

— as stated already in the first number of our Review — Professor Seton Watson, whom certain circles in Great Britain regard as the leading authority on Central European questions, employed the same unscientific method so misleading in its effects in his brochure entitled "Treaty Revision and the Hungarian Frontiers".

The work bristles with mistaken conclusions drawn from the maps it contains. To take one instance at random. The map in Paul Balogh's "Races in Hungary" (*Népfajok Magyarországon*) has been made use of by Seisanu as proof that Nagyvárad, Arad and Temesvár lie in Rumanian language territory, and this, although the map in question clearly shows that those towns belong to the Hungarian linguistic territories.

The work is also full of historical misinterpretations. For example, the Constitution of medieval Transylvania based on the union of the three nations living there (*Unio trium nationum*) is presented as an alliance formed in order to oppress the Rumanian people. Now, it has been proved by historical research that the Union was not national in type, the word *natio* signifying "Estate", so that the Hungarian serfs who did not belong to the Estates were no better off than the Rumanians. Furthermore, the fact that the free practice of the Greek Oriental religion was not re-

cognized in Hungary and Transylvania for centuries has been presented as evidence that the Rumanians were oppressed. The historical truth, however, is that in the Middle Ages the Kingdom of Hungary was Roman Catholic, while the Principality of Transylvania, was Protestant. Hungary was bitterly opposed to Protestantism, while Transylvania strove to ensure Protestant supremacy. When this antagonism ceased the Greek Catholic and Greek Oriental Churches became recognized religions, the former in 1701, the latter in 1848, and in 1868 the equality of right of both Rumanian Churches was again recognized by law. From that time on, in the eyes of the law, there was no difference between them and the other denominations.

In conclusion: the statement that the Rumanian State's treatment of the minorities, namely of the Hungarians, is exemplary, is so audacious in view of the facts published month by month in this paper that we shall not attempt to refute it in this brief review. We refrain from doing so also because the book which we promised at the beginning of this article will tear to pieces all the arguments put forward by Rumanian propaganda as proof of the "exemplary" nature of Rumania's minority policy.

George Lukács.

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

CZECHO-SLOVAKIA

CZECHO-SLOVAKIA NOW OCCUPIES ONLY FOURTH PLACE IN THE FOREIGN TRADE OF YUGOSLAVIA

The data relating to Yugoslavia's foreign trade during the first two months of the year show very noteworthy shiftings. Both as exporter and importer Czecho-Slovakia has now been relegated to fourth place. The list still continues to be headed by Germany, the second place being claimed by Austria and the third by France, — the latter country now occupying the place formerly occupied by Czecho-Slovakia. There has been an increase in the foreign trade between Germany and Yugoslavia, which shows an excess of exports of 48.2 million dinars in favour of Yugoslavia. Yugoslavia's trade with Austria shows a balance of 62.2 million dinars in favour of the former country. As concerns the trade between Yugoslavia and Czecho-Slovakia, the same shows an excess of imports of 2.6 million dinars in favour of Czecho-Slovakia.

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124.65 MILLION CROWNS LESS STATE REVENUE IN JANUARY

The reports of the Ministry of Finance show that the revenues of the State in the month of January amounted to 749 million crowns after deduction of the revenues of the local government authorities. The result shows an improvement of 73.44 million crowns as against that of January 1936, but is still 124.65 millions below Budget Estimates.

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CRITICAL DAY ON PRAGUE EXCHANGE

As well know already, on April 20th. all quotations recorded on the Prague Exchange declined — the average set-back being one of 10%. For years there has not been any similar decline of quotations on the Prague Exchange. The *baisse* affected the so-called "gilt-edged" securities in particular; these securities showed a decline of 4—500 crowns. The bear movement must be attributed primarily to the decline in prices in the international raw materials market, though it was due partly also to speculators having shown an excessively eager anxiety to purchase securities — particularly those of war industries —, the result being that when the banks demanded adequate security from the parties giving orders for the purchases, large numbers of people were driven to effect forced sales. A very striking instance of this was the noteworthy decline in the quotations of Skoda shares. Another cause of the bear movement was undoubtedly the better prospects of peace, a factor which also contributed to bring about the set-back in the quotations of the shares of war-industry undertakings.

HUNGARY

THE STATE BUDGET FOR 1937/38.

The final figures of the State Budget for 1937/38, which is now under debate in Parliament, are as follows:

I State Administration.

Total expenditure	821.800.000 pengő
Total revenue	805.300.000 „

Deficit 16.500.000 „

II State Undertakings.

Total expenditure	445.300.000 pengő
Total receipts	393.800.000 "
Deficit	51.500.000 "

III Together.

Total expenditure	1.267.100.000 pengő
Total revenue	1.199.100.000 "
Deficit	68.000.000 "

The deficit estimated in last year's Budget was 75.700.000 pengő, so that this year's deficit will be 7.700.000 pengő less.

A comparison of the expenditure and revenue figures of the Budget for 1937/38 with those of the last Budget gives us the following table:

Increase in Administration expenditure	36.600.000 pengő
Increase in Administration revenue	33.700.000 "
Increase in State Undertakings expenditure	21.700.000 "
Increase in State Undertakings receipts	29.300.000 "
Total increase in Budgetary expenditure	55.300.000 "
Total increase in Budgetary revenue	63.000.000 "

In his exposé on the introduction of the Budget M. Tihamér Fabinyi, Minister of Finance, summed up the economic situation in the following words:

"On the whole *economic conditions have considerably improved in our country too*. Last year's good crops in conjunction with improved prices have certainly done much to make agriculture more profitable. This finds expression in the higher price of land, as well as in the fact that our live stock, which in consequence of 1935's poor yield of fodder had deteriorated, has increased again. This improvement is largely due to the efforts of the Government. Everything was done in the way of financial support and no efforts were spared to raise the level of agricultural production and agricultural profit by decreasing the farmers' burdens — farmers' debts —, ensuring better markets for agricultural produce and promoting exportation by means of favourable foreign trade treaties. That these efforts proved so successful this year was, however, mainly due to a fortunate combination of circumstances. Prudent economic policy must not forget that in 1936 a very unusual state of matters occurred, that to our favourable crops was added the factor of bad crops elsewhere. Demand was therefore brisk and this exerted a favourable influence on the conditions under which we were able to sell.

"*Industrial production has made great strides*. In quantity it was 10% more in the last quarter of 1936 than in the previous year, and 65% more than in the worst year of the economic crisis. The number of workmen employed in factories and workshops was 580.000 in the December of 1936, while at the end of 1935 it was only 535.000, and 409.000 at the beginning of that year. At present, therefore, about 50.000 more workmen are employed than a year ago and 170.000 more than in the worst years of the crisis.

"In 1936 *foreign trade also improved*. The balance with exports to the value of 433.000.000 pengő and imports totalling 507.000.000, was 74.000.000 pengő to the good, while in 1935 the profit was only 49.000.000.

Imports rose by 31.000.000 pengő (8%) and exports by 55.000.000 (12%).

"Compared with last year the money and capital market, with the exception of a boom on the Stock Exchange, did not vary much. The rate of interest remained unchanged. Deposits, I am sorry to say, are increasing very slowly. There are new savings, but they are being put to uses other than banking, and are invested chiefly in industrial concerns or in building.

"Improved economic conditions, chiefly the improvement in agricultural and industrial production, has had a beneficial effect on other branches of occupation."

Speaking of the Budgetary deficit M. Fabinyi said that "it corresponds roughly with the burden of pensions caused by the Treaty of Trianon, and one of the main contributing factors is the deficit of the State Railways, which is observable in other countries too. A gradual improvement may be expected from a further betterment of economic conditions."

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NEW INVESTMENTS

One of these Bills authorises Government to spend 40.000.000 pengő from the Treasury funds on investments. In this case the financing of public works would not be effected with the aid of the money market. Of these 40.000.000 pengő part would be spent on planting trees on the Great Plain, on water-works, road-building, parcelling, buildings, wine-marketing and railway and defence investments.

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FRESH UPSWING OF FOREIGN TRADE

According to the data supplied by the Central Statistical Bureau, the value of our imports in the month of March amounted to 37.9 million pengő, as against 35 millions in the corresponding month of the previous year; while the value of our exports during the same period advanced to 53.5 million pengő, as against 38 millions in March, 1936. Consequently, the excess of exports for the month of March amounted to 15.6 million pengő, as against 3 millions for the corresponding period of 1936.

The results shown by our foreign trade in the first quarter of the year 1937 are as follows: — value of imports, 98.1 million pengő (as against 105.8 millions in the previous year); value of exports, 150 million pengő (114.1 millions in 1936). Consequently the excess of exports for the said quarter aggregates 51.9 million pengő, as against 8.3 millions in the corresponding period of 1936.

The value of the wheat exported by Hungary was 24.8 million pengő (as against 9.5 millions in the previous year). Our principal customer for wheat in the first quarter of 1937 was *Italy* (roughly 660,000 metric quintals), the next in order being *Austria* (roughly 440,000 metric quintals), the third being *Switzerland*, (308,000 metric quintals). There was an important increase also in the volume of our cattle exports, the value of the same amounting to 8.78 million pengő, as against 5.68 millions in the corresponding period of the previous year. The market of decisive importance for our cattle exports was *Italy*, that country having purchased 19,400 head, the next in order being *Germany* (4000 head). There was a gratifying development as compared with the figures for the previous year (which were certainly abnormally low) in our export

trade in poultry products. The value of our exports of eggs increased from 2.7 to 4.1 million pengő, and that of the feathers exported by us from 2.75 to 4.65 million pengő. Of the total volume of our exports of eggs (roughly 48,500 metric quintals) two-thirds were purchased by *Germany*, *Austria* having taken over not quite one-third. Trifling quantities were despatched to Italy too. There is a noteworthy set-back in the export trade in pigs and pig products, — that being a result of there being less opportunity of export and partly also of the increased consumption of the inland market.

A characteristic feature of our import trade during the period under review is the increase of our imports of important raw materials, in particular of raw hides and metals. It is a noteworthy circumstance that raw hides (representing a total value of 8.82 million pengő) now figure as the largest item on the imports side of our trade balance, the item normally heading the list — wood — being thus relegated to second place (with a value of 7.38 million pengő). The next items in order are raw cotton (7.08 million pengő) and crude metals (5.32 million pengő). The fact that — despite the increased importation of raw materials — the total value of imports shows a decline, is clear evidence that there has been a decrease in our imports of manufactures.

RUMANIA

“RUMANIAN AGRICULTURE IS THE WORST IN EUROPE“

A certain exceptional character was lent to the National Rumanian Agrarian Congress recently held in Bucharest by the presence of the King of Rumania, who in his speech made at the Congress — as already reported in these columns — declared with perfect frankness that “it is a shame that we Rumanians should allow our country to rank lowest in Europe in respect of the quantity and of the quality of our agrarian production”.

The Congress decided to provide for a suitable professional training and for the improvement of seeds. In order to be able to solve the question of agrarian credit — so we are informed — a banking institute is to be established with the financial co-operation of the National Bank of Rumania and of the Treasury. Another matter brought to light by the discussions of the Congress is that *the excessively liberal manner in which the land reform was carried into effect has resulted in intolerable conditions in many parts of the country*. For dwarf holdings possessing less than 5 hectares of land were made the basic types of agrarian units. The co-operative societies should have made it their business to neutralise the difficulties arising in consequence of the dismemberment of the landed estates: but instead of doing so, those societies have made themselves *the instruments of political parties*, the Governments in succession having availed themselves of the assistance of the same for purely propaganda purposes and for the purpose of bolstering their own power. As a consequence the co-operative societies have become quite incapable of coping with the tasks for which they were established. The Congress therefore declared that one of the most urgent tasks facing the country was to rid the co-operative societies of their political character and then gradually to train those societies to work systematically.

Extremely instructive are the statistical data submitted by the several Members of the Congress in illustration of the condition of Rumanian agriculture. Last summer, for instance, — as a means of encour-

aging the action for the bolstering of wheat prices — the standard quality of wheat was fixed at 77 kilogrammes per hectolitre and the proportion of outside matter at not more than 3%: whereas in Canada the standard wheat is 83 kilogrammes per hectolitre, and the proportion of outside matter fixed at not more than 1%. When last year Germany wished to buy eggs in Rumania and stipulated for a minimum weight of 55 grammes, it transpired that the best eggs Rumania had to offer did not weigh more than 53 grammes each. Or, to give another instance: in the so-called “Regat” (Old Rumania) cattle breeding has deteriorated so enormously that the cows give on the average not more than 4 litres a day. The quantity of artificial fertilisers used in Rumania amounted to only 0.4 kilogrammes per hectare of land under cultivation; while the quantity employed in Hungary — a country with similar climatic conditions — amounted to 5 kilogrammes per hectare, and *that employed in Austria to actually 20.5 kilogrammes*.

YUGOSLAVIA

YUGOSLAV OPINION OF ITALO-YUGOSLAV TRADE AGREEMENT

The economic part of the Italo-Yugoslav agreement was commented upon by the Yugoslavenski Lloyd on April 2nd as follows:

Yugoslav economists are not too optimistic respecting the prospects of trade relations with Germany and Italy. Any amount of goods may be sold to Germany, it is true, but the Germans do not pay. Italy has fixed an export quota of a value of 800 million lira for Yugoslavia, while the value of Yugoslavia's quota for Italy is not more than 450 million dinars. Clearing transactions between Italy and Yugoslavia already show a balance of 50 million dinars in favour of Yugoslavia. If the Yugoslav exporters are able to exhaust the full quota by the end of this year, the balance will amount to 400 million dinars in favour of Yugoslavia. It must be remembered, moreover, that the value of the goods which Italy has hitherto paid for in foreign currencies will now be balanced by clearing transactions, which again will make this nominal balance still more. The active balance of the clearing transactions will, however, inflict heavy losses on the exporters, because they must either wait for the payment longer than is possible for them, or they must sell their goods at a lower rate than they had calculated before. For this reason, for instance, the timber trade must under any conditions endeavour to keep the British market, which it acquired at the time of the “sanctions”, and leave the chances of the Italian market untried. At present Italy's importance as a market for Yugoslavia's trade, especially her timber trade, is very far from what it was before the “sanctions”.

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THE BULK OF THE AMOUNT REPRESENTED BY THE BILLS REDISCOUNTED BY THE NATIONAL BANK GOES TO SERBIA

The Narodna Banka recently made public its Report for the year 1936, which contains the following interesting data relating to the distribution by sections of the country of the re-discount credits granted by it. These data show that the amount granted by the Bank on 21,652 bills of exchange presented to the head office in Belgrade and to the branches enumerated

below was 1,458,603,283 dinars, that amount being distributed as follows:

Belgrade	8559	630,140.529
Nish	871	39,470.285
Sabac	627	7,343.596
Skoplje	1223	33,468.795
Bitolj	119	4,508.500
Cetinje	850	19,326.298
Ujvidék (Novisad)	700	75,047.481
Pancsova (Pančevo)	210	16,681.645
Nagybecskerek (Petrovgrad)	308	7,636.377
Versec (Vršac)	493	7,406.247

Szabadka (Subotica)	433	13,367.536
Szarajevo	1623	58,182.156
Mostar	279	4,382.669
Banja-Luka	275	8,787.223
Laibach (Ljubljana)	561	96,554.364
Marburg (Maribor)	193	22,158.490
Zagreb	1613	326,309.041
Varasd	549	10,490.505
Eszék (Osijek)	971	57,213.133
Susak	131	7,054.057
Spalato (Split)	146	8,168.352
Raguza (Dubrovnik)	18	4,906.000

S P O R T S

HUNGARIAN VICTORY IN SWITZERLAND

Ever since its 4:3 victory (at Berne) in 1929 the representative Hungarian team has been unable to win against the Swiss; moreover, it suffered a disastrous defeat (6:2) at Zürich not very long ago. Switzerland has achieved very remarkable results of recent years; and, although the Swiss team was beaten three times in the international meetings (Milan, 4:2; Zürich, against Austria, 3:1; and Prague, 5:3), yet in all these matches it proved to be a very strong and respectable opponent; in fact, it was stated at Prague that the Swiss team was much better.

In these circumstances the sportsmen of Hungary did not expect very great things of the match at Bale, before which the Swiss team had had a hard trial at Amsterdam ending in the victory of the Dutch team (2:1). The encounter of the Hungarian and Swiss teams took place on April 11th and resulted in a serious defeat for the Swiss (5:1). Thus the positions of the competitors in the international Cup Finals are as follow:

1. Czecho-Slovakia	3	2	1	0	11:6	5
2. Hungary	3	2	0	1	12:9	4
3. Austria	3	1	1	1	7:7	3
4. Italy	1	1	0	0	4:2	2
5. Switzerland	4	0	0	4	7:17	0

The unfinished match between Austria and Italy played in Vienna (2:0 for Austria) is not included in this list. The next cup match will be played in Turin on April 25th, between Italy and Hungary.

CHAUVINISM IN RUMANIAN SPORTS

Another striking example of unsportsmanlike chauvinistic prejudice has been offered by the Rumanian Press, which is always ready to make its hatred felt even in the field of sports. In connection with the Czecho-Rumanian match the Rumanian Press attacked the Captain of the Association for letting too many Hungarians play in the Rumanian team; this criticism is not only highly unjust, but it is also in defiance of a resolution recently passed by the Association. It must be remembered that the representative Rumanian team contained not less than seven Hungarian players from Transylvania. The Bucharest papers incited the public not to visit these matches under such conditions, as a mark of protest against

the policy of the Association. This unprecedented encouragement of a boycott has caused great embarrassment in the whole sporting world.

AVIATION

Ladislaus Almássy, the wellknown Hungarian traveller and aviator, chairman of the Egyptian Gliders' Association, is reported to have performed a successful gliding flight over the Pyramids in Egypt. He set off from the aerodrome of Almaza, near Cairo, his glider being driven by a British aeroplane piloted by Lieut. Mole of the R. A. F. Having reached the Nile the glider was detached from the aeroplane and, flying over the Pyramids, reached the ground again not far from them. This achievement is particularly remarkable seeing that no glider has ever yet succeeded in flying over the Pyramids after having flown across the Nile in an easterly direction. With this extraordinary performance M. Ladislaus Almássy won a cup offered by the "Al Ahram", a Cairo daily.

BOXING

On April 3rd the boxing champions of Hungary and Czecho-Slovakia met for a great fight in the presence of a large crowd of spectators. The Czecho-Slovak team was severely beaten, by 5:2; of the two victories only one was an actual victory, the other being the result of a series of mistakes made by the referee.

FENCING

On April 9th the Hungarian Fencing Association arranged a grand tournament between the best fencers of Italy and Hungary respectively in memory of the great Hungarian Olympic champion, the late Col. Terstyánszky. — The tournament ended with the victory of the Hungarian team, 19:17. The number of cuts was: Hungary: Italy, 130:143. — The result obtained by the Hungarian fencers were as follows: Rajczy, Kabos, and Gerei 4 wins each, Berczelly 3, Rajcsányi and Kovács 2 wins each. Of the Italian fencers Signor Marzi won 6 matches, Signor Gaudini, Masciotta, and Montano 3 each, Signor Pinton 2 matches. Signor Tanzini lost all his matches.

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