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The following is a copy of a letter which the Editor and owner of one of the leading papers in this country has received from his Central European correspondent:

I have just returned from Budapest where I had a chance, amongst others, to talk with Tibor Eckhardt. He begged me to convey his very best regards to you, and asked me to let you know some of the confidential information he gave to me.

The German National Socialist pressure, according to Herr Eckhardt, is enormous on Hungary. This is partly due to the German endeavor to drag Hungary as partner into the Rome-Berlin axis, (as an ally), and partly to the German fear of a possible Habsburg restoration in Hungary.

"We, however, refuse to be dragged into any alliance, you can tell to ~~XXXXXXXXXXXXX~~", told Eckhardt. "We wish to remain absolutely neutral in case of war, just like Austria. If, however, our 'friends' wish to force us into a war and would invade our country, then we will fight. In this Premier Daranyi, Count Bethlen and myself are in complete agreement."

Eckhardt then told me that the three leading members of the government were all right, namely Premier Daranyi, Foreign Minister von Kanya, and the War Minister, General Wilhelm Roeder. These three men are determined to keep Hungary neutral in case of a war. The opposition naturally supports them in this endeavor.

In the same way complete agreement exists between these three men and the leaders of the opposition that the constitutional reform and the introduction of a general franchise with secret ballot is essential and will have to be carried through in the near future. But all these efforts suffered a set-back by the enormous German pressure on Hungary and the increased activities which swamps the country with a hitherto unexperienced crop of propaganda -- some of it in German, other in Magyar language -- and which is creating a revolutionary atmosphere amongst the lowland population. But Eckhardt was confident that, despite the support from "high quarters" (here Eckhardt was certainly alluding to the Nazi sympathies of the Regent, Admiral

Nicholas

Nicholas Horthy de Nagybánya), the sane Hungarian public opinion will be able to withstand this renewed assault of Germany on Hungary. Today the pressure on Hungary was greater than on Austria. The relations of Austria and Hungary were excellent and Eckhardt was confident that the rapprochement with the Little Entente will show very soon tangible results.

These were the confidential informations of Eckhardt. From other oppositional sources I obtained confirmation of Eckhardt's words. Nevertheless, many of the opposition leaders are more gloomy than Eckhardt. One of them explained that at present the Germans are spending incredibly high sums for the "Nazification" of Hungary. There are districts where the peasants obtain subsidies as high as ten pengoes (two dollars) per month from Germany! If you take into consideration that the Hungarian agricult. laborer earns on the average 29 pengoes per month and even this money he does not see in cash, but receives the equivalent in kind, then you can imagine what these ten pengoes in cash, coming from the German agents, mean to him. The internal situation is far from being good. There are 1.2 million landless agricultural laborers who are starving; the landed peasant suffers under high taxes and the high price of industrial products, owing to the autarchy efforts of Hungary!

Such a starving population, of course, is rather inclined to accept the irresponsible agitation of the Nazis who promise land to the landless, business to the gentiles by eliminating the Jew, offer reduction of taxes to the capitalist classes, etc.

Fortunately the Nazi movement in Hungary is broken into factions. There are seven major groups and in addition innumerable smaller Nazi-like organizations. There are the followers of the "arrow-cross", which is a swastika-substitute in form of a cross with arrows at its ends, the followers of the "scythe-cross", where scythes form the wings of the cross, then the Szallassy-followers, the Hungarian National Socialists, etc. It is true that at German pressure the seven major groups now united in a formation called the "Magyar Socialists", but this unity is just on paper. Every petty leader wants to retain his job, as this means considerable subsidy from Germany. The leaders are incapable and unscrupulous persons. Count Alexander Festetics preaches, for example, land reform, but he is owner of 60,000 acres of land, and hitherto has not given a square inch to his

peasants.

peasants. The same holds true of Count Fidelius Pálffy who was denounced the other day by his own brother, Count Josef Pálffy. Zoltan Mesko, who was Under State Secretary for Interior in 1919-20 in the White regime, proved his incapability already then. The most talented leaders of the extremists of 1919 are now on the opposing side; Tibor Eckhardt, who was the Goebbels of the Hungarian White regime in 1919, is today the ablest supporter of democracy; Stephen Friedrich, who was Premier of the same regime, is now a champion of democracy and legitimism, and Coloman von Kánya, the father of the German orientation in Hungary after the war, is today the spokesman of the rapprochement with Czechoslovakia and the Little Entente.

The loss of all able heads naturally affects considerably the Nazi movement in Hungary. On the other hand, the Nazi movement has a great support in the person of the Regent, Horthy. Admiral Horthy was never a highly capable man. He was an excellent naval officer, but of no political judgment or statesmanly qualities. He was pushed into his present position by the extremists -- Eckhardt then was responsible for the whole propaganda -- because they knew that Horthy was not an extremely strong man, and these people hoped to control the country if they pushed him into the highest position. Which calculation proved correct.....

At present Horthy's sympathies are with the pro-Nazis. He likes Germany and was immensely impressed by Italy's strength during his last visit in Mussolini's country. Thus he believes in the Rome-Berlin axis, and would like to see Hungary joining it. Such a group is more sympathetic to him than a combination with the Little Entente whose members he does not consider as "gentlemen", and for this reason loathes the idea of cooperation with them. As he is afraid that the opposition is inclining increasingly toward legitimism in Hungary, he is the more inclined to fall in line with Germany and Italy and to have the Nazis in power in Hungary.

Premier Darányi and Foreign Minister von Kánya know that the friendship with Germany (and Italy) would mean absorption by the Third Reich. For this reason the two statesmen favor the plan of a neutral belt in Central Europe which would include Holland, Belgium, Switzerland, Austria, Czechoslovakia, Hungary, Yugoslavia, Rumania and Poland. These small countries would then be determined to remain neutral at any price (even if they have to fight for it) in case of a Europe-wide conflagration.

I heard an interesting account about one of the reasons which helped Kanya's conversion from the pro-German camp into the other. Kanya, who is very able but vain, had a nasty experience with Goering. One day Goering told something to the Hungarian Minister, P. von Masirevitch, in Berlin. Sometime ago a letter of Francois-Poncet was intercepted by the GESTAPO (The German secret police) in which there was a piece of information which could have originated only from Masirevitch. Thereupon the Germans demanded the removal of Masirevitch to which Kanya agreed only reluctantly. When Goering arrived some weeks ago on a visit to Budapest, he was still on the steps of his airplane when he shouted at Kanya, so that several dozen officials and journalists could hear it: "How long must I tolerate that in Berlin?" The treatment of one of his friends and best diplomats angered Kanya. And this incident supposed to have given the last cause for his conversion....

The Hungarian situation, if I have to summarize it, is very serious. It is true that the ablest men, Premier Daranyi, Foreign Minister Kanya, War Minister Roeder, leader of the opposition Eckhardt, ex-Premier Count Bethlen, etc. are all united in a joint effort to ward off the German attack, and to keep out the Nazis in Hungary as well as to refuse to join any warlike alliance combination. But the Regent in Hungary has much power: He has the right to dismiss a Premier and to appoint another... With the constantly growing influence of Germany on Horthy makes the situation rather dangerous...

I thought that these observations will interest you.