

C. A. MACARTNEY D. LITT.  
Hungary - A Short History \*

(\* The following is a condensed version of Mcartney's original text)

Trianon Hungary had largely taken shape before the same treaty legalised its existence. In the spring of 1919 a group of leading politicians of the old regime had formed an 'Anti-Bolshevik Committee' in Vienna; others had set up a counter-revolutionary government and had raised a small 'national army' under the command of Admiral Miklós Horthy.

On the fall of Kun the two groups had joined forces and asked the Allies to recognise them as the legal government of Hungary. This government was formed, under the Presidency of K. Huszár, in November 1919, and the elections (for a single House) held in January 1920. The successful candidates then met in what was *de facto* the first parliament of Trianon Hungary.

The situation in the spring of 1920 was replete with immediate problems. Four years of exhausting war, in which the nation had suffered very heavy casualties, two revolutions and a predatory foreign occupation (the Roumanians had looted the country with great thoroughness) would have been hard enough to repair within intact frontiers; but on top of all this had come the disintegration of the Monarchy. The national economy had been disrupted and the surviving national resources were taxed by a great influx of refugees from the Successor States.

Industrial unemployment had soared to unprecedented heights. Capital had fled headlong before the threat of Bolshevism. The currency was following that of Austria, with which it was still linked, in a downward spiral of inflation. Shortage of labour during the war, exhaustion of stocks and deterioration of machinery had impaired even agricultural production.

There was extreme social unrest. Both the industrial and the rural proletariats had their hopes raised high during the two revolutions, and were by no means willing to return to their previous political impotence and social degradation. The revolutions, on the other hand, had greatly embittered the former possessing classes who ascribed to them the blame for all Hungary's misfortunes. Feeling ran particularly high against the Jews, who had played a disproportionately large part in both revolutions, especially Kun's; but the Social Democrats had also compromised themselves by their alliance with Communism, and even Liberal democracy was tainted by its associations with Jewry and its share in Károlyi's regime.

These resentments erupted into violence. Bands of 'White Terrorists', most of them detachments of the 'National Army', were already ranging the country, wreaking indiscriminate vengeance on persons whom they associated with the revolutions. Huszár's government itself had turned so sharply on the Social Democrats and the Trade Unions that the Social Democrats had withdrawn their

representative from the government and boycotted the elections. Thus this first parliament was not at all representative of the nation as a whole. It was composed of two main parties, the 'Christian National Union' and the 'United Agrarians' and 'Smallholders' Party'. The 'Christian Nationals' were Conservatives. The core of the second party stood for the interests of the small peasants, and above all, for land reform, but even it contained hardly any representatives of the agricultural proletariat, so that it was true to say that labour of any class was unrepresented in the parliament.

The inflation was quickly reducing a large part of the fixed income middle classes. Worse situated still were the families who had fled or been expelled from the Successor States. By the end of 1920 nearer 400,000 than 300,000 of these, nearly all from middle-class families, had found refuge in Rump Hungary, where many of them were existing under lamentable conditions. Their outlook was traditionalist and above all, nationalist. In the clash between Left and Right they had sided with the Right; they had, indeed, been the chief executants of the White Terror.

Finally, the nation was split from top to bottom on the dynastic question. While hardly anyone wanted a republic, the nation was acutely divided over the question whether Charles was still the lawful King of Hungary.

The parliament dealt first. Its first act was to declare null and void all measures enacted by either Károlyi's or Kun's governments. The institution of the monarchy was thus restored. In view of the division of opinion among its own members [the Parliament] left in abeyance the question of the legal relationship between the nation and the monarch, but decided to elect as provisional Head of the State a Regent holding the essential political powers normally exercised by the Crown. Admiral Horthy was elected to this office on 1 March, 1920. The Huszár government then resigned, and as the two main parties emerging from the elections were approximately equal in strength, a coalition government was formed out of these two parties.

At this time, the national policy towards industrial labour was still one of simple repression, but the demand for land reform was too strong to be ignored and the necessity for some concession was not denied even by some of the landowners themselves. About 7.5 per cent of the total area of the country were to be taken from the largest estates for distribution. This was a modest figure indeed, on the understanding that it was to be followed by a second installment when times improved.

But in 1921 the Habsburg question erupted. Charles returned to claim his throne. He was forced to withdraw, the command coming from the Allies, on the insistence of Hungary's neighbours; but the anti-Legitimists in Hungary were no less determined to have none of him. This gave his opportunity to the man who for the next ten years was to dominate Hungarian politics and to shape the structure in the image of his own wishes : Count István Bethlen.

Bethlen held new elections (May 1922), which naturally gave a large majority to his new 'Party of Unity'.

If asked to name in a phrase the supreme goal of his policy, he would probably have answered: total revision of the Treaty of Trianon. But he saw that revision was not, for the time, practical politics; it could only become so when Hungary had recovered her internal strength, and had also acquired influential friends abroad.

Internal 'consolidation', as he saw it, depended on financial reconstruction. He applied for membership of the League of Nations. This was granted (not without difficulty) in September 1922. Bethlen then applied for a reconstruction loan, similar to that which had just been granted to Austria, and when the Little Entente made difficulties, authorised a declaration that Hungary voluntarily accepted and undertook to carry out strictly and loyally, the obligations of the Treaty of Trianon.

Bethlen's political opponents accused him of having betrayed the nation's cause for gold, but it must also be granted that his policy was most abundantly justified by its results. The protocols of the League loan, signed on 24 March 1924, included the renunciation by the Allies of the lien on 'all Hungary's assets and resources', and the substitution of a fixed total to be paid by her in reparations. Once this agreement had been reached, an almost magical change came over the whole financial picture. Money poured into the country - not only the League loan, but private capital from abroad, while the fugitive domestic capital also returned home.

The inflation was stopped, and a new, gold-based currency, the pengo", introduced, which proved to be among the most stable in Europe.

Agriculture still formed the backbone of the national economy, but a considerable amount of industrialisation was carried through. Imports now consisted of industrial raw materials or half-finished products, which were worked up in the national factories. The bulk of the exports still consisted of agricultural products, raw or processed. The total value of foreign trade doubled, and the calculated national income rose by 20 per cent.

Parallel with the financial rehabilitation of Hungary had gone its social and political reconstruction. Bethlen was too intelligent not to recognise that new times brought new social forces which could not be simply repressed out of existence. But the idea of allowing the poorer classes an effective voice in the government of the country was entirely foreign to him. His concessions to modernity were thus kept to the minimum. The keystone of his political system was the 1922 franchise, with the help of which he was always able to command a sufficient parliamentary majority for his decisions. He was soon finished with the rural poor. The genuine peasant element in the Small-holders' Party had already been greatly weakened. A close ban on any combination among the agricultural workers prevented them from making their voices heard by direct action. Nothing more was heard after this of the second installment of the land reform, and the application of the 1920 Act itself was halfhearted.

The industrial workers were not muzzled quite so tightly. The workers' spokesmen were always able to send a quota of representatives to parliament. But these could never constitute more than a minority, and in return for these

concessions the Socialists had to promise to abstain from anti-national propaganda, to adopt an 'expressly Hungarian attitude' on foreign political questions, to abstain from political strikes, to confine the activities of the Unions to the strictly non-political field, and not to extend their agitation to the agricultural workers.

It would be an over-simplification to describe Bethlen's operations as simply putting the poor in their places, for they also included the political neutralisation of a considerable opposition among the ruling classes themselves. Towards these, Bethlen employed, indeed, gentler methods. Offenders of the Right were usually treated very leniently, 'patriotic motives' being accepted as a powerful mitigating circumstance. But the iron hand was there under the velvet glove. The White Terror was liquidated quietly, but effectively, and it became not much easier (although much less hazardous) to preach active anti-Semitism than Marxian revolution.

Judged by his own standards, Bethlen's political and social consolidation was very successful. Among the workers, of either category, there was little active unrest. The legitimist question lost it acuteness when Charles died in 1922.

Nevertheless, Bethlen's Hungary was emphatically a class state, and in a Europe which then believed itself to be advancing towards democracy, it was a conspicuous laggard. Its handsome façade covered grievous unsolved social problems. In the industrial labour in the 1920's neither wages nor conditions could be called satisfactory. The condition of the rural poor was worse still. 30 per cent of the total national population - and 60 per cent of that employed in agriculture - was either totally landless or occupying holdings insufficient to support life in decency. Even the poorer members of the middle classes existed precariously enough, and the universities were beginning to produce a large new potential intellectual proletariat.

Bethlen's system rested on two pillars: the maintenance of international credit, and the continuance of high prices on the world market for her exports, particularly wheat. In 1929 both of these were shaken by the collapse of world wheat prices, started by over-production in Canada, and by the Stock Exchange crash on Wall Street. Unable to meet the demands of her foreign creditors [Hungary] had to appeal to the League of Nations, which prescribed a policy of ruthless financial orthodoxy, including the balancing of her budget by increasing revenue by heavier taxation and reducing expenditure.

The fantastic severity of the depression not only wiped out the economic gains of the previous decade, but also threatened the political and social consolidation. Bethlen resigned in August 1931. His successor, Count Gyula Károlyi, set himself with determination to carry out the League's recommendations. But as one severe measure followed another, unrest grew.

In September 1932, Károlyi declared himself unable to fight any more against the clamour of the malcontents, and on 1 October the Regent yielded, and appointed to the Minister Presidency the acknowledged leader of the Right Radicals, Captain (as he then was) Gyula Gömbös.

Gömbös' political creed was a fanatical anti-Habsburgism and an equally fanatical anti-Semitism. Round these two poles he found room for a genuine wish to improve the social conditions of his people, whom he regarded as the exploited victims of Jewish financiers and Habsburg-tainted landlords.

Early in his career he had conceived a vision of an 'Axis' which was to consist of the new Hungary, Fascist Italy and Nazi Germany; in this edition, Germany was to annexe Austria (except for the Burgenland, which she would restore to Hungary), allaying Italy's fears by guaranteeing the Brenner frontier.

These three states, linked by kindred ideologies, were to help each other to realise their national objectives (in Hungary's case, her historic frontiers) and thereafter to exercise a sort of joint leadership of Europe, a better Europe, purged of Bolshevism and its shadows.

In the old days he had been Horthy's favourite, but the Regent had grown more sedate with the passing years, and Gömbös' radical tenets were now repugnant to him. He censored his list of ministers, and also refused him permission to hold new elections, so that he had to govern with a parliament mainly composed of Bethlen's adherents.

Gömbös made one important move in foreign policy. Hitler was not yet in power in Germany. But Mussolini was there, and Gömbös took an early opportunity of visiting Rome, when he elicited from the Duce a public expression of sympathy for Hungarian [Trianon] revision. This committed Hungary to an Italian orientation. As Mussolini by no means accepted Gömbös' original Axis doctrine, but regarded Austrian independence as a vital interest of Italy's, the first result of Gömbös' policy was that Hungary was drawn into a bloc, composed of Italy, Hungary and Austria, the chief *raison d'être* of which was precisely to thwart Hitler's ambitions. Gömbös tried to keep an open door towards Germany, struck up a warm personal friendship with Göring, and wheedled a very advantageous commercial treaty out of Hitler himself, but the documents show the Germans, at this time, as highly suspicious and resentful of Hungarian policy.

The negotiations which began at the end of 1934 between Italy and France failed, and were followed in due course by Mussolini's quarrel with the West and, eventually, his announcement of the formation of the 'Rome-Berlin Axis'. By this time Hitler had occupied the Rhineland and it was clear that Germany would soon be able, if she were willing, to perform the role which Gömbös had assigned to her. Further, Horthy had at last allowed Gömbös to dissolve parliament, and as a result of the elections 'made' by him in May 1935 he had brought a strong contingent of his own followers into parliament and had placed others in many key political and military posts.

But by now it was clear that the situation created by Germany's emergence was nothing like so simple as Gömbös, in his early enthusiasm, had imagined. Hitler soon made it plain that he had no intention of simply restoring Hungary's historic frontiers for her. He told Gömbös himself, as early as 1934, that while Hungary might, if she would, take her share in the partition of Czechoslovakia, she was to keep her hands off Yugoslavia and Roumania.

Hungary was still practically unarmed, and in no case to defend herself against attack. She needed assurances and protection. Germany might give them, but presumably, only at the price of a contractual obligation. The new Germany was a ruthless, self-centred Power, which might well not even leave Hungary's own independence unimpaired, but seek, if not actually to annex Hungary, to reduce it to satellite status, dominating its economy and intervening in its internal conditions. At this point the German problem became inextricably bound up with that of Hungary's own internal politics, by reason of the ideological character of the Nazi regime, and in particular, its anti-Semitism.

Hungarian political opinion thus split along a new line of cleavage, personifying respectively the party of caution on the international issue, and the forward party which advocated the closest possible cooperation with Germany. And even Gömbös' victory at the polls by no means meant that the forward policy was going to have a free course, for the last word in politics rested with the Regent, and the Regent's sympathies were with the traditionalists in domestic politics, while on the international issue he was strongly on the side of the party of caution.

The Right was further weakened by the death of Gömbös in October 1936. The Regent appointed as his successor Kálmán Darányi, who was much more of a conservative than a radical on domestic issues. In fact, the domestic legislation enacted during his term of office agreed with the Opposition.

The Germans chose to greet Darányi's appointment with hostility, and his first year of office was enlivened by brisk disputes with them on Hungary's treatment of her German minority. These were smoothed over when Darányi visited Berlin in November 1937.

The Hungarian General Staff now began pressing for co-ordinated agreements with Germany, but the politicians remained cautious. A little later, when Darányi tried to reach a working agreement with the most important of the extremist parties of the Right, Ferenc Szálasi's Arrow Cross, Horthy dismissed him in favour of Béla Imrédy. The chief reason for Imrédy's appointment was that he possessed good connections with the West.

When the Regent, accompanied by Imrédy, paid a state visit to Kiel in August, the Hungarians, pleading their unarmed condition, declared themselves unable to take part in a military operation, and when the Munich crisis broke in September, they made almost passionate endeavours to get their claims realised on their own merits, limiting their demands to the ethnic frontier which they thought Britain would approve.

This was their first great disappointment. Mr Chamberlain ignored them completely, and it was left to Hitler to put their case for them. Britain and France disinterested themselves, and Hungary was left alone on the disputed issues. In these circumstances, the argument that Hungary could not afford to antagonise Hitler was convincing indeed. The arbitral award, rendered by Germany and Italy on 2 November, gave Hungary only the Magyar-inhabited southern fringe of Slovakia-Ruthenia.

Meanwhile Imrédy announced a near-Fascist internal programme, including a second Jewish Law, more drastic than its predecessor. This, indeed, provoked a revolt. His enemies unearthed documents which purported to show a Jewish strain in Imrédy's own ancestry. He resigned (February 1939), and the Regent appointed Teleki, whose devoted determination not to let Hungary become involved in a conflict with the West was unquestionable. But Teleki on a visit to Berlin agreed that in a world conflict Hungary would 'take up her position by the side of the Axis Powers'. Similarly, he steered the Second Jewish Law through parliament. When he held elections, all the Left-wing Opposition lost heavily.

Early in Teleki's period of office came the completion of the dismemberment of Czechoslovakia, as a by-product whereof Hungary in March 1939 re-acquired Ruthenia. Here Teleki was lucky, for although Hitler had sanctioned the operation, the West did not take it ill. He was lucky, too, when the Second World War broke out, for Germany did not ask for Hungary's participation. But in June 1940, the U.S.S.R. occupied Bessarabia, and Hungary now told the Axis Powers that she must receive satisfaction of her claims. The 'Second Vienna Award', of 30 August, gave her about two fifths of the disputed territory. Roumania swung right round, repudiated the guarantee of the Western Powers, accepted one from Germany, and in a trice had become Germany's favourite client in southeastern Europe.

Roumania had bid in the hope of securing the reversal of the Award. This rivalry led to Hungary's signing the Tripartite Pact, in November 1940.

A party among the Hungarians, to which Teleki belonged, had long urged reconciliation with Yugoslavia with the idea that the two countries should help each other to resist excessive pressure from Germany. A Hungaro-Yugoslav Treaty, was duly signed on 12 December, and the Yugoslav Government then in fact took step after step towards the Axis. But the Opposition revolted, and on 26 March, deposed its government. Hitler in fury prepared to invade Yugoslavia and called on Hungary to join him. The Hungarians, caught in a situation which they had not at all envisaged, did not join in the attack, but did not try to stop the transit of German troops across their territory into Roumania, and on 11 April, after Croatia had proclaimed itself independent, Hungary occupied the ex-Hungarian parts of Inner Hungary, claiming that Yugoslavia no longer existed.

Britain had threatened to declare war if Hungary joined the attack, and on 2 April, when it seemed likely that his policy - undertaken with such different intentions - was involving Hungary in that conflict with the West which it had been his supreme aim to avoid, Teleki had taken his own life.

Britain contented herself with breaking off diplomatic relations, but a few weeks later Teleki's successor, Bárdossy, took the step which was technically decisive. The occasion was Hitler's attack on the U.S.S.R. In his preparations he had not assigned Hungary a role in the campaign, but the Hungarian generals had pressed their German colleagues to let Hungary participate.

After the attack had begun, a queer incident, still unexplained - the bombing of Kassa, in north Hungary, by aircraft bearing Axis markings - convinced Bárdossy, who had hitherto resisted the representations of the generals, that

willing compliance would be cheaper than reluctant submission to pressure, and sent an expeditionary force, conceived as a token, across the Carpathians.

When the resistance proved prolonged, Hungary found herself pushed fatally down the path of no return. In January 1942 the Germans arrived with a demand that she should mobilise practically her whole available manpower and send it up to the line. Meanwhile Mr Churchill had identified the cause of the West with that of Russia.

In December 1941 Britain had declared war on Hungary and a few days later Hungary in her turn declared war on the U.S.A.

Many Hungarians now thought that the only course was to fight on in the hope that the Axis would win the war. Horthy saw the situation differently. He was quite convinced that the war would end in an Allied victory, but he also believed that the West did not want the bolshevisation of Europe, and that Hungary could regain its favour while continuing the fight in the East. In March 1942 he therefore dismissed Bárdossy in favour of Miklós Kállay, who shared these hopes, and one more attempt was made to recover the lost ground. For two years Kállay conducted a remarkable policy. He afforded to Hungary's Jews a protection then unparalleled on the Continent; allowed almost complete freedom to all anti-Hitlerite and non-Communist elements, whom he allowed to build up an 'Independence Front' which openly speculated on an Allied victory, and opened secret conversations with the Western Powers, with whom, in August 1943, he actually concluded a secret agreement to surrender to them unconditionally when their troops should reach the frontiers of Hungary.

Kállay's balancing feat gave Hungary's traditional institutions, and also the anti-Hitlerite elements in the country, two years of life, but his policy vanished when the inter-Allied strategy assigned south-eastern Europe to the Soviet armies. When those armies approached the Carpathians, Hitler (to whom most of Kállay's activities were an open book) decided that he could no longer afford to leave his vital communications at the mercy of a regime in whose loyalty he could not trust.

In March 1944 he summoned Horthy and offered him the choice between full co-operation in Germany's war effort, under close German supervision, or undisguised occupation and the treatment afforded to a conquered enemy country. Horthy chose the former course, and appointed a collaborationist government, but for some three months thereafter the Germans in practice did as they would in Hungary, the government seldom resisting and often abetting them. All the Jews outside Budapest, some 400,000 in number, suffered deportation, and of these not more than 120,000 survived. Meanwhile, another army, comprising almost Hungary's last reserves, had been sent to the Front.

After a while the pressure eased and Horthy recovered some freedom of action. He stopped the Jewish deportations before they had extended to the capital, and in August, after Roumania's surrender, appointed a new government on the loyalty of most of whose members he could rely.

Now he reopened secret communications with the West, but the answer was categorical: Hungary must address the U.S.S.R., whose armies were now standing on, or across the frontier.

There was one more short scene before the curtain fell.

A mission sent by Horthy to Moscow duly concluded a 'preliminary armistice', but when, on 15 October 1944, Horthy announced the negotiations on the wireless, the Germans, whose forces round Budapest far outnumbered the Hungarians, seized him, forced him to recant and to abdicate and allowed Szálasi, with whom they had long been in touch, to take over the Government. It was only slowly, and at the cost of bitter fighting, that the Germans and their Hungarian allies were driven westward. The last of these forces crossed the Austrian frontier on 4 April 1945.

Meanwhile the birth of a new order had again preceded the passing of the old. Under Soviet auspices, a 'Provisional Government of Democratic Hungary' had been assembled and, on 23 December 1944, 'appointed' by a 'Provisional National Assembly'. This government then signed an armistice, under which the new Hungary renounced all territorial acquisitions made since 1938. The Peace Treaty, signed on 10 February 1947, formally restored the Trianon frontiers, further aggravated by a small but strategically important frontier rectification in favour of Czechoslovakia.