

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

CZECHO-SLOVAKIA

FRESH COMPLAINTS ABOUT THE FRENCH ALLY

The standstill in the Franco-Czecho-Slovakian commercial negotiations is a permanent source of bitter disappointment to Czecho-Slovakian political and economic circles. On 12th of January the newspaper of the Czech Agrarian Party devoted another long article to the subject. Its author points out the impossible and paradoxical nature of the economic relations between Czecho-Slovakia and France. He says:

"Paris ought to consider it of primary importance that her partner in Central Europe should feel that France is really helping her. Our commercial delegation led by M. Machaty, Minister, spent several weeks in Paris in an unsuccessful attempt to improve relations, but all the skill of our delegates and the effective cooperation of our diplomatic representatives were powerless to achieve satisfactory results. After these experiences it is a sign that we are on political leading-strings, if we do not see that our loyalty to France is an expensive political passion. Loans from France, which after all are better and more safely placed with us than anywhere else, are not enough. What we need is that France should do away with the barriers against our exports and give preference to our manufactured goods over others. This is a primary necessity and France will finally have to realize it."

It is not likely that the delegation representing France at the negotiations will experience a change of heart on learning of the touching appeal in the "Venkov", or that it will draft a commercial agreement fully meeting the desires of Czecho-Slovakian political and commercial circles. This will not happen, if only because the structure of French economy is not such as to allow it.

According to information received from the "Narodni Osvobozeni" negotiations will probably be resumed at the end of January. This newspaper says:

"Negotiations will be very difficult, for the French will bring up the subject of the financial loan about to be issued and will probably use it as an argument against acceding to Czecho-Slovakia's rightful demands."

According to the "Narodni Osvobozeni" foreign diplomats in Paris are expected to follow the negotiations with lively interest. They are particularly interested in the result of the Franco-Polish negotiations, from which definite conclusions may be drawn if the Polish delegation is able to achieve a larger measure of success where its demands are concerned, than the Czecho-Slovakian delegation did.

CONSIDERABLE DECREASE IN IMPORTS WITH RUMANIA

During the past few months Czecho-Slovakia's exports to Rumania have fallen off considerably, while her imports from Rumania have increased. Czecho-Slovakian and Rumanian circles complain of the deficiencies in Rumania's system of foreign trade licences and demand simpler methods.

EXPORT TRADE NOT IMPROVED BY DEVALUATION

Discussing the effects of the devaluation of the Czech crown in October 1936, a Czech periodical, the "Programm", comes to the conclusion that it is not easy to discover its influence on Czecho-Slovakia's trade in November last. There is a certain fluctuation in evidence in the development of prices in general, wholesale prices have also gone up to some extent, but apart from this the latest records show that devaluation has not helped to improve the export trade of Czecho-Slovakia in any particular way. It is interesting to note, the article continues, that the imports of raw material show an increase of 20%, which corresponds to the rate of devaluation; the export of ready made goods, on the other hand has not improved by more than 4% as compared with November, 1935. No doubt, the exports of sugar, malt, and corn show a certain improvement, but this is due to the change of conditions in the world market rather than to devaluation. The writer of the article is not surprised to see that devaluation has had no effect on the exports of the country, since nothing has been done to make it felt in that direction. Promises have been made respecting the abolition of the restrictions on imports, the simplification of the licensing process, and the elimination of difficulties in the foreign money exchange; so far, however, nothing has been done.

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NEW CZECHOSLOVAK-HUNGARIAN COMMERCIAL AGREEMENT

The new Czecho-Slovak-Hungarian commercial agreement, which came into force on January 1st contains five sections. Under the first section Czecho-Slovakia is to export 60 million Czech crowns worth of wood, 43 million Czech crowns worth of coke and coal, 150,000 metric quintals of charcoal and 210 metric quintals of cheese. Hungary, on the other hand, will export agricultural products to Czecho-Slovakia, namely: 30—40,000 pigs, 9500 sheep, 1200 quintals of butter, 10,000 quintals of beans, 20,000 quintals of millet, 12,500 quintals of peas, 3000 quintals of onions, 330 wagon-loads of lard and bacon, 2000 quintals of mahaleb cherries, 1000 quintal of poppy seeds, 5,760,000 eggs, 500 quintals of groceries, 1150 horses, and 500 quintals of carp.

The second section deals with industrial articles. It moves within a limit of 30 million Czech crowns. Czecho-Slovakia will export to Hungary chemical and textile products as well as glass, paper, textile machines, and other goods; Hungary will also on the basis of compensation export industrial articles to Czecho-Slovakia, such as electric bulbs, furs, compressed paper and photographic paper goods, wireless sets, valves, drugs (medicines), chemicals and various surrogates, and agricultural machines. The same section deals also with the imports of brown coal, lignite, pyrites in return for which Hungary will export fruit.

The third section relates to those articles that are not limited. This group moves within a limit of 25—30 million Czech crowns. Here we find caoline, wool from Slovakia, pine crust, magnesite, hops, mineral water, cellulose, aniline dyes etc. from Czecho-Slovakia.

The fourth section deals with watering-places. For the Slovak baths and the Tatra 6 million crowns have been reserved for which sum Czecho-Slovakia is to

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purchase Hungarian export goods. The most important items in this section are 120 wagon-loads of apricots and 130 wagon-loads of apples. The latter item is peculiarly significant, as in recent years Hungary has not been able to market more than 30 wagon-loads of apples.

In the fifth section we find the so-called Rima ironworks transaction. Within the limits of this group Hungary is to export 266 wagon-loads of lard and bacon, furs, and other goods to Czecho-Slovakia, to the value of 25 million Czech crowns.

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UNEMPLOYMENT

The "Lidové Noviny" publishes the unemployment statistics for the different provinces. At the end of December the figures were:

	November	December	increase
Bohemia	280.342	312.672	32,330 or 11.5%
Moravia	144.713	185.923	41,210 or 28.4%
Slovakia	81.667	114.151	32,484 or 39.7%
Ruthenia	3.483	5.032	1,549 or 44.4%

The above statistics show that the increase in the number of unemployed is much greater in Slovakia and Ruthenia — the parts wrested from Hungary — than in the so-called historical provinces.

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THE GREATER PART OF THE NATIONAL DEBT WAS SPENT ON ADMINISTRATION

In a rather long article the "Narodni Listy" deals with the State Budget for 1937. The author says that the crisis is not over yet and that the Government will find it has over-estimated State revenues in 1937 as it did in 1935. He points out that the national debt has increased. What in his opinion is the most serious circumstance is that according to experts the greater part of the national debt was spent on administration. The newspaper declares that the deficits in the State economy were made up out of that money.

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AN EXEMPLARY INSTANCE OF THE ECONOMIC CONSEQUENCES OF TRIANON

The ironore and limestone used by the Rimamurány Works in Hungary have hitherto been obtained from their mines and quarries in the Gömörzsepesi Erchegység (Erz Gebirge) mountain range, which was wrested from Hungary by the Treaty of Trianon. According to the stipulations of the Treaty, the Czecho-Slovakian State Railways have always allowed considerable tariff reductions on the transport of those minerals. But on the 1st of January the Ministry of Railways raised the freight rates by 100 per cent. The result was that the Rimamurányi Company has ceased to import ore from its mines in Slovakia and has announced that until the old tariff reductions are restored, it will be forced to close down the mines and dismiss several hundred miners. The Company points out that a special tariff reduction was promised to the Company on the transport of raw materials in the Treaty of Trianon, in view of the fact that the foundries were in Hungary and the mines in Slovakia. It also points out that the Company has its own trucks, and for this reason alone would be entitled to special rates. The Czech National Socialist "Ceské Slovo" states that it is an awkward thing that this conflict

has arisen, for owing to it not only will the several hundred miners employed in the Company's mines be thrown out of work, but a few hundred miners employed in the State mines will also lose their jobs, as the Company bought some of its ore from the State.

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HUNGARIAN TRADESMEN EXCLUDED FROM PUBLIC WORKS

In the district of Beregszász, where the overwhelming majority of the inhabitants are Hungarians, 87 tradesmen and businessmen had to give up work in the course of this year, while an other 105 were forced to leave work temporarily. It is to be expected that this number will increase towards the end of this year, as the tradesmen and businessmen of this district are almost entirely excluded from public works. A huge corn warehouse has recently been built in Beregszász; the material was imported from other parts of the country so that the tradesmen of the district were not allowed to profit from it.

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HUNGARY

EXPORTS INCREASE BY 10.5%

Hungary's exports in 1936 showed an increase of 90 million pengő (10.5%), — from 854 millions in the previous year to 942 millions. The advance of Hungary's export trade is all the more significant as against an increase of only 8% in her imports, her exports show an increase of 10% in 1936. Thus her trade balance for 1936 showed an excess of exports of 75.5 millions an increase of 54% as against an excess of exports of 49.2 millions in the previous year. This remarkable improvement has helped Hungary to recover half of the trade level recorded prior to the world crisis. This is a remarkable improvement indeed, considering that the total volume of the world's trade has not yet reached more than one third of the pre-crisis standard.

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THE ENFORCEMENT OF THE SETTLEMENT ACT BEGUN

Although the instructions concerning the enforcement of the Settlement Act have not yet been published, the Ministry of Agriculture has seen to it that in practice the fulfillment of the Hungarian Settlement programme should suffer no delay. In the first five months of the budgetary year, i. e. by the end of November, the State had in 300 instances exercised its optional rights to buy land under auction or offered for sale in other ways. The State has acquired over 10,000 acres in this manner, most of which has already been allotted. Either new small-holdings were created on these lands, or midget farms were added to, to create small-holdings. The powers conveyed by the Act enable the Government in certain cases to force the owners of land to sell part for settlement purposes, but so far no compulsory measures have proved necessary, for the owners of large estates burdened with debts are, in particular, only too glad to offer for purchase to the Treasury areas of land eminently suited for settlement purposes.

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RUMANIA

ARMAMENTS ON CZECH LOAN AND AGAINST CORN EXPORTS TO GERMANY

It is reported that an agreement has been concluded between Czecho-Slovakia and Rumania in re a Czecho-Slovak loan for the equipment of the Rumanian Army; the Rumanian Premier, M. Tatarescu, will go to Prague to sign the agreement in person. The Czech economic organ, "Hospodársky Rozhled", writes that this loan will amount to 500 million Czech crowns. Contracts have been undertaken by various Czech firms, such as the Skoda, Tatra, Ringhoffer, Czech-Moravian, and Kolben-Danek works, and by the leading motor works in Czecho-Slovakia. — The economic commission of the Rumanian Government has accepted the proposal of the Corn Supply Office to export 5000 wagon-loads of the wheat to Germany. A Rumanian paper, the "Estrop", remarks that Germany will supply an equivalent amount of armaments in return for the wheat. — y —

YUGOSLAVIA

TAXATION GRIEVANCES OF HUNGARIAN MINORITY

More than 5000 of the 25,000 acres of arable land around the almost purely Hungarian village of Bács-topolya (Báckatopola) have been allotted to *Dobrovoliaci* (war volunteers). As these Serb settlers have not paid their taxes for years, a further increase in the taxes of the autochthonous Hungarian population, already over-burdened, will prove necessary ("Uj Hirek", October 13).

In the equally Hungarian town of Magyarkanizsa (Stara Kanjiža) the Revenue Office still continues to tax the fields owned by the Hungarian peasants as wine-growing land, although no vines have been cultivated in them for years. Nothing has come of the appeals and protest lodged against this unjust method of taxation ("Reggeli Újság", October 13).

The inland revenue taxes levied on the 102 cadastral acres of land confiscated around the village of Órszállás (Stanisic), which has a mixed population, are still being collected from the inhabitants of the village, although the land has been in the possession of Serb settlers for years ("Uj Hirek", November 8).

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THE ECONOMIC SITUATION OF THE SERBS IN PRE-WAR HUNGARY

According to a report compiled from the statistical data of the Serb Pravoslav Church by *Vazul Jakshitch*, a Serb sociologist who died young, the Serbs in Hungary possessed the following lands in 1905. 1. In the diocese of *Temesvár* the Serbs numbered 150,155 (35.18%) of the 426,780 inhabitants and possessed 355,989 cadastral acres of land. 2. In the diocese of *Versec* where the Serbs numbered 139,400 souls, or 61.3% of the total of 227,091 inhabitants, the extent of land in their possession was 440,091 cadastral acres. 3. In the diocese of *Bácska* the total number of inhabitants was 571,798. Of these 146,965 (25.7%) were Serbs, who possessed 399,359 cadastral acres of land. 4. In the diocese of *Buda* only 23,388 (2.2%) of the 1,022,085 souls in the diocese were Serbs and their lands amounted to 43,854 cadastral acres. 5. Besides this the Serbs in the diocese of *Szerémség* in former Croatia-Slavonia who according to the above-mentioned Serb source, numbered 199,972 of a total population of 345,374 souls, i. e. 57.9%, possessed no less than 594,500 cadastral acres. We see that in Hungary proper, that is to say in the dioceses of *Temesvár*, *Versec*, *Bácska* and *Buda* the Serbs who had settled there, in number 459,908, possessed 1,239,290 cadastral acres of land. This corresponds to 2.7 cadastral acres per head and was a much better average than the average for the whole of Hungary. It also proves clearly the prosperity enjoyed by the Serb minority under Hungarian rule. In the sphere of co-operative societies the Serbs in Hungary were free to organize undisturbed. According to Serb sources of information, the Serbs in Hungary and the *Szerémség* had a total number of 179 agricultural co-operative societies with 6114 registered members in 1910. The members of the co-operative societies farmed 43,543 cadastral acres of their own and 33,436 acres of rented land. The financial position of the Serbs in Hungary was also strongly organized. According to Serb sources of information, the Serbs of Hungary and Croatia-Slavonia had 141 Serb banks in 1909 with capital amounting to 18,756,675 gold crowns and deposits of 69,472,701 gold crowns. We may add that these co-operative societies and banks were entirely under Serb management; only Serb officials were employed in them, and their books were kept solely in the Serb language.

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S P O R T S

FOOTBALL

The Winter tours of Hungarian teams have come to an end. Apart from the three great teams, there were not many Association teams that went beyond the frontiers. The achievements of the various teams were, on the whole, satisfactory, even if we take into consideration that our minor teams have mostly been playing against very weak opponents, whose defeat was not such a great success in itself. We must not forget, however, that our minor teams have always been on the way and enjoyed very little rest on their journey.

Among the finest results achieved during the Winter tour were those of the Hungaria team in Malta and „Ujpest”, while the „Ferencváros” has suffered two defeats in Portugal. The Hungarian teams were successful in winning several introductory matches against their Austrian opponents abroad; thus the „Hungaria” met the „Rapid” (Vienna) in Malta, the „Ujpest” played against the F. C. Wien in Northern Africa, and the „Kispest” won against the „Sportklub” in Toulouse and Bordeaux.

These victories against the Viennese teams, in addition to those achieved at the two Austro-Hungarian matches two years ago, induced our great teams