

POLITICAL ECONOMY

CZECHO-SLOVAKIA

CZECHOSLOVAKIA'S FINANCIAL POLICY NOT CONSTRUCTIVE.

Dr. Rudolph *Brož*, Czech economist, continues his criticism of Czecho-Slovakia's financial policy in the review "Venkov", to which we have already referred in our last issue. His opinion is that Czecho-Slovakia does not pursue a constructive financial policy and is, therefore, unable to lead her economic and financial life out of the crisis. The turn-over of banknotes is less than it was in 1929, the stock of deposits in the banks is also lower than in 1929. The Government's intervention has brought the conditions of industrial labour up to the 1929 standard, but the revenues of the State and the purchasing power of the public are below that level. As soon as the Government's intervention is withdrawn — continues the Czech economist — industrial employment will again decline, because economic life lacks those resources and that purchasing power on which it could rely in 1929. For this very reason the prices of agricultural products have risen by only 10% since 1932 — when the crisis was at its lowest level — until the middle of 1937, and they are still 50% lower than the average of 1925 to 1929.

UNEMPLOYMENT IN THE SEVERED TERRITORY INCREASING

The records published by the Czecho-Slovak Statistical Bureau show that the number of unemployed in the whole of the Republic was 233.168 in August, as against 248.127 at the end of July. While in Bohemia and Moravia the number of unemployed shows a decrease, in Slovakia it has increased by 3522 and in Ruthenia by 176. These figures, the Hungarian paper "Prágai Magyar Hirlap" (September 7.) points out, show that the standard of economic improvement in Slovakia remains far below that of the historical provinces. Owing to the reduction

of Slovakia's once so prosperous manufacturing industry thousands of workers earn their daily bread by seasonal labour; consequently, as soon as the harvest comes to an end the number of unemployed shows a sudden increase. — y —

A DESCRIPTION OF THE SANITARY CONDITIONS OF RUTHENIA IN "LIBERATING" CZECHO-SLOVAKIA

Investigations conducted by the Ruthenian Society for National Economy have shown the appalling proportion of infant mortality in the country. Syphilis and scrofula are assuming formidable dimensions, amounting in places to a national catastrophe. Another essential problem is a national campaign against alcoholism, as the population in many places is now indulging in drinking methylated spirits instead of brandy. ("Kárpáti Híradó", Aug. 1.) — y —

WHAT DOES THE VICTORY OF THE "RYE PARTY" OVER THE "WHEAT PARTY" MEAN?

The first official report of the crops, issued by the *Ministry of Agriculture*, estimates that compared with last year this year wheat yielded 1.629.374 quintals less, rye 108.245 more, barley 389.981 more, oats 709.177 more, maize 19.640 less and early potatoes 860.761 less. In Slovakia official estimates reckon the yield of wheat at 672.593 quintals less, that of rye at 397.895 quintals less, that of barley at 306.747 less and that of early potatoes at 367.053 less. Only in oats were there 7.694 quintals more. In Ruthenia the figures are: wheat 366.205 quintals less, rye 240.082 less, barley 15.704 less, oats 154.180 less and maize 114.744 less. In the whole area of the Republic the yield of wheat was 1.629.374 quintals less than last year, 1.038.798 quintals of this decrease fell to Slovakia and Ruthenia. In a word the lion's share of the loss caused by the bad harvest is borne by the agricultural classes in those provinces. As the yield of rye in the whole Republic was 108.245 quintals more than last year, while at the same time Slovakia and Ruthenia, i. e. the eastern parts of the country, produced 397.895 and 240.082 quintals less respectively (a total of 637.977 quintals), it is evident that this year's rye crop yielded 746.222 quintals more in the historical provinces than last year.

In this connection the "*Prágai Magyar Hírlap*" observes that when this year's wheat and rye prices were being fixed the rye party won a victory over the wheat party and that in consequence of this victory and of the distribution of the rye crop in the Republic, agriculture in the historical provinces will make a much larger profit out of the higher price fixed for

rye than will the eastern provinces. The fixing of the prices of wheat and rye for this year may probably lead to a stabilization of the areas under cereal cultivation, but it is Slovakia and Ruthenia that will pay for this stabilization, not only in this year of catastrophically poor crops, but also in the future, since the chief cereal cultivated in Slovakia and Ruthenia is wheat.

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HUNGARY

THE GOVERNMENT'S ECONOMIC PROGRAMME FOR THE GREAT PLAIN

Opening the agricultural exhibition at Hajduszoboszló on September 6th, the Hungarian Prime Minister made his first speech since Parliament rose for the summer recess. He announced the reduction of railway tariffs in the case of agricultural products; thus, for instance, the freight of maize will be reduced by 20%. A new bridge, at the cost of 3,800,000 pengő, will be built over the river Tisza at Tiszapolgárd. The production of cottage industries will be greatly increased. The Government is resolved to break down labour usury, and a Bill for the old age insurance of agricultural labourers will be introduced in the autumn.

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THE HUNGARIAN GOVERNMENT'S PROPOSAL IS THE SERIOUS OFFER OF AN HONEST DEBTOR

In its September report the London League of Nations Loan Committee stated that the proposal submitted *re* the League of Nations loan by the Hungarian Government (see our August issue) was the serious offer of an honest debtor, than which, in the present circumstances, no better could be expected. It was also stated in the report that Hungary's conservative financial policy had ensured a slow but steady recovery in the country's finances.

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SWISS COMMENT ON THE IMPROVEMENT OF HUNGARY'S SITUATION

A financial letter published in the "*Courrier de Geneve*" points out that the financial and economic situation of Hungary shows a steady improvement. The harvest this year was favourable and it happened for the first time that the revenues of the State have exceeded the budgetary expenditure. Again, the regular payment of taxes is another proof of the improvement

and strengthening of the situation of ratepayers. Foreign stock at the National Bank is also steadily increasing; this will no doubt help to ensure the fulfilment of the agreement concerning the payment of foreign loans.

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YUGOSLAVIA

WHY YUGOSLAVIA'S CZECHO-SLOVAK EXPORTS AND IMPORTS HAVE DECREASED

Italy's textile industry has succeeded in recapturing the Yugoslav market from Czecho-Slovakia. The sale of tobacco is at a standstill at the present moment.

The "Yugoslovenski Kurir" devotes a long article to the question: why Yugoslavia's exports to Czecho-Slovakia have diminished? There is a marked decrease in this respect since last year. The figures of Yugoslavia's export-balance in million dinars for the first six months of this year are as follows:

	Exports	Imports	Balance
1936	279.7	396.8	—116.9
1937	214.4	279.7	— 65.3
Difference in 1937	—65.3	—116.9	— 51.6

The figures show a decrease of 65.3 million dinars in the exports to Czecho-Slovakia which, added to a decrease by 116.9 million dinars, amounts to a total decrease of 40% since last year. Passive balance has fallen by 51.6 million dinars during the same period. The explanation for the diminution of exports is that Yugoslavia did not export any tobacco at all in the first half of this year, while her tobacco exports to Czecho-Slovakia during the same period last year amounted to the value of 80 million Dinars. The decrease in Yugoslavia's imports from Czecho-Slovakia, writes the *Yugoslovenski Kurir*, was to be expected as early as October 1936, when the country concluded a temporary commercial agreement with Italy. At the time of the "sanctions" the importation of textiles from Italy was at a complete standstill which, naturally, caused a corresponding increase of textile imports from Czecho-Slovakia. The abolition of sanctions was followed by the restoration of normal trade relations with Italy and, consequently, by a decrease of textile imports from Czecho-Slovakia, while Italy has regained the position which she formerly held in the textile imports of Yugoslavia. The value of textile goods imported from Czecho-Slovakia in the first six months of this year amounts to 76.6 million dinars in cotton, 55 million in wool, 0.06 millions in silk and 14.6 millions in other textile goods, the total value being 146.8

million dinars, while the value of textile goods imported last year amounted to a total of 222.51 million dinars. The decrease totals 75.71 million dinars.

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COMPLAINT CONCERNING TOURIST RELATIONS BETWEEN CZECHO-SLOVAKIA AND YUGOSLAVIA

In the newspaper entitled "A-Z" M. Polivka, a member of the *Czecho-Slovak* Parliament, complains that Slovak tourists are being slighted everywhere in *Yugoslavia* and receive much less considerate attention, especially in the Yugoslav spas, than Germans or other foreigners.

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