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THE STRUCTURE, ACTIVITY AND LIQUIDATION OF THE DANUBE-SAVA VICINAL RAILWAY STOCK COMPANY DURING THE KINGDOM OF SERBS, CROATS, AND SLOVENES/YUGOSLAVIA*

ABSTRACT: *This paper deals with the structure, activity, and liquidation of the Danube-Sava Vicinal Railway Stock Company during the Kingdom of Serbs, Croats, and Slovenes/Yugoslavia. The company, founded in 1912, was based in Budapest and constructed the following railway lines: Vukovar-Ilača and Šid-Sremska Rača-Sava. These private railway lines were exploited by the state. The stock company was solvent. After the collapse of the Austro-Hungarian Empire, the company's headquarters moved from Budapest to Zagreb. Shortly after the establishment of the Kingdom of Serbs, Croats, and Slovenes/Yugoslavia, the railway lines were exploited by the Directorate of State Railways in Zagreb, but after 1921 they came under the jurisdiction of the Directorate of State Railways in Belgrade. According to the Agreement of February 7, 1931, the state redeemed the railway lines of the abovementioned company and thus the company ceased to exist. The company went into liquidation in 1932 and was shut down on April 12, 1933.*

KEYWORDS: Danube-Sava Vicinal Railway Stock Company, Vukovar-Ilača-Šid-Rača-Sava Railway Lines, Vicinal Railways, Directorates of State Railways Zagreb, Belgrade, and Subotica

Introduction

The paper shows the results of research into the structure, activity, and liquidation of the Danube-Sava Vicinal Railway Stock company¹ / Duna-Szávai helyi érdekű vasut részvénytársaság / Donau-Save Lokal-Eisenbahn Aktiengesellschaft during the Kingdom of Serbs, Croats, and Slovenes/Yugoslavia from

* I would like to thank Maja Halapir, professor of History and English Language and Literature for translating this paper into English.

¹ Also the Danube-Posavina Vicinal Railway Ltd.

the aspect of the history of institutions. The article is based primarily on the analysis of available archives in the Croatian State Archives. Furthermore, the paper deals with acts and regulations published in Official Gazettes, published sources and related scientific and professional literature. This paper is a continuation of the scientific research into the history of the Joint Stock Company of the Danube-Sava Vicinal Railway by the same author. Namely, the author has so far dealt in detail with the establishment and operation of this society during the Austro-Hungarian Monarchy,² while he mentioned its liquidation in the Kingdom of SCS/ Yugoslavia in just a few sentences.³ In addition, some other authors have so far mentioned the above-stated company in their works, and only incidentally, mainly in the context of the opening of its lines for traffic.⁴

The abovementioned company was founded in April of 1912 with headquarters in Budapest. The company's railway lines were: Vukovar-Ilača (25.4 km) opened on October 22, 1912 and Šid-Rača⁵-Sava (28.4 km) opened on October 22, 1912. These railways, as well as all other vicinal railways in the Hungarian part of the Austro-Hungarian Monarchy, were built on the basis of the Local Interest Railways Act of 1880 and its amendments of 1888, which enabled private capital to build and operate local railways. Concessions for the construction and operation of vicinal railways were issued by the state to natural or legal persons in the form of a special law. It should be noted that the railway network in the then Kingdom of Croatia-Slavonia reached its greatest development when the state decided to leave its construction and operation to private capital, i.e. economic interest (profit).⁶

² Siniša Lajnert, „Ustroj i djelovanje Dioničarskog društva dunavsko-savske vicinalne željeznice u periodu Austro-Ugarske Monarhije”, *Scrinia Slavonica*, 20, br. 1, (2020), 189–223.

³ The author mentioned the liquidation of the company in one article and one book. As far as the article is concerned, it is only two and a half pages of text on the founding and liquidation of the said company printed in an internal publication without the use of scientific methods. See: Siniša Lajnert, „Dioničarsko društvo Dunavsko-savske vicinalne željeznice (1912.-1933.)“, *Željeznice 21*, 1, (Zagreb, 2021), 59–61. As for the book, it is only half a page of text about the founding and liquidation of the company. See: Siniša Lajnert, *Ustroj željeznica u Hrvatskoj od Austro-Ugarske do danas* (Zagreb: HŽ – Hrvatske željeznice d.o.o., 2003), 54–55.

⁴ Zdenka Baždar, „Razvoj željezničke mreže u hrvatskom Podunavlju od 1850. do 1914. godine“ (magistarski rad, Sveučilište u Zagrebu, Filozofski fakultet, 1999). See also: Zdenka Rakičić-Friedrich, *Razvoj željezničke mreže u hrvatskom Podunavlju: 1850.-1914.* (Vukovar: Gradski muzej Vukovar, 2006); Vladimir Stehlik, „Postanak i razvitak železnica u Jugoslaviji (sa preglednom kartom železničke mreže)“, u: *Sto godina železnica Jugoslavije (1849–1949). Zbornik članaka povodom stogodišnjice železnice Jugoslavije*, urednik Blagoje Bogavac (Beograd: Redakcija štamparskog preduzeća Jugoslovenskih železnica, 1951), 85, 88; Milorad Čonkić, *100 godina železnica u Vojvodini: Željezničko transportno preduzeće Novi Sad* (Beograd: Novinsko izdavačko preduzeće „Nin“, 1958), 28; Josip Gorničić-Brdovački, *Razvitak željeznica u Hrvatskoj do 1918. godine. Građenje, organizacija i financijalni odnosi*, Građa za gospodarsku povijest Hrvatske, knjiga 3 (Zagreb: Jugoslavenska akademija znanosti i umjetnosti, 1952), 197, prilog 4.

⁵ It was not until the period of the Kingdom of Yugoslavia that Rača was renamed into its present-day name Sremska Rača. For that reason, the text states the name in use in the given historical period.

⁶ S. Lajnert, „Ustroj i djelovanje Dioničarskog društva Dunavsko-savske vicinalne željeznice...“, 189–223. See also: S. Lajnert, „Dioničarsko društvo Dunavsko-savske vicinalne željeznice...“, 59–60.

Article XIV on the establishment of the Danube-Sava Vicinal Railway (Vukovar-Rača) was passed on March 7, 1912. Under that article, the Hungarian Royal Ministry of Commerce was authorized to issue a license for the mentioned vicinal railway. The Ministry also granted a concession (permit document) to Gfrerer, Schoch and Grossmann Company in Budapest on March 21, 1912 for the Danube-Sava Vicinal Steam Railway. The concessionaire handed over the management of railway in concession to the Directorate of Hungarian Royal State Railways. The concession company was obliged to establish a stock company with headquarters in Budapest within three months from the date of the concession permit. The official working language was exclusively Hungarian. The concession period was 90 years after which the railway was to become state property. The company's capital stock was 8,352,000 crowns and the stock company was solvent. For example, in 1913, its net gain was 64,551.00 crowns and in 1914 it was 74,200.00 crowns. During the Austro-Hungarian Monarchy, railway lines were exploited by the Traffic Administration of Hungarian Royal State Railways in Pécs.⁷

It should be noted that according to Article 66 of the Croatian-Hungarian Compromise of November 8, 1868, Syrmia County was under the territory of the Kingdom of Croatia, Slavonia and Dalmatia whereas the Vukovar-Ilača-Šid-Rača-Sava railway lines were under Syrmia County. The purpose of the railway was to connect the Sava and the Danube rivers through the fertile plain of Syrmia and make accessible the famous oak woods of the Petrovaradin Proprietary District Council, which were situated between Morović and Rača. The abovementioned fertile territory was suitable for growing industrial crops such as sugar beet, flax, and hemp. Until that time, these products had not be able to reach factories in Vukovar and Osijek because there were no railway connections. Apart from that, the railway line crossed into Bosnia by Rača and through the rich Bosnian Posavina via Bjeljina⁸ and Janja by Glavčica to connect the upper Drina and the main roads that intersect from southern Serbia. More precisely, the plan was to establish a trade-traffic railway connection that would connect the entire Drina River basin, particularly the rich Serbian region of Mačva and the fertile Bosnian plain, entering in Rača into the Kingdom of Croatia and Slavonia and further on to world markets (Budapest, Vienna, etc.). The construction of the railway also enabled a rational utilization of the vast layers of pebbles lying around Rača.⁹

After the dissolution of the Austro-Hungarian Empire and the constitution of the State of Slovenes, Croats, and Serbs (SHS) on October 29, 1918, the rail-

⁷ *Ibid.*

⁸ The city of Bijeljina was located in the middle of the fertile Bosnian Posavina (River Sava basin) and it was the trading centre and meeting point of the entire region of Eastern Bosnia and to a great extent the trading center of West and South Serbia. Therefore, its geographical position made Bijeljina the most important commercial link between Podrinje and the Monarchy. It was only possible if it was directly connected by railway from the direction of inland Bosnia and from the Danube. See: S. Lajnert, „Ustroj i djelovanje Dioničarskog društva dunavsko-savske vicinalne željeznice...“, 203.

⁹ *Ibid.*, 189–223. See also: S. Lajnert, „Dioničarsko društvo Dunavsko-savske vicinalne željeznice...“, 59–60.

ways in Croatia and Slavonia came under jurisdiction of Većeslav Wilder, National Council Commissioner for Railways of the SHS, with headquarters in Zagreb. On November 1, 1918, the National Council ordered all the railways previously under the jurisdiction of the Directorate of the Hungarian Royal State Railways to come under the jurisdiction of the newly-formed “General Directorate of Railways of the State of SHS” in Zagreb. On February 2, 1918 an act¹⁰ was passed obliging all companies operating on the territory of the State of SHS with headquarters outside the mentioned territory, to move their headquarters to the territory of the State of SHS. That also applied to all railway stock companies.¹¹ On November 19, 1918, the general director of state railways of the State of SHS declared that the General Directorate of Railways of the State of SHS in Zagreb would take control of all railway lines that were, at the time, on the territory of Croatia-Slavonia, including the Danube-Sava vicinal railway lines: Vukovar-Ilača (25.4 km) and Šid-Rača (26.6 km).¹² They were taken over from the Traffic Administration of the Hungarian Royal State Railways in Pécs.¹³

Toward the end of 1918 railway lines served mostly for military purposes, population supply, as well as continued economic activity. In order to deliver coal for domestic and industrial use, raw materials, and especially foodstuffs, all unnecessary transport was halted. A labor shortage, caused by the abrupt withdrawal of Hungarian workers, was another major difficulty that needed to be resolved immediately.¹⁴

The Danube-Sava Vicinal Railway Stock Company

In December of 1918 the Kingdom of Serbs, Croats, and Slovenes (SHS) was formed and with it the Zagreb-based Directorate of State Railways, covering the entire railway system on the territory of Croatia, Slavonia, and Dalmatia, as well as the Banja Luka-Dobrljin railway line on the territory of Bosnia. When it comes to the matter of administrative staff, which made a huge

¹⁰ On February 2, 1918 National Council Commissioner for Crafts, Trade and Industry of the State of SHS passed a decree giving all crafts and industrial companies on the territory of Croatia, Slavonia, Rijeka and Istria, a one-month deadline to relocate their headquarters to those territories. See: *Zbornik zakona i naredaba valjanih za Hrvatsku i Slavoniju, godina 1918.*, br. 132 (Zagreb: Tisak Zemaljske tiskare, 1919), 548.

¹¹ A decree passed on November 19, 1918, by the National Council Commissioner for Crafts, Trades and Industry of the State of SHS on relocating the headquarters of railway and shipping companies stated that railway companies were also included. The deadline for moving company headquarters was set for the end of December. If the companies failed to comply, or if they did not submit an application during the set time or ask the Commissioner to prolong the moving time, they would be placed into receivership and sequestered. See: *Zbornik zakona i naredaba valjanih za Hrvatsku i Slavoniju, godina 1918.*, br. 134 (Zagreb: Tisak Zemaljske tiskare, 1919), 552–553.

¹² Siniša Lajnert, „Kratki pregled rada Generalnoga ravnateljstva državnih željeznica SHS (1918)“, *Arhivski vjesnik*, 47, br. 1, (2004), 159–166.

¹³ Hrvatski državni arhiv (HR-HDA) 881, Zbirka rukopisa 1301-1955., inv. br. 638, Vilim Filipašić, *Prevrat godine 1918. i željeznice u Hrvatskoj i Slavoniji*, 12–14.

¹⁴ S. Lajnert, „Kratki pregled...“, 159–166.

impact on enabling the orderly flow of traffic and its rational exploitation, at first, the railways in the Kingdom of SHS suffered from labor shortages. The entire staff and most of the clerks and junior clerks working for the railways on the territory included in the Austro-Hungarian Monarchy, governed directly from Budapest and Vienna were Hungarian and German nationals. After the collapse of the Austro-Hungarian Monarchy and the end of its dominance on this territory, many Austrian, Hungarian, Czech, and Polish railway clerks left the Kingdom of SHS. Nevertheless, the majority of those that did stay had to be repatriated¹⁵ to their own countries within a few months, since the existing government did not find them suitable or eligible for service in the new state.¹⁶

The nations of the newly formed Kingdom of SHS, which until that time had not fully taken part in running the railway service and its administration, struggled with many difficulties. After taking over the railway service and traffic management from foreign nationals, domestic clerks had to continue to abide by the existing laws and regulations, which had been published only in German and Hungarian throughout all the former Austro-Hungarian provinces. There were other more important issues to keep the traffic running; therefore, it was not possible to bring unified laws and regulations systematically. Naturally, this caused serious issues in the financial management of the state railways in the Kingdom of SHS.¹⁷

Taking into account the interests of the local economy and state's obligations to its allies to compensate war damages caused to the country and its population, on April 30, 1919, the minister of commerce and industry of the Kingdom of SHS issued a decree to liquidate and put under special supervision and sequester¹⁸ all companies (factories, shops, craft stores, workshops, etc.), material objects of different kinds (moneys, securities, various income and immovable properties) that belonged to the subjects or companies of the enemy states¹⁹ as well as companies and real estates of different purposes on the territory of the entire Kingdom of SHS. Such a decree put an end to all benefits and concessions given to various companies by the state and the local administrative

¹⁵ Repatriation (from Latin *re-* "back" + *patria* „native land“) return of prisoners of war, political prisoners, fugitives, expatriates, emigrants to their homeland. See: Bratoljub Klaić, „Repatrijacija“, u: *Rječnik stranih riječi, tuđice i posuđenice* (Zagreb: Nakladni zavod Matice hrvatske, 2001), 1154.

¹⁶ Siniša Lajnert, „Ustroj Direkcije Jugoslavenskih državnih željeznica Zagreb (1918.-1941.)“, *Arhivski vjesnik*, 60, br. 1, (2017), 191–192.

¹⁷ *Ibid.*

¹⁸ Sequester (Sequester, in German, séquestre in French), an asset or a part of an asset of natural or legal persons put under temporarily governance in order to protect state interests and security, nature, cultural monuments, human environment and health. See: Vladimir Pezo, *prir.*, „Sekvestar“, u: *Pravni leksikon* (Zagreb: Leksikografski zavod Miroslav Krleža, 2007), 1447.

¹⁹ On the basis of Book of Regulations on implementing *Regulations on assets of enemy subjects* on July 26, 1920, the enemy subjects were considered to be the subjects of Austria, Hungary, Germany, Turkey and Bulgaria. Goods, rights and interests of the enemy subjects which had to be declared were considered to be all movable and immovable property. Subjects of newly-formed states Czechoslovakia and Poland, as well as those who, based on a peace agreement, became full subjects of the Kingdom SHS, France, England, Italy, Romania and Greece, were not considered to be the enemy states subjects. See: „Pravilnik za izvršenje Uredbe o imovini neprijateljskih podanika“, *Narodne novine*, br. 178, 7. 8. 1920, 1–3.

bodies under the following conditions: if the companies were entirely or partially on the territory of the Kingdom SHS and if the subjects or companies of enemy countries owned their capital (in full or partially).²⁰

On this basis, on May 17, 1919, the minister of commerce and industry appointed state commissioners for the entire vicinal railway as follows: Ernest Panian, state railway advisory, Rajmund Lapaine, state railway inspector, and Bela Bodnar, senior state railway controller. Furthermore, the minister called upon the military and civilian authorities to help them in any way and facilitate carrying out the mission thus making available means of transport, labor, attendants, guards, and accommodation facilities.²¹

The sequestered vicinal railways were governed by the Vicinal Railways Management Board in Zagreb (Trg I. number 19). With regard to any damage caused by the sequestered vicinal railways, the management board that represented them had to be addressed.²² More specifically, the management of several sequestered vicinal railways was entrusted to the Vicinal Railways Management Board in Zagreb by Decision No. 5827 of September 24, 1920. The board had 5 members (civil servants) and its duty was to ensure that the sequestered company managed assets rationally and sent income to the board. These sequestered vicinal railways were not governed by companies but by the state railways. Also, the assets of these vicinal railways belonged to stock companies that had lost all contact after unification in the Kingdom of SHS due to the fact that they were abroad.²³ The Danube-Sava vicinal railway was also under the sequester and authority of the above-mentioned board.²⁴

In exploiting the state railways, the Kingdom of SHS could no longer compile balance sheets because the Danube-Sava Vicinal Railway Stock Company had come under sequester after the creation of the Kingdom of SHS. Until February 1, 1921 it was under the jurisdiction of the Zagreb Railway Directorate. From that date on, it came under the jurisdiction of the State Railway Directorate in Belgrade.²⁵ The reason was that the Belgrade Railway Directorate came under the jurisdiction of the railway from Gevgelija to Vinkovci.²⁶

The Royal Court of Justice, acting as the Commercial Court in Zagreb, declared on June 30, 1921 that the Danube-Sava Vicinal Railway Joint Stock

²⁰ „Rješenje o popisu, sekvestru i likvidaciji imovine neprijateljskih podanika“, *Narodne novine*, br. 106, 9. 5. 1919, 1.

²¹ Siniša Lajnert, „Dioničarsko društvo vicinalne željeznice Ruma-Klenak (1901–1933)“, *Tokovi istorije*, br. 1, (2019), 53.

²² HR-HDA-573, Bankovno društvo za Hrvatsku d. d. Zagreb (1928–1949), sv. br. 1217, dosje: Dioničarsko društvo Prve jugozapadne krajiške mjesne željeznice Zagreb.

²³ S. Lajnert, „Dioničarsko društvo vicinalne željeznice Ruma-Klenak...“, 53–54.

²⁴ „Službene objave. Oglas.“, *Narodne novine*, br. 289, 19. 12. 1922, 3; „Službene objave. Oglas.“, *Narodne novine*, br. 290, 20. 12. 1922, 1.

²⁵ HR-HDA-136, Direkcija Jugoslavenskih državnih željeznica-Zagreb (1918–1941) (DJDŽ/Z), kut. br. 124, ur. br. 306/U.O.

²⁶ Viktor Manakin, *prir., Almanah: Kraljevina Srba, Hrvata i Slovenaca, 1921.-1922.*, sv. 1, deo I., II. i III. (Zagreb: Glavno uredništvo Almanaha, Komisionalna naklada Hrvatskog štamparskog zavoda d.d., 1922), 220–232, II-5.

Company (JSC) with headquarters in Zagreb was entered in the trade register. The company was founded on principles dating from January 8, 1921. The purpose of the company was as follows: the construction and operation of steam locomotive railway Vukovar-Šid-Rača, mentioned in the concession document; the construction and operation of all central, secondary, and industrial railway lines, which would be built, obtained, or leased under contract, either by concession permit or by special government approval; the purchase, realization, use in transport, and sale of properties, woodlands, factories, machinery, and other factories or companies that would be obtained or leased by the company with ownership rights; every freight forward business and freight forward companies, which would be arranged by the company, in alliance with the leased railways or its own railways and industrial companies without violating given benefits and permits. The company was expected to exist until March 21, 2002.²⁷

In April of 1923, the department for sequestering of the ministry of justice issued a decree on abolishing sequestering. This applied to four railway joint stock companies including the Danube-Sava Vicinal Railway Stock Company.²⁸ The headquarters of these joint stock companies was in Rački Street, Zagreb. Accordingly, the collection of taxes and levies for these companies was forwarded there.²⁹

A special general assembly of the Danube-Sava Vicinal Railway JSC was held in the office of the "Pruga" JSC (central office of vicinal railways, Zagreb, Rački Street) on June 20, 1923. The following stockholders were present: the royal provincial government represented by G. Gojković, PhD, Ernest Panian representing All. Depositen A.G. Zürich, the Pruga Joint Company Zagreb represented by Vladimir Polić, and as individual stockholders: Ernest Panian, Vladimir Polić and Zvonimir Bratanić, PhD. Vladimir Očić was present on behalf of the ministry of commerce and industry in Zagreb.³⁰

When discussing the topic of the change of social rules it was stated that the Danube-Sava Vicinal Railway was constructed with financial assistance in Austro-Hungarian gold krone. With the purpose of providing for the costs of construc-

²⁷ The registration of the directorate members was set, namely Ladislav Halaszy, Mark Aurel Fodroczy, Ladislav Bene, Bela Hoffer, Ljudevit Jellinek, Julije Stanisavljević, Milan Trifković, Gjorgje Velisavljević, Stanko Šverljuga, Kamilo Bošnjak, Maks Antić, Želimir Mažuranić, Vladimir Fleck, Ernest Ehrlich and Baltazar Horvat. See: „Upisi tvrdka.“, *Narodne novine*, br. 255, 10. 11. 1921, 4. See also: S. Lajnert, „Dioničarsko društvo Dunavsko-savske vicinalne željeznice...“, 61.

²⁸ HR-HDA-136, DJDŽ/Z, kut. br. 124, ur. br. 327/U.O.

²⁹ HR-HDA-136, DJDŽ/Z, kut. br. 124, ur. br. 421/U.O.

³⁰ Due to the expiry of the mandates of the directorate and the management board, a new directorate was appointed as follows: delegate of the government of the Kingdom SHS Gavra Gojković for the royal provincial government, Gustav Gaj for Sirmium County, Teodor Bošnjak, Vladimir Fleck, Ernest Panian, Baltazar Horvat, Jovan Maksimović, Rajmond Lapaine, Mark Aurel Fodroczy, Jakov K. Čelebonović, Ladislav Halászy, Bela Hoffer, Ladislav Bene, and Artur Reiter. Among the directorate members, the new executive board was appointed as follows: Ladislav Halászy, who was also president, and Bela Hoffer and Ernest Panian. Appointed members of the supervisory board were: Ladislav Dobó, Petar Apostolović, Vladimir Polić, and Milan Hlava. See: HR-HDA-163. Banovina Hrvatska, Odjel za obrt, industriju i trgovinu-Zagreb (1939–1941), kut. br. 88, dosje: Dunavsko-savska vicinalna željeznica d.d. (1923–1927).

tion and railway physical planning, which were set in golden krone in the concession permit, preferred stocks were issued in the nominal value of 5,881,600.00 golden kronen and common stocks in nominal value of 2,470,400.00 under the authority and permit of the government. Therefore, the company's capital stock in the period when the railway was part of the newly formed Kingdom of SHS, amounted to 8,352,000.00 Austro-Hungarian golden kronen. In accordance with the rules laid down at the company's special general assembly session on June 20, 1923, the capital stock was set at 8,352,000.00 dinars³¹ at the nominal value.³²

The organizational structure was as follows: general assembly sessions (regular and special), directorate (at least 5 and not more than 15 members) and supervisory board (at least 3 and not more than 6 members). The government of the Kingdom of SHS delegated one member into the directorate while the political-administrative district, which managed the Krajina Investment Foundation, delegated another. Other members of the directorate were delegated by the general assembly for a period of three years. Two thirds of the directorate members had to be citizens of the Kingdom of SHS with permanent residence on the country's territory. Pursuant to Article 34 of the Regulations, the Government of the SHS had the supervision rights as regards the concession permit. The organ of the authority of the Kingdom of SHS had the right to participate in meetings of the directorate, committees, boards, and the general assembly. Furthermore, it was authorized to suspend decisions that were not in accordance with concession permits or were illegal and therefore harmful to the interests of the state until further decision of the ministry.³³

According to the official scheme from 1929, the company's headquarters were at number 9, Rački Street, Zagreb. The capital stock was still 8,352,000.00 kronen split into 12,352 shares at a value of 200 kronen (2,470,400.00 kronen) and 29,408 shares of primary shares³⁴ at a value of 200 kronen (5,881,600 kronen). The company's Vukovar-Šid-Rača railway line (51,997 km) was exploited by the Yugoslav State Railways.³⁵

Let us consider some indicators of exploitation of the Vukovar-Šid-Sremska Rača railway line at the time when it was under jurisdiction of the state railways directorate in Belgrade. Here are the indicators for 1929.³⁶

³¹ The minister of commerce and industry decreed on February 7, 1925 that the term "krona" would be used instead of "dinar" in all company regulations.

³² HR-HDA-163, Banovina Hrvatska, Odjel za obrt, industriju i trgovinu-Zagreb (1939–1941), kut. br. 88, dosje: Dunavsko-savska vicinalna željeznica d.d. (1923–1927).

³³ *Ibid.*

³⁴ According to the official plan from 1929, the number 39,408 of primary shares was stated incorrectly. Instead, the number was 29,408.

³⁵ Members of the company's governing council were as follows: Mile Kostić, Mile Kramarić, Stjepan Dubenik, Teodor Bošnjak, Jovan Maksimović, Raimund Lapaine, Bela Bodnar, Mark Aurel Fodroczy, Ernest Panian, Vladimir Fleck, Baltazar Horvat, Jakov Čelebonović, Ladislav Halász, Béla Hoffer, Ladislav Bene, and Artur Reitler. Members of the supervisory board were: Vladimir Polić, Petar Apostolović, Milan Hlava and Ladislav Dobo. See: *Compass Finanzielles Jahrbuch Jugoslawien, 1929.*, LXII (Wien: Kompassverlag, 1929), 674.

³⁶ *Statistika Jugoslovenskih željeznica za godinu 1929. sa uporednim podacima za godinu 1928.* knjiga II (Sarajevo: Generalna direkcija državnih željeznica, 1930), 192–201.

Dispatched					
Station	Passengers (number)	Luggage and express goods (tons)	Private express goods (tons)	Private conventional goods (tons)	Parcels for the purposes of railway company (tons)
Old Vukovar	13,270	4	–	3,358	224
Negoslavci	10,704	–	–	12,545	1,739
Grabovo	2,604	–	–	3,132	15
Ilača	10,909	1	5	3,921	15
Tovarnik	19,245	105	4	9,115	40
Šid	95,979	121	74	14,015	383
Adaševci	6,308	–	–	3,105	413
Morović	13,611	2	25	4,612	60
Grk	9,011	1	2	486	162
Sremska Rača Sava	12,573	5	11	13,692	139
Arrived					
Station	Luggage and express goods (tons)	Private express goods (tons)	Private conventional goods (tons)	Parcels for the purposes of railway company (tons)	
Old Vukovar	–	–	–	1,798	–
Negoslavci	–	–	–	227	10
Grabovo	–	–	–	422	60
Ilača	1	4	–	286	278
Tovarnik	8	10	–	2,367	–
Šid	98	96	–	8,528	1
Adaševci	–	3	–	292	278
Morović	2	10	–	827	–
Grk	1	6	–	353	170
Sremska Rača Sava	5	23	–	2,874	211

For comparison, here are the exploitation indicators of the Belgrade station, which along with the Zagreb Central station, was the busiest on the whole territory of the Kingdom of SHS/Yugoslavia.³⁷

Dispatched					
Station	Passengers (number)	Luggage and express goods (tons)	Private express goods (tons)	Private conventional goods (tons)	Parcels for the purposes of railway company (tons)
Beograd	1,165,343	3,090	2,165	69,414	33,008
Arrived					
Station	Luggage and express goods (tons)	Private express goods (tons)	Private conventional goods (tons)	Parcels for the purposes of railway company (tons)	
Beograd	4,047	4,611	–	348,517	138,749

³⁷ *Ibid.*, 192–193, 212–213.

After World War I on the territory of the Kingdom of Yugoslavia there were 3,000 km of vicinal (local) railway lines owned by 37 joint stock companies, most of which were based in Austria or Hungary. Pursuant to Articles 320 and 267 of the Treaty of Saint-Germain and Articles 304 and 250 of the Treaty of Trianon, Yugoslavia was obliged to regulate the legal and financial relations of the above-mentioned companies according to the principles of respecting private ownership. After lengthy negotiations on February 7, 1931, the Kingdom of Yugoslavia concluded an agreement on repurchase with the largest group of 25 Hungarian vicinal railways companies joined in “Pruga d.d.” concern with headquarters in Zagreb whose overall length was approximately 1,780 km. Among railway lines of former Hungarian companies redeemed by agreement from February 7, 1931, there was also the Danube-Sava Vicinal Railway with its railway lines (of overall length of 51,526 km): Vukovar-Ilača (25,114 km) and Šid-Rača (26,412 km).³⁸

Agreements on repurchase of preferred stocks were concluded between six foreign financial concerns (banks) as mandate holders of the companies concerned and their trustees, and of the companies whose railway lines were entirely on the territory of the Kingdom of Yugoslavia. Consequently, the companies that moved their headquarters to Yugoslavia came under the jurisdiction of the state since it owned the majority of the social capital. Therefore, new social administrations, comprised of state representatives and the representatives of self-governing bodies that owned underlying shares, handed over ownership of their railway lines to the state and then liquidated the companies in keeping with the law. Accordingly, the Pecs Hungarian commercial bank in Budapest (plenipotentiary recipient Ladislav Halasz) being one out of the six mentioned financial concerns (banks) received a grant equivalent for nine vicinal railways, including the Danube-Sava Vicinal Railway.³⁹

A special session of the general assembly of the Danube-Sava Vicinal Railway Stock Company was held at the premises of “Pruga” JSC (central office of the vicinal railways) at 1 Vuk Karadžić Street, Zagreb, on May 20, 1931 at 12:00 noon, attended by the following stockholders or their proxies (29,221 deposited shares): Nikola Đurić, Fran Bončina, Živan Stanković, Mirko Lontkijević, Dušan Mišić, Teofil Dramićanin, Eugen Hasil, Josip Kruppai, Ljudevit Licht and Ernest Panian. Ognjeslav Aranicki, an inspector in the ministry of commerce and industry, was there on behalf of the minister of commerce and industry. At the proposal and with the consent of the stockholders, Živan Stanković, general assistant director of the Yugoslav State Railways, took over the presiding role at the assembly meeting. Ernest Panian was appointed to keep the minutes, and Mirko Lontkijević and Teofil Dramićanin were in charge of verifying them.⁴⁰

³⁸ Siniša Lajnert, *Povijest željeznica u Hrvatskom zagorju* (Zagreb: HŽ-Putnički prijevoz d.o.o.; Hrvatsko društvo željezničkih inženjera, 2020), 177–180. See also: Siniša Lajnert, „Dioničko društvo vicinalne željeznice Petrovaradin-Beočin (1907–1932)“, *Arheon*, I, br. 1, (2018), 190–194.

³⁹ *Ibid.*

⁴⁰ Selected members of the management board were as follows: Nikola Đurić, Fran Bončina, Mirko Lontkijević, Dušan Mišić (the first four of them for the Ministry of Traffic), Milutin Bošković (for the Ministry of Commerce and Industry), Milorad Đorđević (for the finance min-

The general assembly received a report and a balance sheet on the company's financial assets, which reported to 8,352,000.00 kronen including the railway construction costs and various investments; and the liabilities, which reported to 8,352,000.00 kronen including common stocks and preferred stocks in equal amounts. At the assembly it was stated that the company received neither audits nor profit shares. However, the Ministry of Traffic of the Kingdom of Yugoslavia did approve an advance payment in the amount of 41,537.76 dinars, but provided that the company signed a mandatory declaration with the same content as the one signed with the Lonjskopolje Railway d.d.⁴¹ Furthermore, it was reported that in connection with the convention signed on February 7, 1931 with the particular interested groups the Government of the Kingdom of Yugoslavia redeemed all of the company's preferred stocks, 200 kronen for every 100 Austro-Hungarian kronen par value according to the currency of January 1, 1931.⁴²

Due to late interests (*arrières*) on such determined preferred capital in the period from January 1, 1919 through December 31, 1930, the Government of the Kingdom of Yugoslavia made payment of an extra 90 dinars on every 100 Austro-Hungarian kronen. However, the Government deducted the earlier advance payment from the total sum of interests which made clear that such payments by that name were not made available for the company; instead, they were included in the purchase price of the preferred stocks. Contrary to that, all administrative and social costs in the period from January 1, 1919 through December 31, 1930 were covered from that receiving, and thus according to the proposed balance sheet of the company's assets, the company wasn't burdened by obligations or debts.⁴³

Since the purpose of the Danube-Sava Vicinal Railway Stock Company had ceased to exist, a special general assembly of stockholders was held at the directorate of state railways in Zagreb on May 11, 1932 at 9:00 a.m. The agenda included a proposal of the management board on the company's liquidation. Those stockholders who wanted to attend the assembly had to deposit their

istry), Eugen Hasil, Josip Kruppai, Ljudevit Licht (last three of them for the Zagreb Railways Directorate) while the tenth place for a member of the management board was open for a delegate from the Sava Banovina. Selected members of the executive board were: Nikola Đurić, Fran Bončina and Milutin Bošković. Selected members of the supervisory board were: Živan Stanković, Teofil Dramićanin, and Josip Sečkar. See: HR-HDA-151, Savska banovina, Odjeljenje za trgovinu, obrt i industriju –Zagreb (1929–1939), kut. br. 43, ur. br. 251–VIII-1932.

⁴¹ The Lonjsko polje Railway Company in Zagreb signed the following declaration: *The Company signed that it grants the state the right to make necessary changes and annexes regarding concession and exploitation contract. Furthermore, the nature of advance payment will be determined no sooner than the relationship of the state toward the Company is definitely determined, after changes in concession and exploitation contract have been made. Until that time, this payment will not have the nature of payment according to the obligations stipulated in the previous exploitation contract concluded between the Company and the former Hungarian State Railways.*

⁴² HR-HDA-151, Savska banovina, Odjeljenje za trgovinu, obrt i industriju –Zagreb (1929–1939), kut. br. 43, ur. br. 251–VIII-1932.

⁴³ *Ibid.*

stocks with the ministry of traffic in 6 Nemanjina Street, Belgrade, first floor, room no. 398, at least three days earlier.⁴⁴

The Royal Court of Justice, acting as the Commercial Court in Zagreb declared on June 7, 1932 that the liquidation of the Danube-Sava Vicinal Railway Joint Stock Company (JSC) with headquarters in Zagreb was registered in the trade register and that the members of the directorate acted as its liquidators.⁴⁵ On the basis of the above, the Danube-Sava Vicinal Railway Directorate with headquarters in Zagreb acting as liquidator in the process of liquidation in keeping with Article 202 of the Commercial Code,⁴⁶ called the creditors to demand their claims for the period of six months starting from the third announcement in the *Official Gazette* at the following address: Ministry of Traffic, Vicinal Railways Committee in Belgrade.⁴⁷

The District Court in Zagreb acting as the Commercial Court declared on April 12, 1933 the dissolution of the Danube-Sava Vicinal Railways Joint Stock Company (JSC) in Zagreb in liquidation because due to the completed liquidation it had ceased to exist.⁴⁸

During 1936 some of the vicinal railways came under state ownership and the Danube –Sava Vicinal Railways were among them (53,813 km).⁴⁹

As stated earlier, the railways of the former Danube-Sava Vicinal Railways Joint Stock Company: Sremska Rača Sava-Šid (28.4 km), Šid-Ilača (11.7 km) and Ilača-Vukovar (25.4 km) came under the jurisdiction of the directorate of state railways in Belgrade up until 1935.⁵⁰ In official railway statistics on December 31, 1936 the above mentioned railway lines are said to be under the jurisdiction of the directorate of state railways in Subotica.⁵¹ Later on, the directorate in Subotica was eliminated and its headquarters moved to Belgrade. The directorate was renamed into the Yugoslav State Railways Belgrade-Sjever District Directorate.⁵²

⁴⁴ „Oglas Upravnog odbora Dunavsko-savske vicinalne željeznice d.d. od 22. travnja 1932. O održavanju vanrednog zbora akcionara 11. svibnja 1932.“, *Narodne novine*, br. 101, 30. 4. 1932, 14.

⁴⁵ „Likvidacije.“, *Narodne novine*, br. 144, 23. 6. 1932, 12. See also: S. Lajnert, „Ustroj i djelovanje Dioničarskog društva dunavsko-savske vicinalne željeznice...“, 220.

⁴⁶ According to Article 202 of the still valid Commercial Code of May 16, 1875, the directorate of the company was obliged to publish the dissolution in official papers three times and call creditors to demand their claims for the period of six months starting from the third announcement. See: *Sbornik zakonah i naredabah valjanih za Kraljevinu Hrvatsku i Slavoniju, godina 1877*, br. 44 (Zagreb: Tiskara Narodnih novina, 1878), 568.

⁴⁷ „Oglas“, *Narodne novine*, br. 151, 2. 7. 1932, 11.

⁴⁸ „Trgovački registar. Promjene.“, *Narodne novine*, br. 127, 3. 6. 1933, 16. See also: S. Lajnert, „Ustroj i djelovanje Dioničarskog društva dunavsko-savske vicinalne željeznice...“, 220.

⁴⁹ *Statistika Jugoslovenskih železnica za godinu 1936. sa uporednim podacima za godinu 1935. knjiga I.* (Subotica: Generalna direkcija državnih železnica, Štamparija državnih železnica, 1936), VII.

⁵⁰ *Statistika Jugoslovenskih železnica za godinu 1935. sa uporednim podacima za godinu 1934, knjiga I.* (Subotica: Generalna direkcija državnih železnica, Štamparija državnih železnica, 1936), 5, 32.

⁵¹ *Statistika Jugoslovenskih železnica za godinu 1936...*, 11, 38.

⁵² On May 11, 1939 the general department of the directorate of the Yugoslav State Railways Belgrade Sjever made a notice to the Banat Administration in Zagreb that the headquarters of

Conclusion

The disintegration of the Austro-Hungarian Monarchy affected the disintegration of its railway system. One of the main problems the newly created State of SHS on October 29, 1918, was how to quickly fill the shortage of a large number of railway personnel who had fled to Hungary. Namely, most of that staff were Hungarians. At the end of 1918, the railways were mainly used for military purposes, for supplying the population, and for economic operations. The railways on the then territory of Croatia-Slavonia were taken over by the newly established General Directorate of Railways of the State of SHS in Zagreb. The directorate was also responsible for the lines of the Joint Stock Company of the Danube-Sava Vicinal Railway: Vukovar-Ilača and Šid-Sremska Rača-Sava.

By creating the Kingdom of Serbs, Croats, and Slovenes, on December 1, 1918, the exploitation of the Danube-Sava Vicinal Railway was taken over by the newly established State Railways Directorate in Zagreb, facing the same problem of lacking railway staff. Apart from the Hungarians, many railway officials, Austrians, Czechs, Poles, and others, also left the Kingdom of Serbs, Croats, and Slovenes. Taking over the railway service and traffic maintenance from them, the domestic officials initially had to continue working according to the laws and regulations of the former Austro-Hungarian Monarchy, which were issued only in German and Hungarian. All this, of course, had extremely serious consequences for the financial operations of the state railways.

On February 1, 1921, the Danube-Sava Vicinal Railway came under the jurisdiction of the State Railways Directorate in Belgrade. The reason was that the Belgrade railway directorate had jurisdiction over the railways from Gevgelija to Vinkovci, which covered the Vukovar-Ilača and Šid-Sremska Rača-Sava the railway lines. Considering the interests of the domestic economy and in order to compensate for the injuries caused by the war, the Kingdom placed companies owned by the members of the so-called enemy states under special supervision and state sequestration. Since Hungary, as a part of the former Austro-Hungarian Monarchy, belonged to the above-mentioned enemy states, the Kingdom first started placing under temporary state administration joint stock companies of those vicinal railways which in the collapsed Monarchy used to have their headquarters in Budapest, and now they had to be relocated to the territory of the Kingdom. This also applied to the Joint Stock Company of the Danube-Sava Vicinal Railway, which moved its headquarters

the former Yugoslav State Railways District Directorate in Subotica had been relocated to Belgrade. The directorate was renamed into: Yugoslav State Railways Belgrade-Sjever District Directorate. Its office was in the building of the ministry of traffic, fourth floor. See: HR-HDA-146, Savska banovina. Poljoprivredno odjeljenje – Zagreb (1929–1939), Agrarno-pravni odsjek, Okružnice, ur. br. 7336/1939.

from Budapest to Zagreb and fell under the temporary state administration of the Management Board of the Vicinal Railways in Zagreb. The said committee took over the management of the sequestered vicinal railways on the territory of Croatia and Slavonia.

After the sequestration of the joint stock companies of the vicinal railways was lifted, the state set out to repurchase their lines that were located on Yugoslav territory, and then subjected them to liquidation. The peace treaties (Saint-Germain and Trianon) required Yugoslavia to regulate the legal and financial relations of these companies on the principle of respect for private property. After lengthy negotiations, the Kingdom purchased the lines of the Joint Stock Company of the Danube-Sava Vicinal Railway on the basis of the agreement of February 7, 1931, so the reason for its existence ceased. In 1932, the company entered the liquidation process, which ended on April 12, 1933, when the company was deleted from the commercial register of the District Court in Zagreb. The lines of the Danube-Sava Vicinal Railway were transferred to state ownership in 1936.

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THE STRUCTURE, ACTIVITY AND LIQUIDATION OF THE DANUBE-
SAVA VICINAL RAILWAY STOCK COMPANY DURING
THE KINGDOM OF SERBS, CROATS, AND SLOVENES/YUGOSLAVIA

Summary

The Danube-Sava Vicinal Railway Stock Company was founded in 1912 with headquarters in Budapest. The company constructed and owned the following railway lines: Vukovar-Ilača and Šid-Sremska Rača-Sava. The above-mentioned private lines were exploited by the state. The referred railway, as well as all vicinal (local) railways, was constructed for economic interests only, in other words, to meet the economic and traffic needs of the areas it was passing through. After the collapse of the Austro-Hungarian Empire, the company's headquarters moved from Budapest to Zagreb. Shortly after the establishment of the Kingdom of Serbs, Croats, and Slovenes/Yugoslavia, the railway lines were exploited by the Directorate of State Railways in Zagreb and after 1921 the railways lines came under the jurisdiction of the Directorate of State Railways in Belgrade. Taking into account the interests of the national economy and in order to compensate the damages caused by the war, the Kingdom put all the companies that belonged to subjects of the enemy states under special supervision and sequestration. Since Hungary, a part of former Austro-Hungarian Monarchy, was regarded as an enemy state, the Kingdom first put under temporary state jurisdiction those vicinal railway stock companies that had been based in Budapest. After that the railways on the territory of Yugoslavia were repurchased and liquidated. Thus, according to the agreement signed on February 7, 1931 the Kingdom redeemed the Danube-Sava Vicinal Railways so there was no reason for the company to exist. The company went into liquidation in 1932 and was shut down on April 12, 1933.

KEYWORDS: Danube-Sava Vicinal Railway Stock Company, Vukovar-Ilača-Šid-Rača-Sava Railway Lines, Vicinal Railways, Directorates of State Railways Zagreb, Belgrade, and Subotica