

frequent need to let out part of their small quarters; 61% of Hungarian artisans at this time worked alone. Above the limit was the upper bourgeoisie, which has been put at not more than a thousand families in all, most of them Budapest-based. Such figures indicate that the spread of education – a trebling of the educated intelligentsia over the Dualist period – had produced a large body of qualified people living in straitened circumstances. The problems of middle-class impoverishment which in a less optimistic ambience fed into inter-war Fascism were already there, as income inequality grew for the professional classes, and an elite prospered disproportionately. By 1910 industrialists and financiers headed the capital's taxpayer lists. Men like Leó Lánczy, head of the Hungarian Commercial Bank, whose executives held 150 directorships between them as they moved into the sponsoring of heavy industry, or the Jewish Zsigmond Kornfeld, General Credit Bank director, architect of four state debt conversions and developer of the port of Fiume, show the power the financial sector came to wield. Both ended up members of the Hungarian House of Lords.

Jews played a vital role in the formation of the Dualist middle class. Increasing through in-migration from 1.8% to 5% of the population between 1815 and 1910, by the latter date they provided 23% of Budapest residents, nearly half Hungary's journalists, lawyers and doctors, and 85% of finance executives. An estimated 346 Jewish families acquired Hungarian nobility in the old Monarchy, though the fact that only two of them were Orthodox Jews at the time demonstrates the adaptation to the dominant culture that Jews were expected to make. By 1910 78% returned their mother tongue as Magyar. This was the basis of ruling-class support for tolerance. But the Jewish contribution to Magyardom was not only numerical and economic. The efflorescence of a cosmopolitan *fin-de-siècle* Budapest also owed them much, that Budapest where two-thirds of all copies of its two dozen dailies were read (in 1896), the heart of a Magyar language culture responsible for three-quarters of Hungary's 2000 periodical publications by 1914, up ten-fold since Dualism began.

The apparently successful integration of Jewry was only one aspect of a national evolution in which patriotic Hungarians felt entitled to take pride. Count Albert Apponyi put it thus in 1908:

In creating Hungarian democracy without revolution ... the Hungarian nobility has rendered to this democracy an invaluable

service; it has introduced a spirit of tradition ... The new middle class ... the captains of industry and commerce, the mass of the intellectuals ... all mingle with the old element in the proportions and to the degrees which permit the ancient spirit to permeate the new alloy and to communicate to modern aspirations ... its traditional character.⁴

Apponyi's euphoric statement shows the largely delusive preoccupation with national continuity that shadowed Hungarian elite politics. For the transition from the 'noble nation' of feudal times to the language-based nation of the nineteenth century *had* been a revolution in conceptual terms. It meant that around half the people of Hungary – the non-Magyar speakers – were in principle alien to the national idea, hence that political arrangements had to be manipulated to ensure a Magyar hegemony. Meanwhile, the aspect of genuine Hungarian tradition which patriots stressed, namely the struggle against Vienna, was so firmly inculcated by their rhetoric that the 'gentlemanly middle class' who were its heroes remained mostly opposed to the 1867 Compromise, requiring more manipulation to keep their Kossuthite instincts in check. Hungary's economic progress complicated this situation further. It heightened national self-confidence, increasing discontent with the ties with Austria and encouraging more aggressive repression of the nationalities. The climate by the turn of the century became conducive to ideas of 'Magyar imperialism', whereby Budapest replaced an effete Vienna as the focal point of the Monarchy and proceeded to extend its hegemony over the small peoples of the Balkans. Gusztáv Bekesics and Jenő Rákosi, himself a Magyarised German, were the chief exponents of these notions. They showed an overestimation of Magyar strength which was the first shadow over Apponyi's comforting perspective.

The second shadow was the compromising of Apponyi's vaunted libertarian heritage by the need to defend a system which did not enjoy majority support. From the start of the Dualist era Hungarian liberals had made plain that if it came to a clash between liberalism and nationalism the lesser evil would be to choose nationalism. 'We are attentive to our national minorities but have obligations to ourselves as well, and to ignore these would be a crime against our national existence' was how Count Gyula Szapáry had put it as minister of the interior in 1874.⁵ Since conservatism was associated with Habsburg absolutism, there could be no strong Hungarian conservative party, only shades of liberal, which gave Hungarian liberalism