POLITICAL ECONOMY

CZECHO-SLOVAKIA

CZECHO-SLOVAKIA WILL AVAIL HERSELF OF 12—20% OF BANK DEPOSITS AND OF 70% OF THE SOCIAL INSURANCE PREMIUMS?

The Czecho-Slovak Government has introduced a Bill providing for the investment in State loan securities of a certain portion of the capital stock owned by institutions, works, funds and social insurance institutions. In the preamble of the Bill the Minister of Finance gives the following explanation: "At the present moment the Ministry of Finance is not contemplating the scheme of raising a long-term loan, because it does not consider the credit market mature for it. The Ministry is endeavouring to consolidate the situation of the credit market by a regulation of the compulsory acceptance of Government securities. This obligation refers to 12—20% of the banking deposits, while social insurance companies have agreed to allot 70% for this purpose for four years."

Practically, this latest proposal of Czecho-Slovakia's financial policy — which has displayed the utmost cruelty to the minorities — means that the State will seize almost 1/5 of the deposits of its citizens and almost 3/4 of the social insurance premiums paid by them to the various social insurance companies. This scheme has been received with very uncertain feelings, since the very existence of the State is considered most precarious at the present moment. Indeed, it looks as though the Czecho-Slovak State wanted to take away a significant portion of the hard-earned savings of its citizens, nay even a large portion of their old age pensions, in order to manufacture more arms or to — increase its liabilities. — *y* —

MILLS IN SLOVAKIA ON THE VERGE OF BANKRUPTCY, OWING TO COMPETITION OF BOHEMIAN MILLS

Summing up the past year's results at the meeting of the Union of Slovak Millers at Pozsony (Bratislava), Dr. Vaverka, General Secretary of the Union, declared that the condition of Slovakia's milling industry was most unfavourable. The mills in Slovakia — the report says — had to rely purely on the importation of inferior material, on which a supertax of 4 to 5 crowns had to be paid in addition to the monopoly prices, while the mills in the historical provinces (Bohemia, Moravia) enjoyed the benefit of purchasing wheat at the previous monopoly prices (corn trade in Czecho-Slovakia is, it will be remembered, a State monopoly. — *Ed.*)' The consequence of this state of affairs was a decline in the competing ability of Slovak mills, in favour of those in Bohemia).

— *y* —

BOYCOTT ON CZECH GOODS IN AMERICA

"Die Zeit" writes that certain German-Jewish circles have started a boycott against the purchase of Czecho-Slovak goods, as a sign of protest against Herr Henlein's Sudeta-German movement.

— *y* —

HUNGARY

HUNGARY'S NOTEWORTHY STOCK OF FOREIGN EXCHANGE

Addressing the meeting of the joint juridical and financial committees of the House, M. Béla Imrédy, Minister for Economic Affairs and Governor of the National Bank of Hungary, made reference to the economic depression which is now felt all over the world. As regards Hungary, this depression has, so far, only produced a stagnation, in certain sections, of the steady upward swing of our economic life which has been going on since 1935. However, in drafting the economic investment scheme announced in the Premier's memorable speech at Győr, the Government did not base it on the hope of a permanent economic prosperity; on the contrary, it has taken into account the possibility of economic recessions and repercussions and, therefore, did not propound the scheme before it had made sure of the necessary reserves essential to it.

The weekly returns of the National Bank show that the asset of the Hungarian Treasury and the undertakings amount to a sum sufficient, not only to secure such special articles as are required in the summer season, but even to provide for a considerable amount of reserves, as well. Even if we were suddenly cut off from our supply of foreign exchanges for a whole year, it would be possible to secure the steady progress of our economic life, and Hungary would be able to continue to pay her debts and other obligations abroad without any difficulty, and — finally — the realisation of the Government's investment scheme would also proceed with the same smoothness. The Government has been, and still is, entertaining the idea of raising a domestic loan to cover the costs of the investment scheme in the first year. The subscription of the loan is expected to be met with the utmost readiness, so that threefourths may already be considered as fully guaranteed. — y —

RUMANIA

RUMANIA WILL GRADUALLY NATIONALIZE HER PETROLEUM PRODUCTION

A statement about the Rumanian petroleum crisis and the probable exclusion of foreign interest in Rumania was given to the Rumanian Press by Constantin Argetoianu. This statement was published in the "Excelsior" of Bucarest on 2nd May. According to it the Rumanian petroleum wells will go dry in the near future. Experts and the Rumanian Geological Institute declare that in five or six years there will be no petroleum in Rumania. Argetoiaun stated that the Rumanian Government was thinking of taking over the search for new petroleum sources and was determined to exercise the strictest State control over the Rumanian petroleum companies during the next five years. It was — he said — the Government's urgent duty to insure Rumanian national capital and labour much greater scope in the petroleum industry than at present. The Rumanian Government intended to appoint a commission to elaborate a five years's plan for the organization of an exploitation of Rumanian petroleum in keeping with Rumanian national interests. The Government was to make this plan law and proceed without delay to exclude foreign interest from Rumanian petroleum production.

YUGOSLAVIA

THE INTERNATIONAL DEBTS

Yugoslavia's internal debts on 1st April 1937 amounted to 5625.9 million dinars, to which a further internal debt of 685.2 millions for agriculture and public works was added in the course of the past budgetary year. Discounting the sum of 117.8 million dinars paid off in the course of the year, the internal debts of the Yugoslav State on 1st April 1938 were 6193.3 millions ("Jugoslovenski Lloyd", April 8).

GERMAN CAPITAL IN YUGOSLAVIA

Berofe Austria's union with Germany Austrian capital invested in Yugoslavia (366.2 million dinars) ranked seventh in the list of foreign capital investments, while Germany's 54.6 million dinars took the fourteenth place. The addition of the one million dinars of German capital invested in Yugoslavia since the *Anschluss* has secured Germany the fifth place with an invested capital of 520 million dinars. France is the largest investor with 1056 million dinars, then Great Britain 873, Czecho-Slovakia 741.2, Switzerland 707.3, Germany 520, Italy 498, and America 424.8 million dinars ("Obzor" March 23).