gains was exhausted. The formation of cooperatives, which we had just concluded, had taken an immense amount of capital investment: they were very costly. We came to realize that without economic reforms we would stagnate: this realization obviously worked in favour of proposals for reform.

At this time, other Communist parties in Eastern Europe began to consider reform as well. The Czechoslovak experiment is, of course, well known. The Communist Party of the Soviet Union also began to undertake circumspect deliberations about economic reform at this time; these, however, were ultimately abandoned.

At the same time, the Hungarian Communist Party took

the conscious step of opening up possibilities for tourism. This, however, entailed the exchange of ideas as well as experiences of material life. Our citizens traveled abroad and saw that not only Austria, but also Yugoslavia and even Czechoslovakia were better supplied with consumer goods than Hungary was. Our people wanted refrigerators, washing machines, vacuum cleaners, and television sets. Private automobiles were not yet feasible: there was, however, a wish to increase consumption, and perhaps even a demand to do so.

*KOMLOS*: In other words, there was a shift toward the consumer society?

*NYERS*: That expression has absolutely no meaning to workers. Among intellectuals, however, the problem did crop up. Some cynically called our policy first "refrigerator communism" and then "goulash communism."

The fundamental consideration, however, is that even members of the party at the firm level wanted some kind of decentralization. Since until then the central directives had outlined quite specifically what was expected of them, they had not been left any room for local initiative.

*KOMLOS*: What was the position of the Soviet Union with regard to your efforts?

*NYERS*: I travelled frequently to Moscow at that time. They did not pressure us one way or another.

*KOMLOS*: What about internal political opposition?

*NYERS*: Our proposal was accepted by the Central Committee unanimously.

*KOMLOS*: But from the discussions you must have had some notion of the strength of the opposition, didn't you?

*NYERS*: Ten, perhaps twenty per cent of the ninety members of the Central Committee were against us in that sense. To work out the proposal, two hundred experts had been called together; in some of the committees, perhaps as many as one-third of the experts wanted to continue the Soviet model.

*KOMLOS*: Did the Czech events influence your course?

*NYERS*: I am a firm believer in *Realpolitik*, and we were more realistic all along than the Czechs. I am convinced that the mechanism of our political processes can surely evolve over time, but that these changes ought not to be sought in solutions that threaten the leading position of the Communist Party. That hegemony ought not even to be made uncertain, not only

because of the concern of the Soviet Union but also because of internal political considerations.

*KOMLOS*: Can you imagine two Communist parties in your country?

*NYERS*: No, I cannot.... Perhaps in the very distant future. Our aim is to surround the mother party with allied political formations.

*KOMLOS*: Why are you afraid of the people?

*NYERS*: We are not afraid of the people by any means.

*KOMLOS*: Why then do you disassociate yourself from the people to this extent?

*NYERS*: We are aware of the fact that one cannot speak of a homogeneous working class. It has quite backward elements; we cannot risk these elements' gaining ascendancy.

Our pattern of social revolution is temporary, to be sure. One must be careful that the dictatorship of the proletariat doesn't remain a permanent feature of socialism. We should become a "public state;" this is Khrushchev's concept. In the future our goal is to embrace the whole population.

This by the way, brings us to the biggest difference between reformers and conservatives. We wanted then, and still want now, to continue democratization. The conservatives, on the other hand, are intent on defending the dictatorship of the proletariat; they claim that we are not yet in a position to relax our controls.

The conservatives could have blocked our reform but chose not to do so. We, in turn, supported them subsequently, in 1972, when a certain reversal of our policies was initiated. There must be give and take.

*KOMLOS*: What does Marxism mean to you today?

*NYERS*: A collection of the theses of Marxism-Leninism.

*KOMLOS*: How are your aims different from ours? Don't we both want to increase the standard of living?

*NYERS*: Capitalism aims to better the life of the middle class, but not of its workers. Unemployment is endemic with you, and you have plenty of broken individuals. While you insure the standard of living of the middle class, our aim is to provide for the workers and peasants.

*KOMLOS*: Didn't workers benefit the least from your reforms?

*NYERS*: It is true that the salaries of managers increased

more between 1968 and 1970. We did this consciously in order to spur development. Between 1970 and 1979 this pattern was mitigated; thereafter, it surfaced once again. Nonetheless, the standard of living of the poorest segments of the peasantry increased the most, that of the middle peasants less so; the worker benefited more than did the intellectual.

*KOMLOS*: What about the benefits and privileges of party members?

*NYERS*: There are some who enter the party because they believe that it will lead to social mobility. We have declared, however, that no benefits shall accrue to them, and that we will begin giving some responsible positions to non-party members. This declaration still needs to be implemented fully.

*KOMLOS*: How effective was your reform?

*NYERS*: I think it was worthwhile. Initially great productivity gains were obtained. Until 1972 we exploited the opportunities of decentralization well; then, however, we halted.* In the long run our policy ran into obstacles: it was especially difficult to alter the structure of our economy.

*KOMLOS*: What are some of the problems?

*NYERS*: We produce myriad goods that are too costly for us to produce, we should import these instead. We were unable to restructure our textile industry, because we could not import the most up-to-date technology. We could not get it from the West because of our lack of foreign exchange; even from our Comecon partners, Czechoslovakia and the Soviet Union, we failed to get the best machinery, because they needed the best for themselves. We made some progress in this regard, but it was insufficient. I could multiply such examples from the machine engineering industry and elsewhere.

*KOMLOS*: Where does the reform stand now?

*NYERS*: A movement toward reform started again in 1978. In my private opinion, we made, between 1974 and 1978, some critical mistakes. The party wanted to induce too much economic growth without also reducing structural imbalances. In addition, the terms-of-trade turned against us; as a consequence, we are now forced to increase our exports greatly. Our balance of payments is a fundamental problem. Perhaps

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*Nyers was made to "step aside" in 1972.

we ought not to be so concerned with it as we have been. We could allow a balance of trade deficit to exist for a while in order to be able to import needed technology and intermediate products.

I am hopeful that the reform that I initiated will be pursued with full vigor in the 1980s.

*KOMLOS*: Has the reform enabled you to match the standard of living of your western neighbor?

*NYERS*: I think that we are now closer to the Austrian standard of living than we ever were before. In judging this problem, one ought to consider that we underwent a social revolution that was costly in terms of human and physical resources; in addition, in the 1950s we made plenty of mistakes in our socialist investment policy. The record shows that between 1965 and 1973 we were among the fastest-growing countries of the world, surpassed only by such countries as Japan and South Korea.** This economic progress, I believe, can be ascribed to the beneficial effects of our reforms.

*KOMLOS*: What are some of your feelings toward your society?

*NYERS*: Our society is anxious. It feels the difficulties that stem from the geopolitical turn of events; it senses that the road may become rocky. But if we continue to pursue the political course on which we have embarked, and if we do not reverse ourselves, we shall overcome our difficulties. This requires that the political leadership be resolute enough to dare to pursue the reforms in the future.

I am not sure that this is the way it will be: I am a realistic politician. If détente continues to deteriorate, we will hardly be able to pursue our reform.

*KOMLOS*: If you can pursue your reforms, where will they lead?

*NYERS*: To a Socialist Democracy. To a Hungary that is socialist, and that can be a bridge between East and West. If the superpowers do not need such a bridge, then we are in difficulties. A favourable geopolitical climate is the *sine qua non* of our success.

Bloomington, Indiana, March 24, 1982.

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**The speaker is referring to an International Comparison Project of the United Nations.

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# Part II
# Noteworthy Immigrants from Hungary

*Introduction*

Since the middle of the nineteenth century close to eight hundred thousand Hungarians have come to North America. Today, they and their descendants number over one million in the United States and about one hundred and forty thousand in Canada.* While the majority of this mass of Hungarian immigrants have been what might be called "ordinary people," a few were individuals with extraordinary gifts and uncommon personalities. Through their talents, dedication and perseverance, these outstanding immigrants have made lasting contributions not only to their own immigrant community, but to the cultural development of the whole of North American society. We are pleased to present studies on two such individuals: the Hungarian-American poet György Gyékényesi (1932-1973), and the Hungarian-Canadian musician Géza de Kresz (1882-1959).

Several interesting coincidents can be noted about the two essays. The first is that they both commemorate an anniversary, 1982 being the fiftieth anniversary of Gyékényesi's birth and the hundredth of Kresz'. The second coincidence is that each essay is written by a close relative of the individual discussed. The article on Gyékényesi is by his sister, Katherine Gyékényesi Gatto; while the essay on Kresz is by his daughter, Mária Kresz. It is also worthy of note that both authors are distinguished persons

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**Estimates of the numbers of Hungarians in North America differ. For a recently published discussion on this subject, see Professor Paul Bődy's study "Emigration in Hungary, 1880-1956," in N.F. Dreisziger* et al. Struggle and Hope: The Hungarian-Canadian Experience (*Toronto: McClelland Stewart, 1982; especially pp. 28 and 51-3.*

in their own right: Dr. Kresz is a noted writer and academic in Hungary, while Professor Gatto is a young scholar of comparative literature teaching at an American university. A further coincidence is the fact that the essays were submitted to the *Review* unsolicited, a circumstance which helps to explain the different approaches the two authors take to present and analyse the work and legacies of György Gyékényesi and Géza de Kresz.

It is hoped that these two studies will be a useful contribution to the understanding of the overall theme of immigrant, in particular, Hungarian immigrant contributions to the development of North American society. It is also hoped that they will inspire other writers to explore the work and accomplishment of other remarkable Hungarian immigrants and thereby help future social scientists and historians achieve a more complete and more penetrating synthesis of the role of immigrants in the growth and evolution of North American culture.

*N.F.D.*

## *GYÖRGY GYÉKÉNYESI, HUNGARIAN-AMERICAN POET (1932-1973)*

György István Gyékényesi, Hungarian-American Poet, was born in Gyékényes, Hungary on October 20, 1932, and died in Cleveland, Ohio on May 25, 1973. From May 29, 1973 until December 17, 1974 his body lay in Calvary Cemetery, Cleveland, from where it was transported to Hungary and reburied in the town of Mohács.

The poet arrived in New York City with his parents, two brothers and a sister on August 17, 1951, as a Displaced Person and Permanent Resident. In 1952, he was drafted into the U.S. Air Force, spending his service time in Kansas, Texas, and Alaska. He attained the rank of Sergeant and was honorably discharged in 1956. In 1955 he became a naturalized citizen and in September of the following year he commenced studies in Mechanical Engineering at the University of Akron, receiving his degree in June, 1961. Initially hired by IBM as a mechanical engineer, Gyékényesi changed jobs in 1962 and went to work for NASA Lewis Research Center, where he remained until his death in 1973. In June, 1965, he received a Master's Degree from the Case Institute of Technology, Cleveland, and in June, 1972, the Ph.D.

degree from Michigan State University, both of them in Mechanical Engineering.

After graduating from the University of Akron, Gyékényesi established his residence in Cleveland's Buckeye neighborhood (a Hungarian ethnic community), where he lived with his wife and three children and spent his artistically most creative years. He founded and was director of the Hungarian Theater and Dance Association of Cleveland, and in the same capacity sponsored performances there by touring European actors. In December, 1972, the political and cultural monthly *Nemzetőr* (The Guardian), in Munich, West Germany, published his first volume of poetry *Karikázó*. A posthumous volume was published by the same press in 1975, entitled *Karámország*.

With the publication of the first anthology, reviews of the book appeared in many leading newspapers of the exiled Hungarian community both in Europe and America, all of them favorable. Gyékényesi's name as a poet already had been established through the publication of his poems in Hungarian journals and newspapers. Most recently, his poetry has appeared in Hungary in a textbook, *Beszéljünk magyarul* (Let's speak Hungarian) (Budapest: Tankönyvkiadó, 1979) and in an anthology of emigrant Hungarian poets *Vándorének* (Wanderer's song, the title of one of his poems as well) (Budapest: Szépirodalmi Könyvkiadó, 1981). In addition to his success as a poet, Gyékényesi was also the author of many papers and publications related to his work at the NASA Lewis Space Research Center.

The following quotations best characterize his personality and poetry:

"I grew to be a Hungarian in the emigration, after 1945. Instead of instinctively experienced Hungarianness, I learned to abstract and thus resolve my objective world in an abstract Hungarian concept.

I look for my personal humanness in universalities. I see the sense of human existence perhaps in solitude, in a praying Christ-like solitude which creates consciousness. I'm not a misanthrope, but I do assert that the final cause of lifeless massiness is the lack of personal consciousness. We talk in vain about such and such consciousness if we gibber like parrots the dogmas of the present juncture and encourage one another to accept personlessness.

In my personal humanness I am a cultural

emigrant. History can pass me by because I don't sit in its chariot. On the other hand, I see more than those who sit in it. I had and have the opportunity to plan and criticize at my own leisure. There isn't any responsibility on my shoulders, except the faithfulness to myself.

Verse isn't a revelation, or an instruction; it isn't even pure aesthetics and euphony. Verse is life itself, moreover, the plus of life.

Poetry doesn't have stabilized coordinates because human consciousness is more than stratified experiences.

So, verse is a dynamic wholeness and this wholeness is guaranteed by the coherence of form and content, which is independent of any fashion in every true verse. True verse, true poetry thus, will be timeless and eternal.

I have often asked myself the question, why do I write? I haven't found an answer to this yet. But it is more of a human thing to build sandcastles, than not to build at all."

*(K.GY.G.)*

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# From Somogy to Cleveland: A Hungarian Emigrant's Heroic Odyssey

*Katherine Gyékényesi Gatto*

In late November of 1944, the Russian armies advanced northwestward towards southern Hungary precipitating the flight of many Hungarians living in the Transdanubian region. Among the refugees was György István Gyékényesi, the twelve year old son of the educator-cantor of the village of Gyékényes in the county of Somogy, who together with his family would embark on a journey that would sweep them westward through Austria and Germany, and across the ocean to America. Almost thirty years later the odyssey would come to a tragic end in Cleveland, Ohio with the untimely death of the poet-emigrant.

An almost historical as well as a mythical account of the happenings during the poet's short life are recorded in his first published poetic anthology *Karikázó*.[1] The word *karikázó* has several connotations in the Hungarian language, two of which can be loosely translated into English as the forward roll of a circular object such as a ring, and as a name given to a type of Hungarian folkdance. In either case, the emphasis in our interpretation of the concept should lie on Gyékényesi's utilization of the word to represent the ever mobile, the ever-changing aspects of human existence with something immutable and whole at the core represented by the ring itself. The metaphor of the rolling ring describes the contents of the poems where the always different historical and personal circumstances and surroundings mold and mesh with mental processes, reactions, and emotions to be transformed by a poet's consciousness into an abstracted, timeless, harmonious reality.

We have often heard that the modern poet is a myth maker. Gyékényesi's poetry is the dynamic interfacing of the individual consciousness with the panorama of the second half of the twentieth century, a vision that is both European and American, both scientific and humanistic. Gyékényesi's quest is to arrive at a synthesis, at an integrated concept that will elucidate his

transplanted and thus displaced Hungarian heritage, as well as explain the reasons for his country's turbulent historical past and present. His identity is that of an emigrant, a posture that, as he tells us in his prologue, plucked him from history's rumbling chariot and hurled him to the edge of the road, free of any allegiance except to himself and possessed of the gift to observe and peruse all that those remaining in the chariot cannot possibly see. "Emigráns az, aki kívülről szemléli saját magát" (an emigrant is one who views himself from the outside) he states stoically in one of the poems.[2] This attitude enables him to abstract and conceptualize his Hungarian cultural identity, rather than sense it instinctively or live it experientially. His deliberate Hungarianness that evolved from a rather long and arduous process of self-development, finds expression in the theme as well as in the Hungarian folkish tenor of his imagery. Although the language of the poems is Hungarian, there is a digression from Hungarian literary tradition whose sources of influence principally lay on the European continent. In direct contrast, Gyékényesi found his sources of inspiration in the poets Yeats, Eliot and Pound. Gyékényesi, like Yeats with Irish folklore, employs many folk motifs (song, dance, customs, sayings) in order to enrich, colour, deepen and diversify his presentation of eternal, universal, and modern concerns, at the same time, communicating his belief in and admiration for the spirituality of the Hungarian peasant culture. Those poems treating the ethnic questions that arose from his own displacement and that of other fellow Hungarians from their homeland, find voice in expression that bridges the cultural gap between Budapest, London and New York. His masterwork *Napnyugati kantáta* (Occidental Cantata) is poignant, sweeping, challenging verse with a philosophical basis, poured into the newly sculpted form of Hungarian-American poetry. As an emigrant, Gyékényesi also looks to his adopted country, sharply analyzing the present American reality and either accepting it or repudiating it. Most surprising of all however, is not Gyékényesi's Hungarianness, his pro or contra Americanness, but that his humanistic preoccupations arise from the completely scientific milieu of tha NASA space research laboratory, a fact that alone makes us sit up and listen, as we did to Wallace Stevens, who spoke to us from the plush offices of his insurance agency. [3]

In all great poetry things are happening on the surface and things are happening below the surface. Gyékényesi's travel is not merely physical displacement but multifaceted. Not only do we have the physical journey of the emigrant from Somogy to Cleveland and throughout Europe and America, not only do we have the explorations of the NASA scientist into the secrets of the universe but most complex and awesome of all, we have the ventures of the poet-traveler into the innermost recesses of the human consciousness.

The concept of parallel quest and sometimes discovery in Gyékényesi's poetry may be seen in the light of a series of spacial and chronological journeys. The former encompasses his movement from East to West, from Hungary to the United States, from the village (Gyékényes) to a metropolis (Cleveland), and finally within the confines of the NASA space laboratory, from the earth out into the universe. All of the journeys take the poet from the known into the unknown. Chronologically, Gyékényesi travels from the past through the present and into the future. On a personal level, the journey through time also touches upon the poet's own development from early childhood to maturity, and ultimately to the only known aspect of his future — his death. The inner journey for identity, integrity and truth is symbiotically dependent on the spacial and chronological journeys of the poet-emigrant. Both the departure and the arrival points are scrutinized, while each serpentine segment of the road tries to reconcile the world of science and the world of the humanities in a fiercely felt Christian humanism that emphasizes the whole, integrated, individual consciousness. The unifying element in all the peregrinations is the traveling, questing poet. Gyékényesi's universe is man-centered and it is neither the beginning nor the end that holds the greatest import but the effect of the quest upon the traveler.

Structurally, the anthology intentionally follows the unfolding of Gyékényesi's experiences in a circular fashion. Like Borges and other contemporary writers, Gyékényesi plays with the idea of chronology and rejects it in favor of a unified time. All moments within the individual are past, present and future. Thus, the first poem entitled *Vándorének* (Wanderer's Song) is a backward glance from the present at the origin of the exodus from Hungary. The last poem describes the flight from the perspective of that present. Entitled *Karikázó* (the rolling ring

metaphor), it recreates the atmosphere, the changing seasons, the uncertainty and loneliness of the homeless *kis katona* (little soldier) who fearfully questions his fate: "*Istenem, jó Istenem, hol lesz a halálom?*" (My God, good God, where will I die?). Both poems treat the same theme of exile in order to emphasize the permanence of that feeling in the poet.

Following the initial poem are several written in the imagist tradition that capture moments of time, impressions, along his jorney. Among these we can cite *Párvers* (Couplet) that through a series of simple descriptions capsulizes the trip from Hungary, through Austria, Italy, Germany, to New York. Each couplet of the five in the poem contains the one or two essential images that comprise the stages along the way. It is truly naked, exactly worded verse, free of adornment and in concentrated form embodies the spirit of each place: for Hungary, the whitewashed housefronts with horse chestnut trees, for Austria, the evergreens, the mountaintops, and church cemeteries, for Italy, the rapid chatter, the donkey, the fountain, for Germany, the steeple and horn blowing ships, and finally, New York, the ebullient port, the New World, the new challenge for trembling knees (p. 6). *Tirol* (p. 8), *Bresciai emlék* (Reminiscence of Brescia) (p. 9), *Zápor* (Shower) (p. 10), *Reggel Clevelandból Akron felé* (Morning Drive from Cleveland towards Akron) (p. 11), *Ének az úton* (Song of the Road) (p. 12), *Anchorage felé* (Towards Anchorage) (p. 13), *Tájék* (Landscape) (p. 14), are other poems that evoke memories and moments of his past life. In *Tirol* the young girls make the sign of the cross in front of the tin-bodied holy image, while the fir trees sun themselves and the snow sparkles. The grass is as tufted as the sheep that bleats near the forest as it drives away the flies. From Italy and his *Bresciai emlék* the troop of Magyar boys is awed on the one hand by the bare walled monasteries with hooded friars, on the other by the swaying, full-breasted signorinas. *Zápor* shifts the poet's perspective from the objective to the inner world, from the present to the past and back again to the present. In this interplay of moments and impressions the poet describes the thundering black steeds, the puddles, the fly on the mosquito net, the thundering bombs in Carinthia, his father's dogged search for bread, his mother's hair prematurely white from anxiety, and his little brother overjoyed by a homemade pair of wooden soled shoes. In the final

moment he asks rhetorically "*hát mire vársz még?*" (so for what are you waiting yet?) "*nézz ki ablakodon/zápor*" (look out your window/shower). In the poem *Reggel Clevelandból Akron felé*, Gyékényesi acknowledges his love and appreciation for Ohio, his adopted home. Just as time meshed in the poet's consciousness, spaces unify as well. Although living in the city, he is drawn to nature, the tame hills, the yellow earth, and the ragged mist, that he encounters during his drive. Subconsciously he becomes unified with the Hungarian land where he was born. The duality of the abstracted Hungarian landscape versus the real American landscape also appears in the poem *Tájék*. In this poem the writer equates Moose Creek and Gyékényes, which become one and same abstracted reality. Gyékényesi's love of the land stems from his youth in which he says that his mother breathed into him the soul of the Somogy landscape.[4] For him the land symbolizes the eternal, the traditional peasant spirituality, the Hungarian essence in its purest form. On another level we might say that the land, the earth of a particular region is the exteriorization of the poet's internal avowal of allegiance to himself and hearkening back to the ring metaphor, the representation of the changelessness, the wholeness of the ring itself.

Since all journeys are chronological as well as spacial, and even though all moments of time meet in the poet's abstracted chronology of events, the happenings themselves are accepted by the poet as occurring in some order and with some form. Thus time and metamorphosis are two interrelated ideas observed and analyzed in Gyékényesi's poetry. He told us initially in his prefacing notes that he does not sit in history's chariot, yet as a human he cannot liberate himself completely from his own temporality. In the poem *Ének az úton*, the poet explores the sweep of events and the quickness of his life through the utilization of both literal and figurative vehicles that carry him over glass meadows, cresty waves, bustling roads and tracks. They gallop with him as the horse in the Hungarian folktale to the ends of the earth where fate slides around on ice and the world has run out from under him. The only thing left to do he says is to wait and watch time, nineteen hundred and sixty years after the birth of Christ. The rush, the flight, the impetus have slowed for the moment and the poet pauses to reassess what he has undergone as man and what awaits him. Stasis is unusual in Gyékényesi's poetry since all the poems are

imbued with constant motion, with changing imagery, with the enumeration of verbs, embodying his inner restlessness, his inner quest. Here again we might pause and on another level interject the metaphor of the rolling ring, this time, with emphasis on the rolling.

The poems *Anchorage felé*, *Illusztráció* (p. 17), *Nanette* (p. 16) and *Idő* (Time) (p. 18) represent the more traditional themes associated with time — time as equalizer, fleeting time, and the *carpe diem* motif. Time as equalizer is seen in the poem *Anchorage felé*:

> de mért is játszanának a szelek
> mikor a meredek úgy is elsimul
> és a laposban mint a végítélet
> a hegy lábára kúszik a jég.

(But why should the winds whirl/ when the steep levels itself anyway/ and in the flatland as final judgement/ the ice creeps onto the foot of the mountain.) (p. 13)

In *Idő* life is but a moment, a tiny snail shell that gets lost while you are finding it: "*Szép volt — mondd — és menj tovább/ jön utánad az unokád.*" (It is pretty—say—and go on/ your grandchild follows you.) Journeying and time also mean changes as Gyékényesi points out in *Metamorfózis* (Metamorphosis) (p. 19). Experience humanizes man he believes, therefore change is creative. Fate is a series of alterations and like the autumn leaf, man is tossed about and whoever can, will withstand it and survive.

Gyékényesi's journey ended in America and the poems dealing with his adjustment to like in the New World form the central and most meaningful part of the anthology. The themes of East meeting West, materialism and spirituality, the individual versus the *hombre-masa* (mass-man) of Ortega y Gasset, love and alienation, past and present, tradition and cultural void, artificiality and authenticity, the aged and the new generations, dreams and disillusionment, reality versus illusion, abortion and birth, life and death, war and peace, technology and the humanities are all fitted together with amazing dexterity and beauty, like pieces of a puzzle, to form a great canvas of American civilization at a moment of cultural shift. Technical and scientific imagery stemming from the poet's educational formation and profession as a space research engineer pervades his intellectual and emotional response to

the technocratic fever to which America has succumbed. Yet the poet in Gyékényesi rejects the scientific simplicity of our age, for he knows that the pulse of the life force can be felt and measured but never fully and satisfactorily explained by scientific principles and methodical procedures. Our futile space explorations ultimately lead to more and greater unanswerable queries:

értsd meg tehát
valószínű világom templomai
a felül és aluljárók csarnokai
és kakasos tornyom
a Cape-en a fémrácsos obeliszk
ahonnan dübörögve küldjük a holdra
a kísérletező embert.

s itt megtorpanok
hogy aztán...

Understand then/ that my real world's temples/ are the overpasses and the underpasses/ and my crowned steeple/ is the metal- grated obelisk at the Cape/ from where we send to the moon with great rumbling/ man the experimenter. and here I rear/ then what...

(*Funkcionális torzó* p. 25)
(Functional Torso)

In order to emphasize the insignificance and ridiculousness of man's spacial toying, he employs the diminutive *emberkém* (little man), castigating him as if he were a child for his thoughtless and dangerous experimentations.

Emberkém megvillant agyad
s hopp az űr szélen kacarászol
aszteroiddal dobálóznál máris
míg hidegen csillog Szirius
küzdesz rendezel kutatsz
de miért — kérdőjel tényked ésed.

Little man your mind lit up/ and whoops you giggle at the edge of the universe/ you would even play ball with asteroids/ while Sirius still shines coldly/ you struggle, arrange, investigate/ but why — your activities are still a question mark.

(*Párvers mai témára, p. 27*)
(*Couplet for Today's Theme*)

Ironically, the poet-scientist views man's trial journeys into space as an endangerment of the real issues and as a detraction from the ultimate questions.

The artificiality, the plastic quality and loss of identity

characteristic of the American way of life are sharply criticized and repudiated in a series of poems beginning with *American Gothic*:

Nyelvünk hegyéről fröccsen felém
a lepárolt szó.
számok adatok
ó szénaforgató fakó gótika
Amerika
Amerika

From the tips of their tongues splatter toward me/ the distilled word/ numbers statistics/ oh hay throwing faded gothic/ America/ America

(*American Gothic,* p. 23)

Face, fate, and being are molded and faceless, naked and fateless, photographed and personless respectively. Gyékényesi's fear of man's total dehumanization, of his becoming a naked pattern, a non-person governed by the laws of probability, heralding the death of imagination, or as García Lorca so well described it-*angel,* is acutely felt in the poem *Immár eljött a Gyermek* (Behold the Child Has Come).

immár eljött a Gyermek
kit többé nem csap meg a lélek szele
a Senkifia
meztelen szabvány
törvénye a történés valószínűsége
s valósága a társadalom
mert nincs Ember
csak emberke
piciny szegecs
egy óriás izzó kazánon

Behold the Child has come/ whom the soul's wind will never stir/ the No-Man's Son the No'God's Son/ the Son of Nobody/ a naked pattern/ whose law is the law of probability/ and whose reality is society/ because Man does not exist/ only little man/ a tiny rivet/ on a gigantic red hot furnace/ (p. 60).

*Karácsonyi történet helyett* (Instead of the Christmas Legend) (p. 53) is a portrayal of the birth of a new paganism with the coming of a sulphur eyed, metal vertebrated, baby caesar, around whom stood wombless virgins and the soothsayers read the numberlessness of his years from plastic intestines. In brief, nothing that detracts and robs man of his humanness is left undetected and unanatomized.

As an ethnic poet, Gyékényesi possesses a great historical awareness, hence, the Hungarian homeland, the Hungarian-

Americans, their past, present and future are scrutinized, empathized with, and loved. The unique situation of being a poet/pariah affords him the luxury of standing on the bridge as an observer while the waters swirl and change course beneath him. In his masterwork *Napnyugati kantáta* (Occidental Cantata), Gyékényesi summons forth all his creative powers in handling a tremendous amount of historical and philosophical material with great beauty and dexterity. On the whole, the poem offers a panoramic as well as a sectionalized vision of the Hungarian historical process, transporting the reader into time and space, and into the most private enclosures of the Hungarian soul. In the tradition of Eliot's application of musical form to literature (*The Four Quartets*), the Cantata is divided into four parts with each segment founded upon an image that gives meaning and cohesiveness. Through contrapuntal allusions ranging from Thomas Aquinas, Augustine, Ignatius of Loyola, Rilke, Hesse, Lorca, Dvořak, Hunyadi, Bartók, to John Henry, the poet expands the scope of subject and leaves behind an endless series of interpretations and meaning, like the ripples in the water after a stone has been tossed into it. The thematic content of the first half encompasses the pagan and Christian Hungarian past, the role of Hungary in the defense and development of Western Civilization; the second half treats the godless Hungarian present and the future of the Hungarian emigrant in America. Throughout the poem the feeling of survival, the tenacious Hungarian's strong will to endure and overcome whatever fate casts his way is emphasized. History and governments may change, the Hungarian map may change, the Hungarians may be driven out of their homeland, they may be murdered, but the land remains, the Hungarian character, the Hungarian soul will overcome and surpass whatever challenges time and destiny may bring.

The American soil, the second home of the Hungarian immigrant is described by Gyékényesi in all its glory, through musical and geographical allusions — the Carolinas, New Orleans and "When the Saints Go Marchin' in," the "Yellow Rose of Texas," the steel mills of Pittsburgh, "John Henry," old Boston that sleeps in New England, and California, that world of the never has beens' tomorrow, when your past remains behind and the present offers its sweet delight (pp. 81, 82, 83 respectively).

The individual emigrant-questor-poet steeped in the traditions of his Hungarian inheritance struggles to find meaning in the transplantation of his self from European soil to America, from the Old World to the New. Who is he? What is he? Can he find meaning in that limbo of non-identity in which he finds himself as a "Hungarian-American?" For his generation and for himself as a poet-creator the answer becomes obvious. What appears as an irreconciliable antithesis has already been resolved within the framework of art, within the elements of his poetry, where the concerns and queries addressed, and the tools of expression are Hungarian-American. While Gyékényesi's Hungarianness as we have seen was deliberated, so was his Americanness. Thus the expression of man's creative spirit, his consciousness, is the mysterious process whereby the Hungarian self finds meaning with American culture to produce the new voice of Hungarian-American letters in the chorus of Western Literature.

The final message of the poem is of acceptance and resignation:

> prések dohognak Detroitban
> elrobogtak a busa bölények
> a prairien hullámzik a búza
> írhatsz száz éneket Európáról,
> de a fiadban kísért ez az ország
> mikor az első szó száján kiperdül
> idegenül
> ó Európa
> otthagytunk a keleti parton
> ott az óriás fáklyás asszony
> kőtyúkszemes lábainál.

The presses rumble in Detroit/ the somber headed buffalo thundered away/ the wheat waves on the prairie/ you can write a hundred songs about Europe/ but this country tempts you in your son/ when he utters his first word/ in an alien tongue/ O Europe/ we left you on the eastern shore/ there by the gigantic torch-bearing woman's stone corned feet (p. 84).

All quest has a philosophical basis. Gyékényesi's turmoil of experiences had led him to interpret existence as a series of metamorphoses, the eternal and immutable element being the faithfulness to oneself. As a scientist, he rejects the fragmentation, stratification, and the anesthetization of the consciousness that the modern scientific world upholds and seeks to assert the integrity that the term humanistic offers. His odyssey as

we have witnessed through flashbacks and an interplay of spacial, chronological and metaphysical spheres was comprised of physical struggle and spiritual questioning. The former culminated in his death from cancer in Cleveland in 1973, but the latter will continue as long as there are men and women to read and co-create with him. His visions, sounds, and insights, as the ring in the *karikázó* metaphor will keep on rolling in the imaginative and mythos making faculty of the reader.

## NOTES

1. All the poems mentioned in the text are taken from this edition. With the publication of the anthology, reviews of the book appeared in many leading newspapers of the exiled Hungarian community both in Europe and America, all of them favorable. The most important of them were: Kocsis Gábor, "De emberi a számadásom," *Nemzetőr* (Munich, West Germany) (1972). "Könyvismertetés," *Magyarság* (Pittsburgh, PA) (1973). Scheer István, "Gyékényesi György: *Karikázó*," *Itt-Ott* (Ada, Ohio) (1973). The outstanding Transylvanian writer and dramatist András Sütő, also reviewed this volume, under the title: "A kéklábú madár nyomában." Sütő personally met with Gyékényesi in Transylvania upon the poet's visit there in the summer of 1972, and was present at his funeral in Cleveland. In addition to these reviews, Gyékényesi's poetry had appeared previously in many journals and newspapers of the Hungarian diaspora in the West.

2. *Jegyzetek egy témakörre*, (Notes on a Group of Themes) p. 54. All the translations that appear in the text are my own.

3. Sütő András (See Note 1.) writes in his critique of Gyékényesi's poetry that as a poet he can be compared to James Cook, Columbus, and Kelemen Mikes, in that his poetic world is a new found land, so rich and unusual that it would be difficult for the European Hungarian to follow him there even in the imagination.

4. This is a figurative expression for the cultural heritage embodied in the language, folksongs, sayings, customs, rituals and dances that belong to Somogy county and were passed onto him by his mother. All the information pertaining to the poet's life and any insights into his creative personality were furnished by the parents of the deceased poet, Mr. & Mrs. Gy. László Gyékényesi in a personal interview (October, 1980, Cleveland, Ohio).

*György Gyékényesi*

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# A Selection from the Poetry of György István Gyékényesi

## *OCCIDENTAL CANTATA*

*György Gyékényesi*

I.

Rain drizzled on the rosetrees
white yellow
an abundance of colors springing into red
a tiny moment of life from fleeting time
the gooseberry flashed like veined pearls
the blue glass globe
and a chubby polka-dotted ball
a short toy gun hung on the tree
wet and cold like its owner
ten years later
in his soldier days

in what do you seek the soul
in colors like Augustine
in the form like Thomas
in the character like Ignatius the saint
who came from Loyola
in what do you seek the soul

by Gmunden [1]
mountains tramped in the lake
guardshelter chapel
thorn-crowned Christ
somewhere a jagged cliff
notched steeple
western tale
Sleeping Beauty
and I
and I was the king's son
the poor man's son
the poor woman's son
my wood-steepled village's globetrotter son
on hill's ridge or dale's bottom
at the foot of rocking firwoods

gentle Francesco saw soul
and thus he spoke to the birds
in doe-eyed frescoes frater Angelico
mixed an enchanting dream

rain sprinkled on the rosetrees
open
open wide the small gate
my grandfather whistling strolls
home from the Carpathians [2]
down on the Nagy Alföld [3]
in the Hortobágy [4]
and in his leather spats a bayonet
with a rosewood handle from the Piave [5]
heigh-ho we never die
only his gait is more measured
like the old parade horse
harnessed to a carriage

Margaret still guards the Nyulak Szigete [6]
but Elizabeth went to Thuringia [7]
hey, up, up, raise our May Queen
may your hemp grow this high [8]

and I still see them
the unbridled fiery-eyed lads
preening in gray uniforms
as they marched into the rising sun
arms
arms
arms
the wild pear trees bloomed
in the wake of our grim Hunyadi's troops [9]
and the highway carried them
roads of strange foreign lands
oh how the milestones fell away before them
oh how death clung to their fate

Trakl sang at the foot of haystacks
and Hesse the bookbinder journeyman
and Rilke
at the threshold of death being lies prone
Weinheber entreated with a crystalline voice

rain sprayed on the rosetrees
Pista Szemes [10] dug a trench
out there
by the steep bank of Zákány [11]
and look there is the cellar
green
green

green is the shutter
and red red red
wine pearled in my uncle's glass
but he drank from a pitcher
from a green glazed pitcher
for he'd been through Vásárhely[12]
he toasted
and in his roguish eyes
Transylvania gleamed brownly towards us

from Zágon to even Rodostó [13]
but I also understand Kőrösi already [14]
quaking sea and Csángó song[15]
flood the waters my Lord my God
let it carry me to my father's gate

spear-like poplars along the border ditch
a starling chatters in mulberry leafage
below the stone Christ's feet
always a bouquet of flowers
and today you see there
a rude barbarian soldier
with a machine gun
in a shirt jacket
as he stares out over the landscape
and watches
the forest
the field
and in the distance the whitely gleaming village

hey Federico García
this is not Andalusia
Castile lies far away
the plane trees and the Moorish minarets

rain trickles on the rosetrees
oh pearling old time
the hooves of Turkish Tartar horses
pounded here
after the clatter of eagled legions' sandals
Huns Avars and the rest[16]
but the earth remained
but the land remained
the church burned midst the flames of Bulgarian tanks
and they shot the priest through the nape
like a mad dog
but the earth remains
but the land remains
because the land is
eternal

and now say after me
Maikäfer flieg
Maikäfer flieg
dein Vater ist im Krieg
dein' Mutter ist im Ungarland
Ungarland ist abgebrannt
Maikäfer flieg [17]

II.

A procession of pilgrims reciting the litany
under the tents of unfurled holy flags
and behold I find you my beautiful Magyar land
bathed in celestial color my gentle Pannonia [18]
in Gyüd or in Segesd [19]
where the rustling mantles
of royal ladies
swished between nitrous walls
where the iron gloved weighty fists
of falconer lords
softened into child's palms
there in the hyacinth perfumed stillness
in the murmur of the rosary
in the pealing of the bells
in Segesd

a flowery garden was
famous Pannonia
this garden faithfully watered
by the Virgin Mary

initials in metal clasped books
sea blue sky
what do you make of the pious
bent monk
the nun transcribing unto the point of blindness
and MS the master
who up there in Selmec [20]
painted a picture
of the pregnant Mary
or Margaret the Virgin [21]
or Ladislaus Mary's Knight [22]
oh how Vásárhelyi entreated [23]
the Lady of the angels
the Mirror of women

gracious provider for orphans
patroness of widows
enricher of the poor
consoler of the banished

hey our Mother our sweet Virgin Mother
fate has turned against us
and destiny's hand plays
with our children's bones
with pink gristly fetus bones
while above our ancient lands
even the heavens weep
a steep grave pit that reaches the soul
is every abandoned village
every church nailed shut
every voiceless steeple
every
every
every
the whole everything

the angel of the Lord greeted
the Virgin Mary
who welcomed from the Holy Spirit
into her womb her Holy Son

hey our Mother our sweet Virgin Mother
the old king implored your patronage
neighing festive geldings
zig-zagged on bloody fields
throughout a thousand years
and the soldiers called to You
the tormented people
the defending shield
that they should survive and multiply
and cover your garden with flowers
the famous Pannonia

hail Mary
grace sheds to fill you
the Holy Spirit is with you
blessed are you amongst women
and blessed is the fruit of your womb
Jesus

hey our Mother our sweet Virgin Mother
repugnant is our crime
every Magyar is the murderer of his own blood[24]
in the perishing villages
in the childless towns
and out in the wide world
we all
who swaggeringly recite the rights of man
and build the new pyramids
murderers
murderers

murderers
oh our Mother our sweet Virgin Mother

blessed are you amongst women
Blissful Lady Virgin Mary
who embodied the Divine Spirit
pray for us fallibles
now
and at the hour of our death
amen

litany filled May evenings
in abundant lilac blooming season
and behold I find you my beautiful Magyar land
bathed in celestial color my gentle Pannonia
and behold I find you
in the old women's
rosemary scented prayerbooks
in the old men's
leisurely steps
in Gyüd or in Segesd
in Csurgó or in Atád[25]
in the pealing of the bells
in the murmur of the rosary
in a child's tranquility
in my soul

## III.

*For Csaba and Zsolt Veress*

Child's fingers on the piano
one scale and soon
stork stork turtle dove
I can be a man only
if I am Magyar first
why is your leg bloody
I can be a Magyar only
if I see myself
the Turkish boy cut it
the Magyar boy is healing it
in the name of Jesus
because he brought faith
and love
simply
with a whistle
with a drum
with a cane fiddle[26]

chain chain ringing chain

to what does this chain bind
ringing chain's thread
the thread breaks
it would be thread it would be silk
Ariadne winds it
it would still wind its way out
on the starry way[27]
jump here my partner
in whomever broke out
the fires of Saint Ivan's night
he will not remain alone
never[28]

the Danube is wide
but wider is the windy sea
its banks are narrow
but narrower is old Europe
you would jump over it
over
follow Gyurka
because
Gyurka Géczi
jumped over it
your foot will hit Cologne's dome
you will knock your knees in the Alps
and in gondola filled Venice
you'll stumble over the tourists
the boots' heels
became muddied
he would scrape it out
but isn't able
yet this is a man

I don't feel any losses
in whomever the watchfires of fortresses' bastions
burn
he will not numb himself into fear
never

rise and shine sun
the moon has a sickle
the sun's edge forms a sickle
St. George's Day
let's drink on the years
my dear Father
below the gardens
the little lamb
my sons are hopping around
is almost freezing
and their mother

come in right away
because you'll catch cold[29]

roll ring roll
golden ring
magical ring
turn it once
and an old man
clings
to your neck[30]

child's fingers on the piano
one scale and soon
to where are you going little bunny
man
but after all in what is man a man
ingyom-bingyom táliber
tutáliber máliber[31]
I can be a man only
if I am Magyar first

## IV

*For Kinga Illyés*

Along sheltered woodbridges
shrieks the pheasant heathcock
sleep old Boston
in New England
there's loud merrymaking
and an auction of the old colony
the silver pines nod
the bark is white on the trunks of birches
lawn-aproned little houses
peer out at the road
from behind the trees
as we rush against the setting sun
through towns and villages
and through time
oh Europe
we left you somewhere on the eastern shore
there by the gigantic torchbearing woman's
stone corned feet

and now read the lines of Dante
before me only such things were created
that were eternal and I endure forever
leave all hope behind you who enter here

how flutter-eyed was Dohnányi [32]
and Dvořak the Czech trumpeteer
I have seen Bartók
as he noted down the robin's song
in the Carolinas
hey robin don't fly up the tree [33]
and the hand swung in rhythm to the New Orleans' beat
hey
hey
the saints go marchin' in
hey
hey
the saints go marchin' out
while the Mississippi whirled
and the song stuck in the throat
of the nightingale from the Tisza's bank [34]

carried
carried
carried me the train
towards San Antonio
yellow blooms the Texan rose
but here cool Scandinavia
doesn't vibrate a Grieg melody
in place of haybarns
hot deserts
rolling succory
and dust
and buzzing causeways
eastward westward
northward southward

pound the stake John Henry
pound the damned stake
you have the devil in you John Henry
from Mother Poland Zelenski

pound the stake John Henry
pound the damned stake
pound the stake John Henry
your help will be Medgyesi

pound the stake John Henry
Lafko Kukta Zaremba
pound the stake John Henry
the bill will be paid by Ramsey

along sheltered woodbridges
shrieks the pheasant heathcock
in Pennsylvania
in creaking mine cars swung being

while in the smoggy factories
littered lap
the churches grew
the homes the taverns
the streets shone
the stores
and the children's hair glistened
like the fields
after a fresh May shower

swallows perched on the roof's edge
in Capistrano
go
go out to the western bank
to the smiling seashore
indeed Mignon
wo die Zitronen blühn
go
go out to the western bank
where brown skinned girls's water pearl covered bodies
crest in the whirling foam
go
go out to the western bank
where the rapid life
sweeps you away
and carries
carries you out into the world
of the never have beens' tomorrow
when your past remains behind
and the present offers its sweet delight

> so now you understand the banished Mikes'
> playful sigh
> I love Rodosto so much already
> that I couldn't forget Zágon

along sheltered woodbridges
shrieks the pheasant heathcock
sleep old Boston
in New England
there's loud merrymaking
and an auction of the old colony
the presses rumble in Detroit
the somber headed buffalo thundered away
the wheat waves on the prairie
you can write a hundred songs about Europe
but this country tempts you in your son
when he utters his first word
in an alien tongue
oh Europe

we left you on the eastern shore
there by the gigantic torchbearing woman's
stone corned feet.

*Translators: Gy. László Gékényesi and*
*Katherine Gyékényesi Gatto*

**NOTES**

1. An Austrian city on the Traun See (Lake).
2. Mountain range in central and eastern Europe.
3. The Great Hungarian Plain, covering the central and eastern parts of Hungary.
4. The most impressive and celebrated part of the Great Plain, covering some three hundred square miles east of the River Tisza.
5. A river in northeastern Italy. The Austro-Hungarian forces fought a major battle here during World War I.
6. St. Margaret of the Árpáds, youngest daughter of Béla IV (1235-1270). She lived her life out in a cloister on an island in the Danube River, voluntarily sacrificing herself to God for the liberation of Hungary from the Mongols.
7. St. Elizabeth of Hungary, daughter of Endre II (1205-1235), married the Prince of Thuringia. After her husband's death, she dedicated herself to the care of the poor and the sick.
8. This line of ritual poetry comes from the custom of electing a Whitsun Queen and accompanying her from house to house throughout the village. Upon arriving at the front door, two girls lift the Queen high into the air, snatching the veil from her head and shouting: "May your hemp grow this high," that is to say, may you have a fruitful and prosperous year.
9. János Hunyadi (1387-1456), Hungarian soldier and national hero. This brilliant general took part in the Hussite Wars and defeated the Turks in several battles. His greatest achievement was the defeat of the Turks at Belgrade in 1456.
10. A lad from the village of Zákány.
11. A village in southwestern Hungary.
12. A city in Transylvania, formerly a part of Hungary, now part of Rumania.
13. Zágon is a city in Transylvania, and the birthplace of Count Kelemen Mikes (1690-1761), chamberlain of Prince Ferenc Rákóczi II (1676-1735). Rodostó is a city in Turkey and provided a haven for the Hungarian freedom fighters in the 18th century, led by Prince Rákóczi.
14. Sándor Kőrösi Csoma (1784-1842), the brilliant Székely scholar, went to explore Central Asia in order to study the origins of the Hungarians.
15. The Csángós who live in seven villages in Rumanian Moldavia and Bukovina are Székelys who migrated there in the 18th century.
16. The Huns occupied the Carpathian Basin in the 4th century. The 6th century marks the arrival of the Avars from the Caucasus area into the Basin. Before that time, during the first centuries of the Christian era, semi-independent tribes lived under the erratic rule of the Romans (in certain areas) or of the Celts.
17. A children's song in Austria and Hungary.
18. Pannonia was once a province of the Roman Empire. Encompassing the area enclosed by the Danube and Dráva Rivers and the foothills of the Alps, today it is known as Transdanubia.
19. Two pilgrimage centers paying homage to Mary.
20. The greatest master-painter and wood carver of the Hungarian High Gothic period (late 14th, early 15th centuries), who only signed his name with "M.S."
21. See Note 6.
22. King Ladislaus (László) The Saint (1077-1095), son of Béla I, a heroic and popular figure, who represented the highest virtues of the medieval knight.
23. András Vásárhelyi, composer and author of a hymn to the Blessed Virgin, contained in the 15th century Peer Codex.

24. Hungary has one of the highest abortion rates in the world.

25. Towns in southwestern Hungary.

26. Hungarian childs's song, "Gólya, gólya, gilice." Throughout this part Gyékényesi utilizes lines from well known Hungarian children's songs.

27. "Lánc, lánc, eszterlánc." Children's song.

28. Here Gyékényesi is referring to the ancient ritual tradition of lighting fires usually held on the eve of June 24th, St. John the Baptist's feastday.

29. "Süss fel nap, Szent György nap." Children's song.

30. "Csön, csön, gyűrű, arany gyűrű." Children's song.

31. "Hová mész te kis nyulacska?" These two lines make up the refrain of a children's song.

32. Ernő Dohnányi (1877-1960), composer, piano virtuoso. Presents elegant, romantic themes in modern orchestration with a marked influence of Hungarian folk music. Emigrated to the U.S.

33. Line from a Hungarian folksong.

34. Next to the Danube, the most important river in Hungary.

*Hungarian Studies Review*, Vol. IX, No. 2 (Fall 1982)

# The Life and Work of My Father: Géza de Kresz (1882-1959)

*Mária Kresz*

Editor's note: One of the outstanding personalities of Hungarian-Canadian society in the interwar and post-World War II years was Géza de Kresz, the internationally known violinist and music teacher. In this essay Mária Kresz, his daughter, recalls the activities of Géza de Kresz in Canada and Hungary. This article is reprinted, with minor changes, from Géza de Kresz, *Thoughts on Violin Teaching* (Winnipeg, Manitoba: University of Manitoba, 1969) pp. 75-9. The editors intend to feature the lives of other outstanding Hungarian Canadian personalities in future issues of the *Review*.

The life and work of my father Géza de Kresz, the famous Hungarian violinist, spanned two continents, Europe and North America. He was born on June 11, 1882, in Budapest, the eldest son of Dr. Géza de Kresz, founder and first director of the Budapest Ambulance Association, who together with his wife, was responsible for creating a love of music and the arts within the family.

Géza de Kresz's masters were Károly Gobbi, Frigyes Arányi and Jenő Hubay, who taught at the National Conservatory where he received his diploma in 1900. He continued his studies in Prague with Otakar Ševčik, receiving a diploma there in 1902. From autumn 1902 to 1905 he studied in Belgium with the great violinist, Eugène Ysaÿe, both in Brussels and in Godinne-sur-Meuse. As he wrote later:

> Quartet playing was our evening recreation after the morning lessons and the tennis or rowing matches of the afternoon. (I still possess a snapshot of Ysaÿe and Kreisler handling the oars together with the same rhythmical energy with which they used their bows in the Bach Double Concerto).

During this period de Kresz also studied composition in Paris with Theo Ysaÿe (pupil of César Franck) and with Albert Lavignac at the Conservatoire, playing chamber music with Jacques Thibaud, Pugno and Gérardy. On the occasion of his debut in 1906 in Vienna in the Grosser Musikverein Sall, it was his master, Eugène Ysaÿe, who was the orchestra conductor. His initial success was followed by concert tours in many countries besides Hungary — Belgium, England, Germany and Austria. In the summer of 1907 he was soloist and first concertmaster of Ostende, Belgium. From 1907 to 1909 he was first concertmaster of the newly founded Tonkünstler Orchestra in Vienna, playing with such gifted musicians as Hans Pfitzner, Bernhard Stavenhagen and Oskar Nedbal. In 1909 he accepted a position in Bucharest, Roumania, as leader of the Carmen Sylva String Quartet at the Royal Court and as professor of violin at the Conservatory, posts which gave him sufficient freedom to continue his concert tours in various countries.

In 1915 de Kresz moved to Berlin where he became well-known as a concert artist. From 1917 he was first concertmaster and soloist of the Berlin Philharmonic Orchestra at the invitation of Arthur Nikisch, who was also of Hungarian origin. In Berlin he played the great classic violin concertos a dozen times a year, and was invited to give similar concerts elsewhere in Germany, and also in Sweden, Poland, Belgium and England. Besides this, he was teaching at the Stern'sches Conservatory of Berlin and often played chamber music trios with Bronislaw Hubermann and Gregor Piatigorsky, also at times with Schnabel, Carl Flesch and Ernő Dohnányi. In 1918 he married the well-known English pianist Norah Drewett, with whom he was to give many recitals over the years.

In 1923 Géza de Kresz moved to Toronto with his wife and two daughters at the invitation of Boris Hambourg, a friend from his student days, to teach and play; "The new world, the old friend and our British sympathies were equally strong incentives." In 1924 he became leader of the Hart House String Quartet, founded under the auspices of the University of Toronto by Vincent Massey. With Harry Adaskin as second violin, Milton Blackstone viola, and Boris Hambourg cello, the Hart House Quartet developed into one of the leading string quartets on the American continent and contributed significantly to musical life across Canada. During the eleven years that Géza de Kresz

was leader, besides subscription concerts in Toronto, Montréal, New York and Buffalo, almost every year the Quartet made a transcontinental tour giving from 70 to 80 concerts as well as rehearsals in universities and colleges. In Toronto the Quartet gave some one hundred and twenty concerts; and in New York some thirty-two. The Quartet toured Europe and England. It was the Hart House Quartet that was chosen to introduce a new work by Ravel in New York.

During the first years spent in Canada, the Quartet spent the summers practising in the Masseys' lovely old country home near Newcastle, Ontario. Thereafter Géza de Kresz travelled to Europe every summer to visit his native country and to give concerts in England, France and Germany. In 1929 and 1930 he taught summer school in Vienna, and in 1932-33 in Salzburg at the Mozarteum.

The promotion of Hungarian music was always most important for Géza de Kresz. Many Hungarian composers — Béla Bartók, Zoltán Kodály, Leo Weiner, György Kósa, Ernő Dohnányi, Jenő Hubay, Miklós Radnai — had certain works first performed by the Hart House Quartet, such as Bartók's first quartet.

In 1935 de Kresz was invited by Dohnányi, the Director, to join the Music Academy of Budapest, as professor of violin, after having been away from his country for over three decades. In 1941 he was elected Director of the National Conservatory, his former school; and there, under its auspices, he organized a Musical High School. In a memorandum entitled *Bach and Horace* he explored the theoretical problems of a music school at such a level and the need to combine general classical education with musical tuition.

Géza de Kresz was also distinguished as a leader of chamber music orchestras. In Toronto during the 1930s he organized and conducted the so-called "Little Symphony," a series of concerts with a chamber-orchestra conducted by him in the Eaton Auditorium. This aspect of his activities was continued in Budapest, when from 1937 to 1943 he organized the "Museum Matinée" series, these being concerts held in the National Museum with the aim of popularizing forgotten pieces of baroque music and other musical rareties.

During these years the family spent the summers in our beautiful country house, in the village of Kápolnásnyék, (the

birthplace of the great Hungarian poet Mihály Vörösmarty) not far from Budapest. Here Géza de Kresz and his wife Norah Drewett played and taught pupils, some of whom came from Canada. Géza de Kresz liked practising early in the morning in his room looking south over a valley. And it was while practising here that he made the discovery which is formulated in this book: namely, that there is a contradiction between the natural ease with which the great masters play the violin and the rigid rules of pedagogy. This discovery came as a revelation to him and led to a new phase in his own art. He made use of it in his teaching, at the National Conservatory, where his course on violin-pedagogy first incorporated these ideas. In the Hungarian notes on violin-pedagogy he gives an account of his experiences.

> How did I make the discovery? In spite of a very minute position — today I know that it was partly in consequence of that — I was aware of a certain handicap in the movement of the fingers and in shifting. If however I let my fingers move playfully — as we violinists sometime do — on my other hand or my trousers, the handicapped courses rolled with greatest ease. This I found somewhat incomprehensible. First I thought that it is naturally easier to let the fingers move in the air without pressing the strings, without the responsibility of making sounds, than to play the instrument in reality. But what made me think more deeply about it was that I discovered that in certain seconds of organization, when the handicap of the left hand is reduced to the minimum and the looseness is almost as great as without the violin, then a certain difference can be noticed from the minute "position." This deduction and the observations of a few excellent violinists — Kreisler, and especially the Russians such as Heifetz — led me to the solution of the riddle.

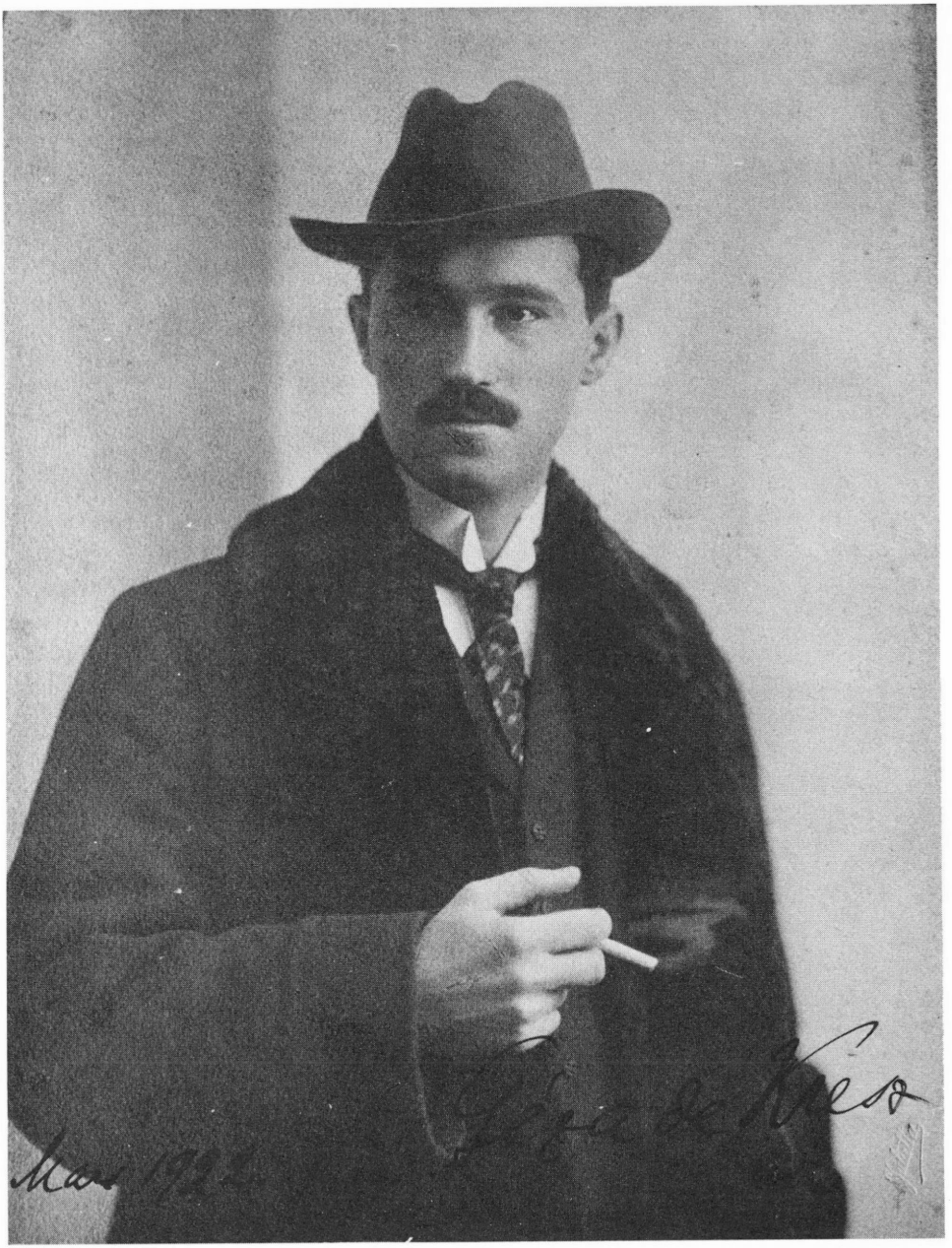
In 1947, after the end of the war, a new opportunity for concert tours was offered in Canada, his second home, where his music was well-known and appreciated. The sonata evenings given with his wife Nora Drewett brought such success that then, at the age of sixty, a new phase began in his life as an artist. At the same time his teaching resumed and he could incorporate his ideas on violin pedagogy; a course was announced at the Royal Conservatory of Music of Toronto and the first lecture was delivered on January 21st, 1948. The course con-

sisted of sixteen lectures, the first of which appeared in mimeograph form. He also taught summer sessions at Bloomington, Indiana, which imposed a strain on his health.

After a nine-year period of concerts and teaching, his last appearance was at a concert given in Toronto in 1956 in memory of Béla Bartók. Shortly after, Géza de Kresz was struck down by illness which lamed his body and deprived his hands of his beloved instrument, the violin made by Petrus Guarnerius in 1710 in honour of St. Theresa. Though he did not regain his physical strength, his strength of will conquered his illness as he then embarked upon literary work. He elaborated his lecture notes on violin pedagogy, which forms the book, *Thoughts on Violin Teaching* (University of Manitoba, 1969).

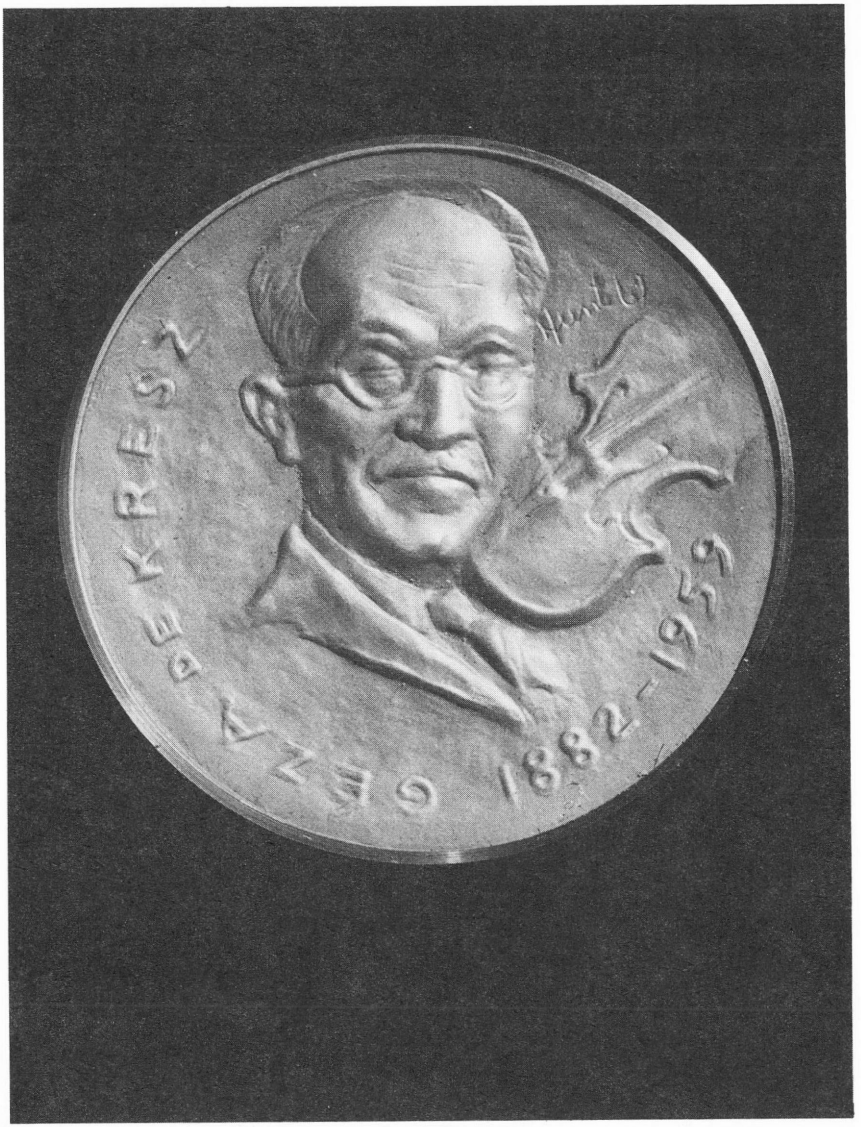
Géza de Kresz regarded himself as the continuer of the Joachim-Ysaÿe violin school and set down the theory of this school in his work, a theory of entirely novel ideas. The day he finished the manuscript he suffered a relapse and his health continued to worsen. On October 2nd, 1959, at the age of 77, after long and patiently endured sufferings — his substantial life ended. His last hours were spent at a Hungarian concert held in Massey Hall, Toronto, with Antal Doráti conducting the Philharmonica Hungarica Orchestra during which he was publicly commemorated by Hungarians and Canadians. It was a life during which he had educated thousands to love music and understand it more deeply.

His wife and musical partner Norah Drewett lived but a few months longer and passed away in Budapest on April 24, 1960. She is buried in Kápolnásnyék, close to the Vörösmarty House where so many happy times were spent.



*Géza de Kresz*

*Géza de Kresz with his wife Norah Drewett*




*Commemorative medal by Dora Pedery-Hunt*


*The Hart House String Quartet* (*L-R*): *Milton Blackstone* (*viola*), *Harry Adaskin* (*2nd violin*), *Boris Hambourg* (*violoncello*), *Géza de Kresz* (*1st violin*). (*1928*)

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# REVIEW ARTICLE

## Béla Kun: A Fateful Life

*Peter Gosztony**

György Borsányi, *Kun Béla, egy politikai életrajz.*
(Béla Kun: a political biography) Budapest:
Kossuth Kiadó, 1979. 450 pp.

The noted Swiss historian, Jakob Burckhardt remarked in one of his works that occasionally a person's life incorporates into it history itself. Béla Kun was such a person. He made a mark not only on the history of the communist party of Hungary, but also on the development of the whole communist movement. His life was full of dramatic turnarounds and was not free from contradiction.

Béla Kun was born in 1886 in a small town in Transyvania. His father was an assimilated Jewish notary. The First World War and Russian captivity catapulted him from the obscurity of the journalistic profession and provincial social democratic politics onto the national scene. He became the leader of the 1919 Hungarian Commune and later, a high-ranking official of the Comintern. He met his demise during Stalin's purges; he fell out of favour in 1936, was arrested the following year and died two years later under circumstances that remain unclear even today. Characteristically, members of his immediate family were also interned. For twenty years, party histories, both in the U.S.S.R. and in Hungary, denounced him or denied his role. It was only during the 20th Congress of the Communist Party of the Soviet Union that he was posthumously rehabilitated. Another two decades had to pass before a detailed, scholary biography could appear about him in

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**Translated from the Hungarian by N.F. Dreisziger.*

Budapest. Not surprisingly, the book on Kun was a source of controversy from the very beginning.

The massive volume, subtitled "a political biography," is the result of ten years of research. Its author is a leading member of the Institute of Party History in Hungary. There can be little doubt that the author has undertaken a difficult task in trying to free the figure of Kun from the myths and accusations which have become attached to it through the years. It must be kept in mind that Kun, a quarrelsome, impatient and dogmatic man, had never been popular even among his associates, and had made many enemies for himself in his lifetime. The author's task was made more difficult by the fact that he could make only limited use of records pertaining to Kun's career in Russian exile, which are held in Soviet state or party archives. In fact he had access only to pre-selected documents or to those put at his disposal by individual Soviet historians. Borsányi several times refers to this fact and expresses regret that due to the lack of documentation he had to leave certain questions unanswered in connection with Kun's life or activities.

The seven chapters of this biography offer many exciting, hitherto little or hardly known details. The first chapters introduce Kun's youthful years, his work in the Social Democratic party, his military service in the war, and his capture by the Russians. In the spring of 1917 he greets The Russian Revolution in an article published in the *Népszava* (People's Voice) in Budapest. He hails Kerensky and the Provisional Government, in complete ignorance of Lenin's "April Theses" which called for the destruction of that government. Kun appeared in Petrograd in January of 1918 to work as a revolutionary functionary in the Bureau of Prisoners of War. It was here that he met Lenin, and became a "bolshevik," and "internationalist."

Borsányi outlines in detail Kun's journey from Russia to Hungary. He describes how in March of 1918 the Hungarian branch of the Russian Communist (Bolshevik) party was organized, with Kun as its leader. His return to Hungary in the fall of the same year served the purpose of spreading the world proletarian revolution to the banks of the Danube. After receiving their instructions and money, the communists destined for Hungary formally established the Communist party of Hungary, in Moscow's Drezda Hotel on November 4, 1918. The

party became a member of the newly-established Third International, the Comintern. Kun came to his homeland in secret. He had an important mission to accomplish on orders from Lenin. He was to convince the noted Austrian Social Democrat, Friedrich Adler, to join the ranks of the Communist International. Kun's mission failed. He was more successful in his next task however, which was the organization of a Communist party in Hungary, and the preparation of its bid for power.

Borsányi offers much interesting detail about the history of the Hungarian Communist party during 1918-19. The party's leading figures are described regardless of whether they remained loyal communists or became "renegades." We learn among other things that in 1919 the Communist Party of Hungary (CPH) was "great" in "words" only rather than in numbers. At best, the party had only 10,000 members in a country of twenty million! Accordingly, Kun could hardly have had any illusions about achieving power through parliamentary means. In fact, the CPH did not struggle for parliamentary democracy. It hoped to wrest power from the Károlyi government through the use of force, through a "people's uprising." Borsányi admits that in January and February of 1919 the party's demands had no real foundations and only served to whip-up popular sentiment against the government. Kun conducted a separate struggle against the social democrats as well. He considered them part of the ruling class, the enemies of the people whom he would continue to hate throughout most of his life. It was as a result of this struggle against the social democrats that bloody clashes occurred between the followers of the two late in February which resulted in popular opinion turning against Kun and governmental measures against his party. Borsányi outlines at length Kun's arrest and mistreatment, as well as the event which led to the collapse of Hungary's republican government on the 21st of March. Kun's rise to power in Hungary was occasioned by the well-known ultimatum which the Entente powers presented to the country's government*

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**Editor's note*: On this subject see Peter Pastor's article in Vol. 1, No. 1, of this journal (1974).

Borsányi does not discuss the question of Károlyi's surrender of power, but correctly outlines Kun's doubts whether, under the circumstances, the compromise with the social democrats, did indeed represent a "socialist revolution" in Hungary. He had reported to Lenin his "victory" already on the afternoon of the 22nd. From Moscow he was warned about the influence of the social democrats. But four days later Kun declared: "My personal influence for the revolutionary council is such that it assures the proletarian dictatorship, the masses are behind me!" Was he overconfident? Did he really believe that he could deceive his socialist partners and impose Soviet-style government on Hungary? Borsányi does not avoid giving answers to questions. He outlines Kun's moves made in the interest of a "socialist" Hungary, as well as the "world" (i.e. European) revolution. Kun thus helped Soviet Russia, and sent his agitators to Vienna to promote revolution there too. By this time Bavaria was also communist, and Lenin could dream of a communist bridgehead into the heart of Europe.

But the setbacks came as early as April. In Vienna an "insurrection" (riots in front of the Parliament) was put down within hours by police acting in support of Austria's social democratic government. In Hungary, the majority of workers became disenchanted with the Commune by the end of the month. Borsányi writes that when Rumanian and Czech occupation forces began descending on Hungary, the country certainly did not defend itself like a lion its den. In fact, the Hungarian villages received the enemy with apathy rather than antagonism; and the Red Army had to resort to the most drastic disciplinary method — decimation — to prevent the disintegration of its units. By the end of the month Kun had to appeal to the Austrian government for refugee status for the "people's commissars" and their families. In other words, he was ready to give up.

But then he changed his mind. Emotional and intellectual vacillation was characteristic of him. Borsányi describes all this in a forthright manner. He outlines the remaining days of the Commune and strips it of much of its "official" and "heroic" image. He portrays Kun as the real leader of the Commune who did Sisyphean work to preserve his regime. He negotiated with the representatives of the Entente powers, looked after the organization of the army, the mobilization of the economy

and tried to take care of problems on the home front. In addition, he worked for the spreading of the revolutionary flame abroad, and tried to relieve pressure on Soviet Russia. Perhaps it is precisely because of these latter efforts that Kun was doubly grieved by the facts that the military help Lenin had promised to him never arrived, and that during the entire life span of the Commune, for what reason we do not know, the Soviets never established formal diplomatic ties with their Hungarian "brothers."

The reasons for the Hungarian Commune's demise are well known to us. Borsányi outlines in great detail and accuracy Kun's last hours in Hungary. It is probably for the first time that the contents of the minutes of the "Workers' Council" meeting of August 1, 1919 have been revealed in Budapest. Kun bitterly admitted that it would be proper to make a last stand on the barricades, but saw no meaning in this without mass support. He therefore concentrated on arranging the details of the flight to Austria, but not without taking time to inform Lenin of the developments in Hungary:

> August 1. Today in Budapest a right-wing socialist government was formed, consisting of the union leaders opposed to the (Communist) dictatorship. This turn of events was caused partly by the disintegration of our army, and partly by the anti-(Communist) behaviour of the workers themselves. With this the situation became such that all efforts to sustain the unadulterated but alas, sinking dictatorship would be useless.

The stay in Vienna was a watershed in the life of the Hungarian Communist emigration. Various factions emerged whose views differed both in judging the past and assessing the future. Kun's initial pessimism soon yielded to excessive optimism. Notwithstanding his comrades' opinions, already in December of 1919 he wrote to Lenin that the prospects of the revolution in the West were improving "hour-by-hour." He considered the "White terror" in Hungary "useful" (sic!). "The worse the fate of the working class, the sooner comes the Second Proletarian Dictatorship!" By now Kun was not willing to learn from past mistakes; he was blaming the social democrats and others for the demise of the Commune.

In August of 1920 Kun arrived in Soviet Russia. He was

received by Lenin, among others. According to Borsányi, no record was kept of their conversation (or so the author might have been told in Moscow). Accordingly, it is not possible to know to what extent Lenin reproached Kun for his actions in Hungary. Borsányi calls reports that the Soviet leader did reproach Kun, "emigré fabrications."

Kun remained in the Soviet Union. First Lenin sent him to Baku as a representative at the Congress of Eastern Peoples, and then made him a member of the Military Council of the Southern Front. Here he served as a kind of a political chief-commissar in the forces of Mikhail Frunze, which were engaged in liquidating the remnants of the White Army. His activities were many-sided and also misdirected. After the occupation of the Crimean Peninsula by the Reds, Lenin offered an amnesty to the enemy forces who had not left Russia and were hiding in the mountains. Kun ignored Lenin's orders. No doubt fuelled by a desire to avenge the defeat of his Commune, he staged a bloodbath among captured White officers. This deed, along with the Hungarian Commune, made Kun's name infamous in all of Europe. Even in international Communist circles, Kun's Crimean activities remained a subject of controversy for many years. Borsányi does not condemn Kun, voicing the need for "Red terror," and noting that Lenin did not reproach Kun for his acts but sent him on a mission to Germany. We know that Lenin disapproved of Kun's bloodthirsty acts, however, and sent him to do illegal work in Germany precisely to let him atone for his deeds.

Kun arrived in Saxony in the spring of 1921, where he was to prepare an uprising against the local government. Borsányi describes in detail the "March uprising" and blames Kun above all for its failure. His impatience, his disregard for the views of local communist leaders, led not only to the premature eruption of the revolution in Saxony, but also to a crisis in the German Communist party.

Next Borsányi outlines Kun's work in the Comintern, as well as the factional struggle among the exiled Hungarian communists. It is probably here that, for the first time, readers in Hungary can learn about the inside story of the Comintern and read about its leaders in some detail. The picture painted of Kun the Comintern official is not endearing either. He appears as an emotional, quarrelsome intriguer — he even quarreled

with Lenin. Borsányi emphasizes the anti-intellectual tendencies of Kun and his faction. He also describes the struggle that Kun conducted against the faction led by Jenő Landler in Vienna.

During the mid-1920s Kun became a director within the Comintern. For five years he was to head the division of agitation and propaganda. He became a friend of Zinoviev, the Comintern's Principal Secretary, a fact which would not prevent Kun from siding with Stalin against Zinoviev later, during the power struggles of the late 1920s. When Landler died in 1928, Kun received a free hand to direct the Hungarian communists. He wanted to revive the movement in Hungary and for this purpose he moved to Vienna. Although he arrived with false papers and disguised appearance, he was apprehended by the police. Although at his trial he was impetuous and arrogant, he received a three-month sentence only. He was allowed to return to Moscow after serving only a month in jail.

The chapters describing the affairs of Sixth Congress of the Comintern, are very interesting, along with the bitter struggle which the organization waged against the socialists. Kun was really in his element here as he had recognized the need for such struggle already in 1919 and had advocated it long before Stalin endorsed such policy. As the head of the Comintern's Balkan Secretariat, Kun could devote time to "Hungarian affairs" as well from 1929 on. Once again, Kun's quarrelsome character becomes evident. His vengefulness knew no limits. He did not like Hungarian "comrades" nor could he get along with them; he would denounce them to the Soviet secret police as "Trotskyists" or "agents of the (Hungarian) police." Writes Borsányi:

> It was obvious. Whoever opposed Kun was an agent of the Horthyite police. And police agents had to be disarmed. In the second half of 1932 Sándor Szerényi, József Bergmann, Hugó Kiss, Károly Házy, Márton Lovas, and János Krieszl were arrested and were convicted on trumped-up charges. Two of them became the victims of these illegal measures. Four survived...

Kun's demise was occasioned by a change in Comintern policy. The rise of Hitler and various fascist movements in Europe forced the Soviet Union to revise its strategy. The 7th Congress of the Comintern in July of 1935 announced the policy of the

"popular front" against fascism, and offered to cooperate with social democrats against the common enemy. Although Kun accepted the Congress' decision, he was not elected to the presidium of the organization. He was pushed out from the leading organ of the CPH as well. Borsányi has examined the causes of Kun's eclipse. He mentions the case of Lajos Magyar. He was a one-time teacher of the Soviet student who, in December of 1934, assassinated S.M. Kirov, the leading Communist official in Leningrad. In the course of the investigation, Magyar was expelled from the party and arrested. As Kun had vouched for Magyar's loyalty only half year earlier, he was accused of smuggling the "Trotskyist, imperialist" teacher into the party. But his fact was not the real reason for Kun's descent, according to Borsányi. Rather, it was the fact that higher-ups in the Comintern did not wish to keep him on. Another factor was that Kun became an embarrassment now that the Comintern wished to collaborate with social democrats. With Kun's demise from power, the whole of the CPH became suspect in Soviet eyes.

The year 1936 began ominously for Kun. On the occasion of his 50th birthday, not one Soviet newspaper greeted him. His friends began to stay away. In May, he was summoned before the Comintern's Control Commission. The minutes of the meeting are "unknown" according to Borsányi, but the text of the decision exists. Kun was accused of "sectarian deviation" among other things, and he was relieved of all his duties in connection with the Comintern and the CPH. When Kun left the discussion room, he must have known that his political career had come to an end. Although he was given the directorship of a publishing house, and was granted an audience with Stalin (at Kun's request), his days were numbered. He must have known it, after all, he had been familiar with life in the Comintern. In 1937, his one-time friend and boss, Zinoviev was executed. Kun's wife wrote in her recollections: "When (Kun) returned from work, he would neither talk nor read. He just sat on the couch for hours... When I asked anything, he did not reply." The police came for him on the 29th of June. "Don't worry. It is a misunderstanding. I'll be home soon!" he told his wife. He was not seen again. Borsányi knows nothing of his time in prison or his possible trial, as he had no access to reliable documents. He has only seen the official Soviet document rehabilitating

Kun, and on this only his name and date of death (30 November 1939) are given. Borsányi consoles his readers: "The details of Kun's death are in the last analysis unimportant. He had ceased to be a historic personality already in the fall of 1936..."

Borsányi's book is a dramatic biography. It is an objective portrayal of a controversial and complicated life. The book should have been a great success in Budapest. Alas, it was not released for sale to the public. The authorities, perhaps frightened by the negative image of Kun, or for another reason, vetoed the book's distribution. Consequently, Borsányi's biography of Kun, the result of ten years' work, appears only on the shelves of "specialized" libraries. Habent fata sua libelli...!

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# Book Reviews

Joseph Széplaki, comp. and ed., *Louis Kossuth "The Nation's Guest."* Ligonier, PA: Bethlen Press, Inc., 1976.
John H. Komlos, *Kossuth in America 1851-1852.* Buffalo: East European Institute, 1973.

A panegyric in an American publication hailed Kossuth's visit to the United States as "one of the bright chapters in our history," and proclaimed that Kossuth's "eloquence, as described by those who heard him here in 1851, has not been surpassed by any political speaker in the century."* This extravagance was only one among many heaped upon Kossuth in the half century following his sojourn, when the exiled Hungarian leader had solicited American moral and political support, as well as funds for the restoration of freedom in his homeland.

Joseph Széplaki of the Wilson Library at the University of Minnesota in Minneapolis has assembled a "preliminary" bibliography of Kossuth's American travels. His work, which commemorates the bicentennial of the American Revolution and the 125th anniversary of the Kossuth tour, contains 1,632 non-annotated entries including books, pamphlets, documents, poems, manuscripts, and collections. The brief supplemental collection of essays, paeans, and poems dedicated to Kossuth by admiring Americans is typical 19th century adulatory literature. But in his anticipated enlarged edition Széplaki ought to augment these pro-Kossuth flatteries with examples of anti-Kossuth diatribes for the sake of realism and balance.

This book offers specialists a valuable bibliographic nucleus for the further study of Kossuth's visit in America. A map and a chronological itinerary chart, a number of contemporary illustrations, and other useful embellishments, are also included.

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**The Review of Reviews* (April 1894) pp. 133-4.

In the Introduction to *Kossuth in America*, Komlos described Kossuth's personality as a synthesis of rationalism and romanticism. He was allegedly also naive, vain, lachrymose, sensitive, gave vent to uncontrollable passions, could not cope with life, and was constantly plagued by impulses to do away with himself. Yet "his full beard, his deep set eyes, his self-assured bearing, his mannerism, his ability to charm, and his attire..." awed Americans (p. 14). Not surprisingly, Kossuth rapidly captured the public's imagination. He was wined and dined, celebrated, toasted, acclaimed as an international hero, and huge crowds generally turned out to cheer him. This is the conventional view, and Komlos has done it justice. But he also wanted to show the hidden underside of the visit, the dark shadows beneath the bright images, not to debunk Kossuth, but to demystify him. Komlos complained that the only major Kossuth biography (by Dénes Jánossy, in Hungarian) was not sufficiently critical, whereas Marxist writers have tended to identify Kossuth with their own concepts, and English-speaking scholars have virtually ignored him. Komlos' book would benefit "...those who might want to continue the task of reinterpreting Kossuth the man, the statesman, and the revolutionary" (p. 28).

Whereas Széplaki's work offered no hint of darkling skies over the Kossuth mission, Komlos has related the seamier aspects of what has been universally hailed as a triumphal march. From the onset, the visit was fraught with controversy. In the American Congress some senators impugned Kossuth's credentials, especially scorning his ambiguous republicanism. Although hailed as a hero, Kossuth was denied an instantaneous official congressional reception. An embarrassing round of anti-Kossuth diatribes in Congress permanently marred Kossuth's image. Thereafter, undercurrents of hostility followed him wherever he travelled.

Komlos explained the reason for these fiascos and why Kossuth's American mission ultimately failed. Kossuth was a poor diplomat; he should not have demanded instant recognition of Hungary's revolutionary government, nor advocated an Anglo-American alliance "to counteract the alliance of despots," *i.e.*, Austria and Russia. Kossuth had promised not to meddle in American internal affairs; yet "he reserved the right for himself to decide what issues constituted matters of internal concern and what issues did not" (p. 79). He hectored

an American audience: "Should Russia not respect the declaration of your country (protesting Russian intervention in Hungary) then you are obliged — literally obliged — to go to war." The speech was generally condemned. This episode not only harmed Kossuth's cause, it polarized American public opinion. Kossuth antagonized Americans because he interpreted the intentions of the Founding Fathers regarding American foreign policy. His outbursts produced strong hostility and healthy skepticism. President Fillmore ventured that Kossuth's mission had "dangerous tendencies if encouraged beyond the limits of sympathy" (p. 101). Indeed, Komlos related an incident in which Kossuth tried to trick Fillmore into launching a more active foreign policy. Consequently, Kossuth's visit to the capital was disappointing. Congress would not rescind the 1818 neutrality statutes for the sake of intervening against Austria on Hungary's side, and Kossuth's contact with the President and Secretary of State Webster became chilly and produced no prospects of official succour. Kossuth thereupon sought out West what had eluded him in the East, again without success.

Komlos summarized the negative consequences of Kossuth's American journey. He failed to sway American foreign policy, secure Hungary's diplomatic recognition, or promote an Anglo-American alliance; and financial as well as political support from the public also failed to materialize. He alienated the abolitionists *and* the Southerners, and enraged the commercial interests, the Irish, and the Roman Catholic Church. Ultimately, however, his failure was caused by "the overwhelming propensity in America to continue the neutral foreign policy bequeathed to the nation by Washington" (p. 139). After this fiasco, Kossuth never again turned to the United States for aid in liberating Hungary.

This valuable work fills a gap on Kossuth; it is well researched and competently organized, though only tolerably written. The analysis is first-rate, however, thanks partly to the author's expertise in 19th century American regional and federal politics. Considered in tandem, these two publications are worthy companions among the growing numbers of English language books on East Central Europe, including Hungary.

*University of Prince Edward Island* *Thomas Spira*

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# From the Editor's Desk

Our journal has completed the most extensive promotion campaign in its history. In the course of the past eighteen months advertising flyers were sent out to nearly 6,000 addresses. The cost of the campaign, designed above all to promote our 1981 special issues, was deferred in part by a grant received from the Multiculturalism Directorate of Canada.

In accordance with plans announced earlier, we are re-vamping the *Review*'s editorial board. In the future editorial advisers will serve on a temporary basis. The editorial staff for the next few years is now being selected from among scholars in Canada and elsewhere who have been taking an active part in editorial work in recent years.

The transfer of the *Review*'s administrative and other work to the University of Toronto continues. During 1982 the editorial office took over the handling of financial administration for the journal, formerly handled jointly by Mr. M. Böröczki in Ottawa, and N.F. Dreisziger in Kingston. The concentration of all such functions in one office should further facilitate the efficiency of the *Review*'s operations.

After long preparations and a fund-raising campaign, the Hungarian Reader's Service Inc. of Ottawa has completed plans for the establishment of a prize in memory of the late Dr. Ferenc G. Harcsár, the organization's founder, and our journal's co-founder. The F.G. Harcsár Memorial Prize will be awarded to young scholars who publish outstanding work in the *Review*. Normally the award will be offered each year on the recommendation of the journal's co-editors or a committee chosen by them. The value of the prize at present is $100. Further donations to the prize-fund are welcome and should be directed to the Hungarian Readers' Service Inc., c/o Mr. M. Böröczki, 1730 Gage Crescent, Ottawa, Canada K2C 0Z9. The first of the memorial prizes (for 1981 and 1982) will be awarded at the forthcoming Hungarian Studies Conference at the University of Toronto in May 1983.

During 1983, the *Review* plans to publish a special volume

consisting of a collection of essays dealing with Hungary in the Second World War. The volume will deal mainly with the themes of involvement in the war and the search for a way out of the catastrophe. Contributions from nearly a dozen authors are now being examined and edited in preparation for the publication of this volume.