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The Hungarian-Croatian Compromise of 1868 (The Nagodba)

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THE HUNGARO-CROATIAN COMPROMISE (1868)
ARTICLE XXX of 1868.

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

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

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

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

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

The Coronation Diploma of the year 1867 is also to be drawn up (now after the event) in the original Croat text and to be sent as soon as possible to the Sabor [461] of Croatia, Slavonia and Dalmatia.

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

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

The fundamental law mentioned in this paragraph, as also the

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

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

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

' 6. Such a Joint Affair of all territories of the Crown of St. Stephen is above all the adoption of the expenses of the Civil List.

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

(a) Out of the contingent of recruits which has to be sanctioned jointly, the portion falling to Croatia, Slavonia and Dalmatia is fixed according to the proportion of the total population: but it goes without saying that if the prevailing system of defence be revised, the details of the new system which is to be enforced will be applied to Croatia, Slavonia and Dalmatia also;

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

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

' 8. The financial system is a Joint Affair between Hungary and Croatia, Slavonia and Dalmatia, alike in respect to legislation and administration, in the manner described below. Consequently the Joint Parliament for all territories of the Crown of St. Stephen is entrusted with the regulation of the whole system of taxation; the ratification of direct and indirect taxes, both with respect to the categories of taxation and to tax-assessments; similarly the calculation, manipulation and collection of taxes; the introduction of new taxes; the ratification of the Joint Budget Proposals, as also the examination of balances respecting the Joint expenditure: the contracting of new State debts or the conversion of already existing debts: the administration, conversion, burdening or sale of immovable State property; control over monopolies and royalties (*jura regalia majora*) and generally all provisions relating to any financial matter common to all territories of the Crown of St. Stephen. This holds good in respect to the

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sale of Croatian-Slavonian state lands (under which State forests are also included, ' 2 Article XXXIV 1873), with the limitation that the Diet of Croatia, Slavonia and Dalmatia is also to be heard on this point, and that without its approval such a sale may not take place. With regard to all these affairs the Joint Financial executive--which is exercised by the Royal Hungarian Minister of Finance, responsible to the Joint Parliament--extends to Croatia, Slavonia and Dalmatia also.

' 9. Joint Affairs of all territories of the Hungarian Crown are coinage--metal currency--and the banknote system: further, decisions as to minting and the general monetary standard; examination and approval of commercial and State treaties, such as equally affect the territories of the Crown of St. Stephen: provisions respecting banks, institutions of credit and insurance; concessions: weights and measures: the protection of patents and trademarks, official stamps,[462] the rights of literary and artistic property: Sea Law, Commercial Law, the law of Bills of Exchange and Mining Law, and generally matters of commerce, customs, telegraphs, Post Office, railways, harbours, shipping, and those roads and rivers which jointly concern Hungary and Croatia, Slavonia and Dalmatia.

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

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

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

for Hungary 93.05502201 per cent.

for Croatia and Slavonia 6.04407799 per cent.

(for revision of this, see p. 374).

' 13. Since however the total net income of Croatia and Slavonia could at present only cover the sum which according to the standard of taxable capacity contained in the preceding paragraph, would fall to the share of these countries out of the expenditure for Joint Affairs, only in the event of these countries making over the greater part of the sum required for their internal administration; Hungary, having regard to the renewal of the fraternal relation which subsisted for centuries between it and Croatia and Slavonia, willingly agrees that at the very beginning a fixed sum, which is to be fixed from time to time

[462] I.e. the stamping of hallmarks, etc.

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by an agreement for the costs of internal administration of these countries, shall be deducted and that the sum which remains over after satisfying the needs of the internal administration, shall be employed for the expenses involved by Joint Affairs.

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

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

' 16. This sum is above all covered by 45 per cent of the direct and indirect taxes and other public sources of income of Croatia and Slavonia; that is, out of the total income of those countries 45 per cent are paid over to whatever provincial or municipal bank the legislature or government of these countries(463) shall request.

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

By ' 3 of Article XXXIV, 1873, these paragraphs ('15, '16, '17) and also '25 and '26 (see below) were repealed and superseded by the following provision:--

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

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

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

[For the modification of ' 3, XXXIV, 1873, see ' 4, XL, 1889 (p. 374).]

' 18. From those sources of income which are, in accordance with " 16 and 17, to be divided between the demands of Croatia and Slavonia's internal administration and the Joint Expenses, are excluded the following:--

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

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

[See ' 5 of Article XL, 1889, p. 375, and also Article X, 1906, p.375-8.]

' 19. Should the administrative territory of Croatia and Slavonia be increased by the actual reincorporation of Dalmatia or by the administrative union of the Military Frontiers, the revenues of the territories united to Croatia-Slavonia will similarly be divided between the requirements of the Croatian-Slavonian internal

[463] In the Croat text *sdruženih kraljevinah* (united Kingdoms).

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administration and those of Joint Affairs, according to the scale fixed in ' 16 and '17.

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

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

By Law XXVII of 1891 (only one paragraph) this was modified as follows:--

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

The joint guarantee of the territories of the Hungarian Crown for this Land Redemption Debt remains in force.

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

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

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

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

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

[' 25 and ' 26 were superseded by ' 3, XXXIV, 1873, see above, p. 365.]

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

' 27 was repealed by Article X, 1906 (quem vide).

' 28. The statement of the revenues of Croatia and Slavonia is drawn up on the basis of the principles contained in the above paragraphs, and is submitted to the Joint Legislature of the territories of the Hungarian Crown at the same time as the statement of accounts of all the territories of the Hungarian Crown. The statements, after being examined there are also communicated to the Diet of Croatia and Slavonia for its cognizance.

[See ' 6, XL, 1889, revised by X, 1906, see p. 375].

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

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

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

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

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

By ' 2 of Article XV, 1881, these '32 and '33 were repealed, and the following clause was substituted:--

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

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

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

[To this clause the following addition was made by ' 4, XXXIV, 1873:--

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

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

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

[This paragraph was repealed by ' 3 of Article XV, 1881, which runs as follows :--]

Beginning from the date indicated in ' 2 of the present law (see above, ' 33), Croatia and Slavonia send to the Upper House of the

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Joint Parliament three deputies from the midst of their own Diet.

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

[This reorganization was carried out by Article VII of 1885].

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

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

' 40. Since the Joint Parliament of the territories of the Hungarian Crown exercises one part of its functions, namely the fixing of the estimates for those Joint Affairs which are

recognized as originating from the Pragmatic Sanction, through a Delegation sent from its midst, there shall be elected to the Hungarian Delegation by the Joint Parliament out of the deputies of Croatia, Slavonia and Dalmatia as many members as fall to their share according to the standard by which the said countries are represented in the Joint Parliament.

[' 40 was repealed by Article XV of 1881.]

' 41. It is consequently established that from among the deputies of Croatia-Slavonia four members are to be elected to the Delegation from the House of Deputies, and one member from the Upper House.

' 42. Should the number of the deputies of the Croatian-Slavonian-Dalmatian Diet increase as a result of the extension of territory mentioned in ' 33, then the number of those members who are elected to the Delegation from among the deputies of Croatia, Slavonia and Dalmatia will be increased in corresponding proportion. [Repealed by Article XV of 1881.]

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

' 44. From the standpoint of the representation of Croatia, Slavonia and Dalmatia's interests, a special Croatian-Slavonian-Dalmatian Minister without portfolio is nominated for these countries as part of the Central Government residing in Budapest. This

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Minister is a member of the Joint Cabinet Council, with the right to vote in it, and is responsible to the Joint Parliament. He likewise forms the connexion between His Majesty and the Provincial Government of Croatia, Slavonia and Dalmatia.

[To this paragraph the following addition was made by ' 5 of Article XXXIV, 1873:--

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

' 45. The Central Government makes a point of acting on the territory of Croatia, Slavonia and Dalmatia in harmony with the special Government of these countries; as,

however, it is responsible for its action to the Joint Parliament, in which Croatia, Slavonia and Dalmatia are also represented, its measures must consequently be supported by the Croatian-Slavonian-Dalmatian Provincial Government and Courts, and indeed must be directly carried into execution by them, in so far as the Central Government possesses no organs of its own.

' 46. At the request of Croatia-Slavonia and Dalmatia an assurance is given to these countries, that the Central Government shall appoint natives of Croatia-Slavonia-Dalmatia alike to the Croatian-Slavonian departments of the central offices, and to their organs in the territory of the said countries, so far as is at all possible, in consideration of the necessary technical training.

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

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

' 49. With regard to the requirements of the Fund for Religion and Schools, the debts will be disposed of, so far as the past is concerned, by mutual agreement.

[To which the following addition was made by ' 6 of Article XXXIV, 1873.]

After this mutual agreement has been reached, the part relating to Croatia and Slavonia will be separated from the jointly adminis-

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tered funds and paid over to the Autonomous Government of the said countries.

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

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

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

[' 52 was superseded by ' 7 of Article XXXIV, 1873, as follows:--

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

' 53. The Ban in his civil position bears in future also the title "Ban of Croatia, Slavonia and Dalmatia," and enjoys all privileges and dignities of the Banal office, which are compatible with his new position.

Consequently he remains in future also a member of the Upper House of the Joint Parliament.

[' 53 was repealed by ' 8 of Article XXXIV, 1873, and replaced by the following provision:--

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

' 54. The future organization of the autonomous Provincial Government is to be fixed by the

Croatian-Slavonian and Dalmatian Diet, on the proposal of the Ban and with the sanction of His Imperial and Apostolic Royal Majesty.

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

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

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

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

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

' 60. The laws enacted by the Joint Legislature for Croatia-Slavonia and Dalmatia are to be drawn up also in a Croatian original

text, signed by His Majesty, and are to be sent to the Diet of the said countries.

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

' 62. The emblem of the Joint Affairs of the territories of the Hungarian Crown is formed by the combined arms of Hungary and of Croatia, Slavonia and Dalmatia.

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

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

' 65. Hungary recognizes the territorial integrity of Croatia, and promises to promote its completion. It will in future be specially insistent that that portion of the Military Frontiers which belongs to Croatia-Slavonia and the military communes situated therein shall be united with these countries alike in legislative, administrative and judicial matters; and just as Hungary has hitherto made representations with regard to this matter on repeated occasions, so in future also it will demand the reincorporation of Dalmatia, on the ground of the rights of the Holy Hungarian Crown, and will promote its union with Croatia. Regarding the conditions of this reincorporation, however, Dalmatia also is to be consulted.

' 66. In the sense of the preceding paragraph the following are recognized as belonging to the territory of Croatia, Slavonia and Dalmatia:--

1. That territory which together with the town and district of Buccari, at present belongs to the County of Fiume, with the exception of the town and district of Fiume. The town, harbour and district of Fiume form a separate body attached to the Hungarian Crown (*separatum sacrae regni coronae adnexum corpus*), with regard to whose special autonomy and the legislative and administrative conditions relating thereto, an agreement is to be reached by means of negotiations between the Hungarian Parliament, the Diet of Croatia-Slavonia and Dalmatia and the town of Fiume in joint understanding.

2. The County of Agram with the towns of Agram and Karlovac (Karlstadt) and the free district of Turopolje.

3. The County of Varazdin with the town of Varazdin.

4. The County of Krizevci (Kreuz), with the town of Krizevci.

5. The County of Pozega with the town of Pozega.

6. The County of Virovitica with the town of Virovitica.

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7. The County of Syrmia.

8. The County of Bjelovar.

[Point 8 was added by '9 of Article XXXIV, 1873.] Further the following frontier regiments:--

1. That of the Lika.
2. That of Otocak.
3. That of Ogulin.
4. That of Slunj.
5. The first Banal Regiment.
6. The Second Banal Regiment.
7. That of Varazdin-Krizevci.
8. That of Varazdin-St. George.
9. That of Gradiska.
10. That of Brod.
11. That of Peterwardein.

finally the present Dalmatia.

[Points 7 and 8 drop off, under '8, XXXIV., 1873.)

'67. Until the territorial integrity of Croatia, Slavonia and Dalmatia, as described in the preceding paragraphs, has been restored, Hungary consents that the Customs Offices in Semlin, Mitrovica, Raca, Klenak and Jakova be separated from their present direct administrative control and subordinated to the Agram Finance Department, as recognition of the territorial link.

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

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

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

The financial provisions of the Compromise were revised by Law XL of 1889, which ran as follows:-- Since the period of duration of the financial portion of the Agreement

contained in Article XXX of 1868 (as laid down in ' 12 of this law), and also the period of its provisional extension under Articles XLIII of 1887 and XXXIV of 1888 have expired; a new financial agreement has been reached by joint consent, between the Hungarian Parliament on the one hand and the Diet of Croatia, Slavonia and Dalmatia on the other hand, in the manner prescribed in ' 70 of Article XXX of 1868. This agreement, having also been confirmed,

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enforced and sanctioned by His Imperial and Apostolic Royal Majesty, it is hereby inarticulated as a Joint Fundamental Law of Hungary and of Croatia, Slavonia and Dalmatia, as follows:--

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

92.0064805 for Hungary.

7.0935195 for Croatia and Slavonia.

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

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

' 4. From January 1, 1890, up to the date till which the agreement regarding the quota to be contributed to the expenses of the Joint Affairs of the territories of the Hungarian Crown and of the other kingdoms and territories of His Majesty lasts, the requirements of the internal administration of Croatia-Slavonia is to be covered first of all by 44 per cent. of the direct and indirect taxes, as also of the other public income of Croatia and Slavonia, in so far as these do not fall under the provisions of ' 5 of the present law; that is, 45 per

cent of the net public income of these territories are to be paid over to whichever provincial or local treasury the legislature or government of these territories shall request.

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

The 44 per cent of net public revenue of Croatia and Slavonia are calculated in such a way that from the total direct and indirect taxes of Croatia and Slavonia, from the revenue of the statelands

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situated in Croatia and Slavonia and from the other public sources of revenue (so far as these do not fall under ' 5 of the present law) only such expenses are to be deducted as are connected with the calculation and collection of taxes (under which the cost of the joint financial administration is not included), with the administration of statelands, with the collection and direct administration of indirect taxes, dues and other public sources of income.

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

Paragraphs 5 and 6, having been subsequently repealed, need not be given here. The latest Financial Compromise between Hungary and Croatia was concluded in 1906 and runs as follows:--

Article X, 1906.

The period of the financial Compromise as laid down in Article XL of the year 1899 and also the period for which this was extended by Articles XLII, 1897, V, 1899, XLVII, 1899, XXXII, 1900, XXIX, 1901, and XXV., 1902, having lapsed, a new Financial Compromise has been concluded by joint agreement, in accordance with ' 70, XXX, 1868, between the Parliament of the kingdom of Hungary on the one hand and the Parliament of the kingdom of Croatia Slavonia and Dalmatia on the other hand. This agreement having been approved, confirmed and sanctioned by His Imperial and Royal Apostolic Majesty, is hereby enacted as a joint fundamental law of the Kingdom of Hungary and the kingdoms of Croatia-Slavonia and Dalmatia, as follows:--

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

' 2. According to the principle recognized by the Kingdom of Croatia-Slavonia and Dalmatia in ' 11, XXX, 1868, that these territories are bound to contribute, according to

their taxable capacity, to those expenses which are necessitated on the one hand by the affairs recognized as common between the territories of the Hungarian Crown and the other territories of His Majesty and on the other hand by the affairs described in the aforesaid Article XXX, 1868, as common to all the territories of the Hungarian Crown; this proportion of taxable capacity is fixed for the period from January 1, 1904, to December 31, 1913, on the basis of the total revenues of Hungary on the one hand and Croatia-Slavonia on the other hand during the years 1893 to 1902, from the direct taxes--excluding the military exemption tax and the transport tax--from the stamp and

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law duties and from the tobacco and salt monopolies, in the proportion of

91.0873 per cent. for Hungary.

8.0127 per cent. for Croatia and Slavonia.

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

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

' 5. From January 1, 1904, to the end of 1913, the requirements of the internal administration of Croatia are met out of the public revenues of Croatia and Slavonia as defined below--in so far as these revenues do not fall under ' 6 of this law--namely, out of the public revenues of these territories the portion fixed below is to be paid over to whatever Croatian-Slavonian provincial or municipal treasury the legislature or government of these territories(464) shall prescribe.

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

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

(1) between those sources of revenue in respect of which the Joint public revenue drawn from them can be fixed as undoubtedly belonging to Croatia and Slavonia, and

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

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

The revenue of Croatia and Slavonia derived from sources of income which fall under (2)--especially from the transport duty

464. In the Croat text, "sister-kingdoms."

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(under Law XX, 1875), from the existing octroi duties on wine and meat, from lotteries and from such revenue as, accruing in the future, would fall under the sources of income mentioned in (2)--is calculated in such a manner that from the joint gross revenue of the territories of the Hungarian Crown falling under these heads, the expenses of collection and direct administration of this revenue--in which the expense of the joint financial administration is not included--are deducted; and out of the net yearly revenue of the territories of the Hungarian Crown 80127 per cent. is reckoned as the revenue which Croatia and Slavonia derives from these sources, in proportion to taxable capacity.

Forty-four per cent form that portion of the net public revenue of Croatia and Slavonia which (by line 1 of this ') is to be applied to the requirements of internal administration; but with this limitation, that the 44 per cent quota of the net revenue falling under (2) may not exceed that sum which would be realized, if this revenue had exceeded the revenue of the previous year (beginning with 1905) by 5 per cent. The surplus over that sum is to be employed firstly in meeting a deficit, if the net revenue from the state forests situate in Croatia and Slavonia should fall below the net revenue of 1902, or if the revenue from one of the sources specified under (1) should cease as the result of legislation, or be so affected thereby as to fall beyond the net revenue of 1902. But the sum which is not required for this purpose is to be paid into the Joint Treasury, together with 56 per cent of the net revenue of Croatia and Slavonia calculated on the above basis.

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

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

(b) excise duties on wine and meat, which are in future also to be applied to meeting communal expenditure. (c) The clergy tithes paid by the Catholic population of the county of Bjelovar, which can also be applied to meeting the autonomous expenditure of Croatia and Slavonia.

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

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

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

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

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

(a) the actual expenses incurred on the basis of ' I, VI, 1899 and ' I, XVIII, 1901, in towns with municipal rights and open communes throughout the territories of the Hungarian Crown.

(b) the actual expenses incurred on the basis of XXXV, 1888, in redemption of and interest on the Indemnity Fund for Croatian and Slavonian inn licences.

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

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

(5) the actual expenses incurred by the administration of lotteries throughout the territories of the Hungarian Crown, described in the final state settlement as lottery dues. Of the revenue obtained on this basis in the territories of the Hungarian Crown, 80127 per cent. is to be regarded as the revenue which Croatia and Slavonia derive from these sources (i.e. from disputable sources). On the basis of ' 50, XXXV, 1888, Croatia and Slavonia have to meet out of this revenue the expenses of amortization and interest on the indemnity fund for Croatian-Slavonian inn licences, in such a way that the sum remaining after these expenses have been met forms the net revenue of the kingdom of Croatia and Slavonia from the sources specified above. II. As the public revenue of Croatia and Slavonia from stamp dues, obtained (under Art. XXIII, 1868) from railway and steamer enterprises, is to be reckoned that sum which has actually flown into the Croatian-Slavonian State treasury and revenue office under this title.

III. As Joint Expenses between Hungary and Croatia and Slav-

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

(1) the following are not to be regarded as Joint Expenses:--

- (a) the costs of industrial and commercial technical education.
- (b) the costs of agricultural and economic statistics for the Ministry of Agriculture.
- (c) the expenditure in interest on, and amortization of those capital sums raised on the basis of Art. XIV, 1904, or of any state loans which may be raised in the future, and these capital sums are to be applied to such public works as cannot be regarded as Joint within the meaning of " 5-10, XXX, 1868.

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

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

END

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