

who represent the "Narodni Club", the Croatian so-called "federalist" party. It will be remembered that the Socialists are not represented in the Cabinet. Mr. Vesnitch is especially attacked for defending the action of the gendarmerie by appealing to the military glories of the Serbian army. The whole matter of these disturbances however now belongs to the past and probably has been taken to heart so that it seems unlikely that at this critical moment, when a united front is so necessary, any Ministers will be found ready to provoke a new crisis.

The debates on the three Treaties, of St. Germain, Neuilly and Versailles, mentioned in my Despatch No. 571, above referred to, have now ended and all three treaties have been ratified practically by unanimous votes. The Treaty of Trianon will not be debated until after its ratification by the Great powers of the Alliance. The debates on the Treaties produced considerable interest in the Chamber which was practically full instead of largely deserted as it had been previously. The criticism of the Allies heard during these debates have already been reported in my Despatch No. 571.

I have the honor to be, Sir,
 Your obedient Servant,
 Henry Percival Dodge¹²⁰
 Henry Percival Dodge
 American Minister.

Enclosure: -

1. Reply of the Prime Minister in Parliament regarding the recent disturbances in Croatia: translation made from the "Pravda" of Belgrade.¹²¹

File No. 800, d.

Copy to Embassy, Paris.

16. 1920., studeni 4., Izvješće predstavnika Western Affairs Divisiona State Departmentu o političkoj i gospodarskoj situaciji u Kraljevini SHS, Bugarskoj i Rumunjskoj. Izvješće je utemeljeno i na razgovoru s regentom Aleksandrom Karađorđevićem o kojemu se iznosi mišljenje da je to „izuzetno ozbiljan oštrouman mladić, ali častan, miran u svojim sudovima, vrlo inteligentan, (...) domoljub u najboljem smislu riječi. Sve u svemu, on je više od vodeće figure i naravno stoji iznad stranaka, iako (...) ukupno ima više simpatija prema ciljevima radikala.“

¹²⁰ Vlastoručno.

¹²¹ Radi se o odgovoru Milana Vesnića na interpelaciju Vilima Bukšega o nemirima u Hrvatskoj povodom žigosanja stoke od 28. rujna 1920. Bez navođenja izvora i datuma. Vidi: „Nemiri u Hrvatskoj“, *Politika* (Beograd), 29. rujna 1920., 2.

NARA, M 358, R 3, 860h.00/195

[...]¹²²DEPARTMENT OF STATE
WASHINGTON
November 4, 1920.~~CONFIDENTIAL~~

The Honorable

The Secretary of State.

Sir:

I have the honor to report that in accordance with the instructions of the Department I spent about two weeks during the first part of August in the Kingdom of the Serbs, Croats and Slovenes, in Bulgaria and in Roumania. Although these countries not being under the Division of Western European Affairs in the State Department, were not as familiar to me as the countries of which I have personal charge, I nevertheless knew enough of what was going on so that I hope my observations of conditions may be of some value to the Department.

THE KINGDOM OF THE SERBS, CROATS AND SLOVENES

Political.

At the time I was in Belgrade there was no cabinet. Mr. Vesnitch was acting as Prime Minister and was attempting to get together a government, preferably a coalition government. He told me that he found this extremely difficult since the radicals and the Democrats disagreed fundamentally on certain points. Mr. Vesnitch is the leader of the Radical party, which curiously enough, is actually far more conservative than the Democratic party. There were three main points at issue between the two parties.

On the subject of government control of exports the Radical party took the ground that all exports could be absolutely controlled by the government. In other words the export (...) ¹²³ of Jugoslavia was to be (...) ¹²⁴ a government (...) ¹²⁵. The Democrats took the ground that it would be better for the country if that business were handled by private individuals with only a loose government supervision to prevent the export of necessities which the country could not afford to let go. The Democrats also claimed that the government monopoly would give altogether too much political power in that the destination of supplies could be dictated and the government therefore be able to hold a club over neighboring countries. They said also that a government monopoly would open the way to bribery and corruption of all sorts. In this particular issue I felt that the Demo-

¹²² Državni pečat.¹²³ Nečitko.¹²⁴ Nečitko.¹²⁵ Nečitko.

crats were clearly right. Mr. Vesnitch said that although there was a serious disagreement the leaders of the part (...) ¹²⁶ had come closely enough together so that this problem would not prevent cordial coalition.

On the second point of difference I felt that the Radicals were clearly in the right. Mr. Vesnitch said that in the new state of Yugoslavia in the opinion of the Radicals, the only possible lasting government and the only government which could give satisfaction to the majority of citizens was one which was willing to be thoroughly decentralized. In other words the Radicals wished to give local autonomy in very large measure to Croatia and Slovenia, the state being bound together in the person of the King and the national government of course being responsible for all foreign relations and to a certain extent for taxes. The Democrats on the other hand took the ground that the only proper form of government for the country was one completely centralized in Belgrade. It is fair to say that both the Croats and the Slovenes consider themselves rather higher in civilization than the Serbs and that domination by Belgrade would not only cause dissatisfaction but might cause the breakup of the state. Even on this point the two parties were reaching a virtual agreement and this also Mr. Vesnitch said would not prevent coalition.

The stumbling block occurred in the third point at issue which would appear to the outsider of comparative unimportance. This covered the question of the division of the land belonging to the Begs of Bosnia, the only great landed proprietors in the kingdom. Both parties agreed that these great estates must be divided. The Radicals, however, took the ground that the owners of the estates should receive moderate compensation; that the peasants to whom the land would go should pay for the land in such amounts as they were able to pay. The Radicals felt that this was not only fair to the owners but would give the peasants themselves a greater sense of possession and responsibility. The Democrats took the stand that this land had been wrongfully given to the Begs some few generations ago by the Turks, that possession for one or two hundred years gave no ground for ownership and that the Begs should simply be forcibly dispossessed and the land divided as promptly as possible among the peasants. This divergence of opinion seemed to be irreconcilable and Mr. Vesnitch told me that group whom he had approached in his attempt to form a cabinet had broken up because no agreement could be reached.

Mr. Vesnitch said very little about Communism, because although there was a Communist party, no one felt that the doctrine and any particular hold on the country. It was therefore a great surprise when I heard shortly after leaving the country that the municipal elections in the kingdom had resulted in Communist victories in practically every large town and including the capital. I do not believe that this is of any great importance because I do not think that the people are convinced Communists or have any real appreciation of what Communism means. I think the result was rather due to the possible dissatisfaction with both the major parties who seemed unable to come together.

I had a very long conversation on political and other matters with the Prince Regent. He is of course the ruler of the country inasmuch as the king has retired

¹²⁶ Nečitko.

permanently from public life. The Prince is an extremely serious minded young man, but honorable, calm in his judgments, very intelligent, and I think a patriot in the best sense of the word. Inasmuch as he is more than a figure-head and of course stands above parties, although I believe him to be more in sympathy with the aims of the Radicals in general, I felt that what he said was of real value. Prince Alexander put the main emphasis of his personal policy on the renewal of thoroughly good relations with Bulgaria. He said that such relations had been impossible to bring about so far on account of the bad feeling remaining after the war and that his Ministers had told him that the change could not be hurried. He said that he felt this was a mistake because he felt that peace in the Balkans was far more likely if Serbia and Bulgaria understood each other. He said that already the relations between Serbia and Greece were extremely friendly whereas the relations between Bulgaria and Greece on account of the occupation of Thrace were tense. He felt therefore that Serbia could and should be the mediator between these two countries and that in this way it could play an important role. The Prince added that in his opinion the only reason which would prevent Bulgaria from agreeing to such a rapprochement was the question of Serbia's occupation of the district of Tsaribrod assigned to it by the peace treaty. This district he said that he personally would be very glad to return to Bulgaria since it had practically no Serbian population and would only be a cause of trouble, but there would be great difficulty in bringing any section of the Serbian people into agreement.

As to Hungary the Prince said that his country would be glad to come into friendly relations but that this was made impossible by the Hungarian attitude. I told him that I did not feel this to be any real bar to the renewal of good relations as I was sure that Hungary's attitude was misunderstood, that as a matter of fact the Serbs were the only ones among Hungary's late enemies who the Hungarians really respected, and that there was no bitterness existing.

As to Roumania the Prince said that now that the Banat question was settled – there was no reason why the two countries should not be thoroughly friendly. He said, however, that Serbia would never consent to send her soldiers into Roumania to assist in fighting the Russian Bolsheviks, that all classes in the kingdom looked on the Russians as brothers temporarily very sick. He said, however, that should the Bolsheviks sweep over Roumania and make any attack on Jugoslavia's territory prompt defense would be made.

He touched hardly at all on the Adriatic question as it seemed wiser not to take up such a controversial subject. The only remark made by the Prince about the Adriatic was in connection with exports when he said that not having any available seaport on the Adriatic, Jugoslavia was very much tied down.

Economic.

There is plenty of food in Jugoslavia. The country is normally more than self-supporting and the crops have been magnificent. In fact I was told on all sides that there were great quantities of food rotting because nothing could be done with it. This is partly due to the extreme difficulty of export. A certain amount of course is sent down the Danube and more finds its way out through Salonica as a port, however, it by no means works out

this way, because Serbian trains are always delayed in Greek territory to let Greek trains go ahead. The result is that the journey from Nish to Salonica is often intolerable and if perishable materials are sent they are spoiled before arrival. It is cruel of course that this surplus cannot be sent into Austria and Hungary but the absolute border restrictions prevent any adequate circulation. For example, the city of Szeged is now just across the river Tisza from Yugoslavia territory which had formerly been its market garden. Now there is actual want of many food products in the city and across the river these foods are rotting. The border difficulties, however, are not the only obstacles, an even greater obstacle perhaps being the low value of Austrian and Hungarian medium of exchange. The dinar is comparatively very high and it therefore difficult for either Austria or Hungary to purchase in Serbia. Still further, there is actual obstruction on the part of Serbian officials; I am inclined to believe, minor officials, to the export of food stuffs to Hungary. This is partly due to the silly stories eagerly accepted in Serbia about Hungarian mobilization against the kingdom. The result of this opinion is that on one flimsy pretext or another Serbian food shipments are held up on or near the border. A flagrant example occurred when Hungary ordered a certain amount of grain last February. The grain was paid for when it was ordered and it was needed immediately. It was held up on one absurd pretext after another until the Allies complained to the Government at Belgrade. Then the astounding claim was made that although the grain had been paid for when purchased, Hungary ought to pay still more because in the intervening months the value of the Hungarian crown had gone down. The first shipment of this grain arrived in Budapest when I was there and was absolutely worthless because weevils had eaten the heart of every seed.

Jugoslavia is fairly well off for coal and has the promise of the coal from the Pecs mines for five years to come. This makes the continued illegal occupation of the Baranya in which these mines are situated, still more intolerable. It is believed that there are great undeveloped coal fields in the country and the Serbs in general hope that foreign capital will come in to develop not only the coal but the mineral which is known to exist.

I was, on the whole, more encouraged with conditions in Yugoslavia than in any other country I visited because with a moderate and tactful government, it seemed to me that the kingdom ought to have a great future. There are undoubtedly vast natural resources still undeveloped, resources which it is hoped may be developed partly at least by American capital. There is plenty of food and there is in general a much more tolerant attitude toward surrounding countries than exists elsewhere. If the Adriatic question can be settled satisfactorily and peace really established in south Central Europe, there is no reason why Yugoslavia should not become one of the important producing countries of the world.

(...)¹²⁷

I have the honor to be, Sir,
Your obedient servant,
(...)¹²⁸¹

¹²⁷ Ovdje se donosi mišljenje o Bugarskoj i Rumunjskoj.

¹²⁸ Vlastoručno, nečitko.