

## **Hungarian Presence in Romanian Danube Ports (1895 – 1929): “Royal Hungarian River Navigation Society”. Litigation and Disagreements with the Romanian Authorities**

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### **Abstract**

The end of the 19th century found the Danube navigation in a full process of diversification of river operators, who fiercely disputed their economic interest, among them, the Hungarian company *Magyar Folyam és Tengerhajózási Részvénytársaság* – MFTR. Founded in 1895, based on an initiative of the Hungarian government, the company had a substantial presence in Romanian ports, marked by several historical moments, highlighted in this study. MFTR registered an active presence in almost all Romanian ports and was a part of the emerging landscape of the economic development of the Danube area. As it had to be, the competitive “spirit” present in the environment of the river navigation companies that operated the Romanian ports during the reference period and their need to promote and protect their interests as best as possible, generated a series of disputes with the Romanian authorities. Knowing the nature of the relations between Romania and Hungary from the years before the First World War, there were moments when MFTR highlighted the combination of “political-economic rivalry” existing between the Hungarian and Romanian authorities, the company’s representatives distorting the realities in our country.

**Keywords:** navigation, Danube, Romania, Hungary, foreign shipping companies, harbours

### **INTRODUCTION AND HISTORICAL CONTEXT**

The study of navigation on the Danube has aroused special interest from vast categories of researchers, as this subject has not been explored well enough to reveal all its secrets. Danube navigation at the end of the 19th century and the beginning of the 20th century involved spectacular developments, marked by substantial developments and periods of regression given by geopolitical conjunctures that assumed conflicts and disputes, including armies, between European actors. The end of the 19th century found the Danube navigation in a full process of diversification of the river operators, who intensely disputed their economic interests. Among these were: *Donaudampfschiffahrtsgesellschaft* – DDSG (Austrian flag), the *Russian Society of Navigation with Ships on the Black Sea and the Danube* (former “Prince Gagarin Company”), *Magyar Folyam és Tengerhajózási Részvénytársaság* – MFTR (Hungarian flag), *Deutsche Donau Linie* – DDL (German flag), *Bayerischer Lloyd* (German flag) and the newly established *Romanian River Navigation - NFR*.

Before the First World War, between 1912 and 1913, in a full Balkan crisis, Danube navigation was influenced by military operations and the cholera epidemic. The beginning of the interwar period brought profound changes in the European geopolitical landscape, in the context of the dismemberment of the great Empires and the emergence of nation-states, which also influenced navigation operations. At the end of the First World War, the Danube fleet consisted of 621 ships with propulsion and 2921 without propulsion, and new companies were operating on the Danube, along with some of the companies presented above, such as *The*

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*Anglo-Romanian Society of Navigation on the Danube, Société Française de Navigation sur le Danube* (French flag), *The Royal Yugoslav Society of Navigation – DRP*, but also *The Czechoslovak Society of Navigation (CSD)*. In the briefly described historical context, we consider it of real interest to study some elements related to the presence in the Danube navigation of the Hungarian society MFTR and how its representatives related to the Romanian authorities.

## **METHODOLOGY**

The study is based on thorough research of the documents from the Archives of the Ministry of Foreign Affairs in Bucharest (AMOFA), contained in the volumes of Issue 68 - “*River, maritime and air navigation companies; Romanian and foreign*”. It is known that, for a good period (second half of the 19th century - first half of the 20th century), navigation in Romania was under the coordination of this ministry. For a better understanding of the historical context, the analysis of AMOFA documents was supplemented with elements from specialised works, both from the period to which the study refers and from the contemporary one.

## **HISTORICAL MILESTONES OF THE PRESENCE AND ACTIVITIES OF THE ROYAL HUNGARIAN RIVER NAVIGATION SOCIETY IN ROMANIAN PORTS (1895 – 1929)**

The Royal Hungarian River Navigation Society (*Magyar Folyam és Tengerhajózás Részvénytársaság*) – MFTR, was established in 1895, based on an initiative of the Hungarian government, to reduce dependence on the prices charged by other river navigation companies. The company benefited from a share capital of 10 million florins and a subsidy of 400.000 – 450.000 florins annually, for 20 years, depending on the profit to be made. MFTR took over the ships of the former Hungarian shipping company and started an extensive process of regeneration of the naval fleet.[1]

In March 1895, MFTR was making the final preparations to start its activity, in which sense, it took control of the “Hungarian Railways fleet” and purchased the fleet of the “Luczenbacher” company for 500.000 guilders. This latest acquisition was made possible with the approval of the Ministry of Trade in Budapest. After the completion of these steps, starting from April 1, 1895, the naval fleet of the MFTR consisted of “18 ships, 68 barges and 29 vessels (of servitude)”. [2]

On March 26, 1896, the Hungarian company asked the Romanian authorities for support in obtaining access to the premises and facilities (pontoons, light warehouses) in the river ports where it intended to carry out its activity:: Turnu Severin, Calafat, Bechet-Rahova, Corabia, Turnu Măgurele, Giurgiu, Oltenita, Gura Ialomiței, Brăila and Galați. In the approach to the Romanian authorities, the representatives of the Hungarian company indicated concrete proposals for each port, demonstrating good knowledge of the Romanian port infrastructure.[3] Regarding this request, the Ministry of Foreign Affairs (MOFA) requested a point of view from the General Inspectorate of Navigation and Ports (GINP), which expressed the following expert opinions:

- “In the ports of Galati and Brăila, the Hungarian company could carry out its activity at the so-called “public” pontoons No. 2, where its vessels could berth and operate without preventing other vessels

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from using that area. With the completion of the landscaping works in Galați and Brăila, the provisions of the journal of the Council of Ministers No. 12 of 17/29 March 1895, which offered the Hungarian Company the opportunity to obtain, like the other foreign companies, a new place for specific operations, at the wharf reserved for river vessels;

- In the ports: Gura Ialomiței, Cernavodă, Oltenita, Zimnicea, Turnu Măgurele, Bechet and Calafat, the State pontoons existing in these ports could be put at the disposal of the Hungarian company, from which they could benefit under the same regime applied to the ships of other shipping companies;
- In the ports of Giurgiu, Corabia and Turnu Severin, where the state had only one pontoon each, insufficient for all operations, an additional pontoon had to be installed, which was to be made available to the Hungarian company, under similar conditions as in the other ports”.[4]

On May 23, 1897, the Official Monitor from Bucharest published details about the Hungarian company MFTR, registered at that time in our country. The main headquarters of the company was in Budapest, with branches and agencies in Bucharest, Turnu Severin, Calafat, Bechet, Corabia, Cernavodă, Turnu Măgurele, Giurgiu, Oltenița, Gura Ialomiței, Brăila, Galați. The company’s “prosecutors” for the ports of Turnu Măgurele and Zimnicea were Ferdinand Prenner and C. Cismas. The director for Romania was August Ferbai, who had an office in the port of Galați.[5] In 1900, the MFTR agent in the port of Corabia was Atilla Steiner, who held the same position in Cernavodă in 1902.[6]

In the same year, 1902, an incident occurred by the approach between the ships “Ferentz Joseph I”, belonging to the MFTR and the Romanian tug “Radu Negru” from the naval park of the NFR, commanded by Captain Mazilu. The event took place on the night of August 23/24, 1902, with Captain E. de Perregrini on the command deck of the Hungarian ship.

The approach resulted in the sinking of the Hungarian ship. All passengers and crew were saved. In the context of the contradictory statements of the parties involved, a court case was reached, MFTR making a complaint against the Ministry of Public Works, under which the NFR was subordinate, as well as the intervention request of the “Providence” insurance company from Vienna for the loss of the ship it had insured. The process involved the formulation of the opinions of several navigation experts, as well as clarifications related to which regulations applied to that river sector and how signalling was done on the waters of an international river. The court rejected as unfounded the action for damages brought by MFTR, which was declared solely responsible for the damages caused to both ships and the goods on the Hungarian vessel.[7]

In 1906, the Romanian authorities noted elements regarding the travel conditions on board the Hungarian ships belonging to the MFTR, which did not fall within the normal hygiene limits. According to the complaints submitted by several passengers to the General Inspectorate of Navigation and Ports (GINP), the hygiene on board Hungarian ships was poor, and the transport of animals (birds) fueled the emanation of persistent odours that harmed public hygiene. In this context, GINP requested MFTR to stop the transport of birds on board passenger ships, a request accepted by the Hungarian company.[8]

In 1910, MFTR benefited from the following facilities in Brăila port: 80 meters - berth length, jointly with the Russian company; a pontoon of the Hydraulic Service, jointly occupied with the same Russian company; a wooden shed with an area of 18 square meters; an area of 1,400 square meters, located on the port platform occupied by traded goods.[9]

During 1912–1913, the Hungarian society received 900,000 kroner in subsidies from the Hungarian government.[10]

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In August 1913, G.M. Ciuntu, the company's representative in Galați, announced its intention to extend the navigation line from Galați to Sulina, where an agency was to be established on the left bank of the Danube, on land owned by MFTR, previously owned by the Goetz & Comp.[11]

In order to avoid a possible dispute with the Romanian customs legislation, according to art. 78 of the General Customs Law, the Hungarian company requested approval to unload its goods before completing customs formalities, even during the night, obliging itself to comply with all legal provisions. Since it was desired to build a warehouse for the goods that were to be reshipped, the representative of the Hungarian company requested the following clarifications from the Romanian authorities:

- If different goods could be stored in those warehouses to be picked up after an unlimited period for import or export, based on specific needs, with the payment of customs duties, upon exiting the warehouse, only for the goods leaving the warehouse and intended for import into the country.
  - What were the conditions necessary to be met for the exercise of customs control over these goods.
- Taking into account the fact that Sulina had porto-franco status and the fact that MFTR would comply with tax legislation, agent Ciuntu hoped to obtain a favorable opinion from the Romanian authorities.[12]

In March 1914, MFTR's regular flights covered the Orșova - Galați - return route, the company publishing its "Passenger Steam Route" on the Zemun - Belgrade - Galați route (1.026 km). Two years later, in 1916, the MFTR had a fleet of 16 packet boats, 44 tugs and over 200 barges. The context of the First World War substantially affected the activity of MFTR, as it also affected the activity of other river navigation companies but the Hungarian company continued its activity in the interwar period. In March 1920, the River Syndicate bought 48% of the MFTR shares, becoming the majority shareholder of the Hungarian company. In reality, the British group held 42,5% of the shares, the Hungarian state 25%, and a consortium of Hungarian banks 32,5%.[13]

In 1929, MFTR was using a pontoon belonging to the Romanian Maritime Service in Galati port.[14]

A year later, in 1930, the Hungarian company had a capital of 8.820.000 "pengo", with a shareholding that included: the Hungarian state (20%), private individuals (27%) and the "Danube Navigation Company" (53%). The Hungarian company's river fleet included 35 passenger ships, 34 tugs, 220 barges and 15 tanks, compared to 1913 when it had 15 passenger ships, 33 tugs and 275 barges.[15]

### **Illustration II.11**

#### **MFTR Vessels Schedule, 1914**

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Source: AMOFA, Issue 68, Vol. 2 (Austro-Hungary - Austria, 1887–1931), f.n.

## DISSENSIONS AND DISPUTES BETWEEN HUNGARIAN SHIPPING REPRESENTATIVES AND ROMANIAN AUTHORITIES

As it had to be, the competitive “spirit” present in the environment of the river navigation companies that operated the Romanian ports during the reference period and their need to promote and protect their interests as best as possible, generated a series of dissensions and disputes with the Romanian authorities. We note that, during the studied period, the Romanian authorities registered disputes and dissensions with all foreign shipping companies operating in Romanian ports. Knowing the nature of the relations between Romania and Hungary in the years before the First World War, there were moments when the “economic rivalry” merged with the political one. Such a situation found its expression in the attempts at subjective and distorted approaches to some realities in the Romanian ports by representatives of the MFTR, which became the subject of the press. The measures instituted by the Romanian authorities on the Danube, in 1912-1913, marked by the cholera epidemic, generated dissatisfaction among the river operators, who tried to discredit the idea that these measures had a restrictive character and favoured Romanian River Navigation. The ships were forced to have, upon entering the Romanian ports, documents relating to the health status of the crew members (patenta) which had to be endorsed by the port doctors. At the same time, in order to avoid the spread of the plague, all vessels sailing on the Romanian sector of the Danube were obliged to endorse these health documents at all land points they touched during their journey. Suspicious ships and their passengers were disinfected in port, and the latter were also subject to a period of quarantine. Exemplary for the subject of this study, is the dissatisfaction expressed by the MFTR with the measures adopted in the port of Brăila. The Hungarian company complained that the doctor of the port, Dr Plăvănescu, refused to check the health certificate of the

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company's ships, between 18.00 and 06.00. The doctor's attitude was considered "defiant and financially damaging, as the respective vessels had to spend a night in Brăila".[16]

An eloquent example of the intersection between economic and political rivalry and the attempt of some representatives of Hungarian navigation to present distorted realities from Romanian ports is the article "About navigation and cholera in Romania", published on August 27, 1913, in the opposition daily "Pesti Hivlap" from Budapest.[17]

The author of the article was Laszlo Gonda, captain of a vessel belonging to the MFTR. The main idea highlighted in the article expressed obvious exaggerations, accusing the Romanian authorities of using the pretext of a "cholera epidemic to obtain economic advantages". The Hungarian captain's article was tinged with bias, having a pronounced political character and going beyond the framework of economic matters that concerned navigation. At the same time, the article highlights good knowledge of the realities of Romanian ports, good enough to be able to make a distorted journalistic interpretation. It is well known that agents of foreign shipping companies operating in Romanian ports, as well as ship captains, had the obligation to know in detail the realities in Romania and to create a diverse relational system, aimed at facilitating their current activities in navigational matter. Laszlo Gonda tried to justify his journalistic approach by pointing out that navigation in Romanian ports was made difficult due to the severe sanitary control of the port authorities established during the pandemic for all ships and barges coming from Orșova, a control that was accompanied by all kinds of obstacles that were causing long delays to the races.[18]

Although his approach should have been strictly confined to navigation, the Hungarian captain made statements with deep political nuances, related to the context of the tense relations between Hungary and Romania at that time.

- "Romania is a very practical country, evidenced by its attitude in the recent Balkan wars, which treats everything from a commercial point of view, using the cholera epidemic to obtain economic benefits;
- Romanians are big chauvinists, including from an economic point of view;
- Navigation on the "free" Danube was charged in Romania with many kinds of taxes despite the various international conventions in force.
- In Romania, foreigners were discriminated against, especially Greeks and Jews".[19]

Another episode of Romanian-Hungarian dissensions in the matter of navigation took place in 1921. Thus, in a reply addressed by the Ministry of Communications to the MOFA regarding the recognition by the Romanian authorities of the service orders issued by the MFTR navigation company to its officials, the idea was expressed that Hungary did not grant any facilities for NFR officials, on the contrary, Romanian sailors encountered more difficulties and obstacles from the authorities in Budapest. In this sense, the Romanian state argued, on the other hand, that the validity of service orders should no longer be recognised and that no facilities should be granted to the employees of the MFTR company. In 1922, a new dispute between the MFTR company and the Romanian state arose. It concerned the return of four barges under construction at the shipyard in Orșova at the beginning of the First World War. Following the request for retrocession of the Hungarian company, MOFA responded, on March 9, 1922, to Al. Theodor, the MFTR representative in Orșova, that under the Treaty of Trianon, the assets of Hungarian citizens and Hungarian private companies located on the territories that

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belonged to Hungary, are released from seizure and forced liquidation, but the assets that belonged to the Hungarian state they did not receive the same treatment.[20]

In this context, Romania requested MFTR to officially present the level of participation of the Hungarian state in MFTR and to pay part of the value of the four barges to be liquidated, in proportion to the state's participation in the company. In this way, the Romanian state redeemed its due share, and MFTR was left with the four barges. The Bucharest authorities also proposed another method of liquidation, namely the payment of the MFTR part, followed by the entry of the barges into Romania's possession.[21]

The litigation regarding the four barges lasted until 1923, in the case intervening in favour of the MFTR and the English Legation in Bucharest, possibly due to the interest of the British shipping companies in acquiring the respective barges.[22]

## CONCLUSIONS

The river navigation company MFTR was one of the pillars of navigation on the Danube during the reference period, when the specific activities in the field experienced a full process of diversification of river operators, who fiercely disputed their economic interest in the ports of the old River. Founded in 1895, based on an initiative of the Hungarian government and strongly supported by its subsidies, the company had a substantial presence in almost all Romanian ports. The competitive "spirit" evident in the environment of the river navigation companies that operated the Romanian ports during the studied period and their need to promote and protect their interests as best as possible, fueled a series of dissensions and disputes with the Romanian authorities. We note that, during the studied period, the Romanian authorities registered disputes and dissensions with all foreign shipping companies operating in Romanian ports. Knowing the nature of the relations between Romania and Hungary from the years before the First World War, there were moments when the MFTR highlighted the combination of "political-economic rivalry" existing between the Hungarian and Romanian authorities. We have thus highlighted that company representatives tried media episodes of distorted communication of some realities in Romania, convenient for the authorities in Budapest in the context of tensions in Romanian-Hungarian bilateral relations. The interference of economic and political disputes at the international level is a necessary mechanism in the attempt to obtain substantial profits and access to resources of any nature.

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