

P O L I T I C A L E C O N O M Y

ECONOMIC CONFERENCE OF THE LITTLE ENTENTE

The Economic Council of the Little Entente, which — as is well known — holds a meeting once every quarter, will begin to sit in Belgrade on September 24th. According to a report issued by the Rumanian Press Bureau ("Argus") the first question to be discussed at this conference will be that relating to the manner of putting into practice the economic agreements concluded between the States of the Little Entente, difficulties arising from the fact that these agreements have so far not ensured Rumania any advantages whatsoever. This is particularly true of the trade between Rumania and Czecho-Slovakia, which shows a development exceptionally unfavourable to the interests of the former State, seeing that in return for the concessions made by Rumania, Czecho-Slovakia has given practically no compensation at all. This circumstance may be ascertained from the mere fact that the trade carried on under the Rumanian-Czecho-Slovak commercial treaty, which in terms of the said agreement should have shown a balance of 25% in favour of Rumania, in the Rumanian trade balance shows a deficit of 300 million lei.

A glaring light is thrown upon the co-operation between two States of the Little Entente, Rumania and Czecho-Slovakia, by the lawsuit brought against the State of Rumania by the Czech factories. At the last Little Entente economic conference an agreement was concluded between the two States, in terms of which Rumania promised the same reduced transport rates on the C. F. R. railways to Czech industrial commodities as were enjoyed by the Rumanian manufacturing industries. On a protest being made by the Rumanian manufacturers an exchange of diplomatic notes took place, in the course of which the Czecho-Slovak State waived all claim to the promised reductions. But the Czecho-Slovak manufacturers insisted upon receiving the advantages guaranteed, which had been taken into account when calculating their prices. The matter was brought before the courts and was decided in favour of the Czech manufacturers, Rumania being sentenced to pay the difference in the costs of transportation. The Bucharest Government is now asking Prague to refund the sum in question.

The Little Entente economic conference has not yet been successful in bringing about a commercial agreement between Rumania and Yugoslavia, because Yugoslavia is not willing, even in principle, to make concessions to Rumania.

Commercial relations between the little entente states are the subject of an article contributed to the "Prager Presse" (September 24th.) by Dr. Niederle, Czecho-Slovak diplomat and Secretary-General of the Little Entente Economic Council. The writer informs us that in the first two months of the present year the trade between Yugoslavia and Czecho-Slovakia reached the same level as that recorded for the last nine months of the previous year. The results of the trade between Czecho-Slovakia and Rumania are less satisfactory in character, Czecho-Slovakia having only been able to attain the level of the previous year, that being due to the lack of Rumanian export goods suitable for the use of Czecho-Slovakia. Czecho-Slovakia is not making any efforts to increase her export trade to the two other countries owing to the decline in their solvency — a decline which in its turn is the consequence of the low level of the export trade of those countries.

A striking illustration of the lack of vitality of this organisation is offered by the case of Rumanian fruit import trade to Czecho-Slovakia. Whereas Czecho-Slovakia grants Yugoslavia a 50% reduction of freight charges, it does not extend that benefit to Rumanian fruit exports. Moreover, the Czech authorities do not accept as adequate the certificates of soundness (of fruit) issued by the Rumanian authorities, subjecting the consignments of Rumanian fruit to a fresh examination at the Czech frontier and charging exporters therefor a further sum of 750 Czech crowns. ("Ellenzék", No. 220, September 26th., 1934.)

A U S T R I A

BUDGETARY DEFICIT IN THE FIRST HALF OF 1934

The Public Audit Office has fixed the budgetary deficit for the first half of the year at the sum of 72.65 million schillings. The actual expenditure exceeded the amount foreseen in the Estimates (720.4 million schillings) by the sum of about 70 millions. Of this sum 24 millions represented excess expenditure under the head of public security service, and 28.4 millions excess expenditure under the head of social insurance, the volume of unemployment having been in excess of the original estimate. The revenue of the Post Office services shows a shortage of 11.8 million, that of public super-taxes a shortage of 15.7 million, and that of the tobacco régime a shortage of 4.7 million schillings as against the estimated amounts. The items of surplus revenue are those booked under the heads of "contribution from the City of Vienna" (15.9 million schillings) and of "inland revenue office" (3.5 million pengő). Of the deficit of 72.65 million schillings the sum of 55 millions was secured by Treasury Bills and the rest out of Exchequer reserves. The amount appropriated in the first half of the year for the purpose of creating opportunities for work, has been secured out of the receipts from the premium lottery. Under normal circumstances, during the second half of the year the receipts are usually so far in excess of the expenditure that a considerable proportion of any deficit arising during the first six months is counterbalanced. However, the increased expenditure under the head of public security service — mostly due to the July insurrection — augmented the aggregate deficit, which at the end of September was estimated at the amount of 140 million schillings.

C Z E C H O - S L O V A K I A

TWO ITEMS SHOWING DECLINE OF INDUSTRY IN CZECHO-SLOVAKIA

The unfavourable state of the Czecho-Slovak leather industries is best illustrated by the fact that of Czecho-Slovakia's 284 leather works 150 have closed down.

According to the report of the State Statistical Bureau 7.95 million hectolitres of beer were brewed in Czecho-Slovakia last year. This quantity is 3.66 million hectolitres short of the output of 1929. The number of breweries still working is 426, that meaning that 15 have closed down since 1924. It is worthy of note that since 1929 the exportation of beer from Czecho-Slovakia shows a decline of 72.5%.

HUNGARY

RESUMPTION OF "COMPENSATION" NEGOTIATIONS BETWEEN HUNGARY AND YUGOSLAVIA

On August 22nd., the negotiations relating to the regulation of exchange traffic in goods between Yugoslavia and Hungary which had been interrupted by the already familiar frontier incidents, were resumed in Budapest. During the past three years there has been a noteworthy decline in the exchange of goods between the two countries. Whereas the balance of the compensation trade between the two countries in 1933 still showed a balance of 1.9 million pengő in favour of Hungary, the trade carried on during the first half of the present year — owing to the arbitrary suspension of the compensation agreement by Yugoslavia — shows a balance of 1 million pengő in favour of Yugoslavia.

HUNGARY'S SHARE IN AUSTRIA'S FOREIGN TRADE

The aggregate value of Austria's imports in August was 84.6 million schillings, — as against a value of 86.4 million schillings for the corresponding month of 1933. The share of this amount falling to Hungary was 9.7 million schillings (10.7%). The aggregate value of goods imported into Austria during the first eight months of the year was 733.4 million schillings, — that meaning an increase of 11.9 million schillings as against the amount (721.5 million schillings) recorded for the corresponding period of 1933. The quota of imports falling to the share of Hungary during these eight months was 79.2 million schillings (as against 83.1 million schillings in the previous year). The value of the goods exported by Austria during the month of August aggregated 71.2 million schillings (as against 66 million schillings for August, 1933); the share of this amount falling to Hungary was 9.4 million schillings (as against 5.5 million schillings in 1933). The total value of the goods exported during the first eight months (January-August) of the year was 547.2 (as against 470.7) million schillings: the share of this amount falling to Hungary was 61.4 (as against 48.7) million schillings.

RUMANIA

ECONOMIC SITUATION OF RUMANIA

A special Balkan Number of the "Europäische Revue" (Deutsche Verlags-Anstalt: Stuttgart-Berlin) publishes an essay on the above subject from the pen of G. Tasca, former Rumanian Minister of Commerce, at present Professor in the Bucharest Commercial College.

This essay gives the data of Rumania's imports and exports, establishing the fact that during the period from 1929 to 1933 the quantity of *agrarian produce* exported from Rumania and the value of the same showed the following development:

Year	Quantity of Produce (in tons)	Value of exports (in lei)
1929.....	7,065.000	28.960,000.000
1930.....	9,215.000	28.522,000.000
1931.....	10,047.000	22.197,000.000
1932.....	9,057.000	10.356,000.000
1933.....	8,777.000	14.101,000.000

On the other hand, the quantity and value respectively of the *industrial products* imported into Rumania during the same period (1929—1933) show the following development:

Year	Quantity of Industrial Products (in tons)	Value of imports (in lei)
1929.....	1,102.000	29.628,000.000
1930.....	805.000	23.043,000.000
1931.....	560.000	15.745,000.000
1932.....	450.000	11.953,000.000
1933.....	467.000	11.592,000.000

Thus, whereas in 1929 Rumania had to export 6.5 tons of commodities for every ton of goods imported by her, by 1933 the quota of exports had risen to 15.4 tons per ton of imports; and, whereas in 1929 the value of every exported ton was 4.100 lei and that of a ton of imported goods amounted to 29.000 lei — i. e. to six times the value of a ton of exports, — in 1933, on the other hand, the value of every ton exported was only 1.600 lei, while that of every imported ton was 26.000 lei — i. e. sixteen times the value of the same quantity of exports.

It is to this circumstance that Tasca attributes the ruin of Rumanian agriculture. In 1929 the annual value of the national income represented a sum of 11.546 lei per head of population; by 1933 the quota had sunk to 5.327 lei. The result is that the purchasing capacity of the Rumanian peasantry declined to the lowest possible level.

The decline in the prices of agrarian products affected also the public finances of the country. It resulted in a decrease of the public receipts under the heads of *customs duties* (from 5.718,000.000 lei in 1929 to 1.886,000.000 lei in 1933), of stamp duties (from 4.312,000.000 lei in 1929 to 1.945,000.000 lei in 1933), and of direct taxes (from 8.600,000.000 lei in 1929 to 3.510,000.000 lei in 1933).

The decline in prices reacted also on the development of the Rumanian balance of payments. In 1930 the deficit shown by the Rumanian balance of payments was

5.896,000.000 lei; the deficit for the year 1931 amounted to 3.620,000.000 lei, declining in the year 1932 to the sum of 354,000.000 lei.

YUGOSLAVIA

AGRARIAN DEBTS IN YUGOSLAVIA

Under this head statistics have been issued by the Belgrade Bankers' Association: according to these statistics the aggregate amount of farmers' debts still outstanding in 1933 as due to the Chartered Agrarian Bank in the territory (Serbia and Montenegro) belonging to the sphere of activity of that Association

	dinars
was	739,079.313
that due in the same territory to other banks that due to banks in the Voivodina District (Bácska: Banate)	500,666.675
that due to the Serajevo Bankers' Association (Bosnia and Herzegovina)	565,947.545
that due to the Zagreb Bankers' Association (in the territory of Croatia and Slavonia)	982,948.177
so that the total amount of agrarian debts due at that period in the whole territory of Yugoslavia was.....	645,681.308
As against this amount, the savings deposits of farmers in the whole country represented (on September 26th., 1934) a sum of..	3.534,323.018
that meaning that the net indebtedness of the Yugoslav farmers amounts to	2.210,073.600
	1.324,249.418

S P O R T S

The early autumn season was not so full of sporting events as last summer. It was only in the fields of athletics and football that there was any particularly bustling activity. So far as football is concerned, that is quite natural, for the teams use the summer months mostly for the purpose of taking a rest — at most undertaking tours not involving particular fatigue —, real life in this field not beginning again until the autumn.

ATHLETICS

The outstanding athletic event of this season was the Second Hungarian—Czech Meeting. The Hungarian clubs in pre-War days too were always glad to welcome Czech athletes, who on more than one occasion proved able to teach their Hungarian rivals useful lessons — especially in medium and long distance running and in pole jumping — despite the fact that otherwise athletics were more highly developed in Hungary. The idea of these international matches was broached in 1930; and last year an agreement was concluded between the two Athletic Associations to the effect that the representative athletes of the two countries should compete with one another once a year, alternately in Hungary and Bohemia. The first match was arranged last year in Prague; it was opened solemnly in the presence of a big crowd, and ended in the victory of the Hungarian athletes — by 77.5 to 55.5 points.

The second match was arranged in Budapest. The Czechs sent their best athletes to represent their colours; but at the meeting held on September 22nd. and 23rd. the Hungarians won a crushing victory by 96 to 37 points, — that despite the fact that the Hungarian team contained a number of second-strings. This meeting was opened with formalities similar to those which marked the first meeting: the teams exchanged gifts, while the band played both the Czech and the Hungarian national anthems, the crowd standing bare-headed.

Very good results were achieved at the Hungarian—Czech Students Meeting held in Prague on October 3rd. and 4th., which ended with a victory of the Hungarian athletes by 83 to 62 points.

The first Hungarian—Greek Meeting held in Athens on October 6th., and 7th. added fresh laurels to those already obtained by the Hungarian athletes. At the

meeting held in the splendid marble stadion the Hungarians scored a victory by 100.5 to 67.5 points.

The most interesting event of the meeting arranged by the Hungarian Athletic Club (M. A. C.) on September 27th. was the attempt made by Nicholas Szabó, Champion of Europe, to break the 2000 metres record. Despite the lack of suitable pacemakers Szabó ran a grand race, breaking the previous record by 4.8 seconds, the new record being 5 mins. 32 secs.

FOOTBALL

The outstanding event of the new football season was the superb victory of the Hungarian representative team over that of Austria. The match was played as a round of the Central European Cup, so that the victory over the Austrian "Wundermannschaft" (Wonder Team) is of particular importance. The Hungarian team started poorly, but eventually won by 3 goals to 1, that involving a change in the order of the teams competing for the Central European Cup, which now stands as follows: 1. Italy, 2. Hungary, 3. Austria, 4. Czecho-Slovakia, 5. Switzerland.

SWIMMING

At the meeting held in the Covered Swimming Pool on the Margaret Island on October 12th. Ladislav Csik won the 100 Metres Free Style race in a time equivalent to the European record (58.4 secs.) previously held for three years by Stephen Bárány. By this splendid result Csik once more showed that he is today without doubt the fastest swimmer in Europe.

FENCING

Hungarian fencing circles were deeply moved by the tragic death of Lucien Gaudin, who on several occasions won the fencing championship at the Olympic Games. The Hungarian Fencing Association — through the Foreign Ministry — requested the Hungarian Legation in Paris to place a wreath bearing the Hungarian tricolor — as a token of the sorrowful sympathy of Hungarian fencers — on the bier of the eminent French fencer.