

POLITICAL ECONOMY

CZECHO-SLOVAKIA

ECONOMIC DEPRESSION IN SUDETEN GERMAN AREAS

According to a report submitted by Herr Richter, a Sudeten German Deputy, to the political committee of the Sudeten German Party, a further decline is in evidence in Sudeten German industry. This statement appears to contradict the official records according to which unemployment is decreasing. The truth, however, is that the percentage of unemployment in the areas inhabited by a more than 80% German majority is five and a half times as much as in the Czech areas. The reason for this is that, in consequence of the political structure of the State, the decrease of exports from 636 millions last year to 620 millions this year weighs most heavily upon the Sudeten German areas. Explaining the causes of this decrease, Herr Richter points out the insufficient support of export trade and the intentional negligence in the matter of business relations with Germany; moreover, the feeling of unrest and the lack of confidence created in international business circles by political events in May last was also greatly contributed to cause this recent economic depression. Herr Richter's report, furthermore, comments bitterly on the boycotting movement initiated by the Czechs against German goods. The number of German workers dismissed by their non-German employers is continually increasing. The Government has no word to say against the system of transferring factories from the Sudeten German areas to Bohemia. The Czech withdraw their capital from Sudeten German business, refuse to give credit and exact "voluntary" contributions towards the National Defence Fund and the National Aviation Fund under pain of criminal prosecution.

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THE PETSCHER MINES PURCHASED BY THE ŽIVNOVSTENSKA BANKA

The coal concern of the firm Petschek & Co, one of Czechoslovakia's largest mining companies, has been purchased — for the sum of 300 million Czech crowns — by a business company representing almost exclusively the interests of the Živnovstenska Banka. The importance of this concern may be illustrated by the following figures: in 1937 it produced 4 mill. tons of brown coal, and the number of its employees was 7500.

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DECREASE OF COAL CONSUMPTION

It is officially reported that the amount of coal consumed in June this year was 1088 truckloads less than last year. The decline in the consumption of coke at the same time amounted to 180 truckloads. The amount of brown coal exported from Czecho-Slovakia during the same period was 1435 truckloads below the amount exported last year.

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REMARKABLE DECREASE IN EXPORT AND IMPORT OF RAW MATERIALS

The records recently published by the Statistical Bureau of Prague show that there was a marked decrease in almost every important branch of the export trade in raw materials, as the following figures prove: cotton fell from 52.526 to 35.834 tons, wool from 15.756 to 10.416 tons, silk from 2810 to 1663 tons, coal from 551.971 to 532.568 tons, petrol from 166.469 to 164.090 tons, pork from 78.426 to 47.322 picces. The only item in which there was an increase was oil seeds, from 65.886 to 70.926 tons. The various branches of export show the following figures: the exports of textiles fell from 1.151.107 to 1.005.574 million crowns cotton industry from 380.71 millions to 337.33 millions, wool industry from 276.42 mill. to 249.11 mill., glass industry from 288.04 to 262.68 million crowns.

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INTERNATIONAL SHOEMAKERS' CONGRESS DECLARES WAR ON BATA

On July 26—29-th the third international shoemakers' congress was held in Budapest. The congress, with M. François Dohmen in the chair, discussed mainly questions of vital interest to the trade. M. H. Fischli, Secretary General of the Swiss

Union, called the attention of the congress to the bitter competition being waged by the Bata concern against the whole trade which, he pointed out, could by no means be regarded as fair and which, he added, had been causing heavy losses to the trade in general. The chairman, M. Dohmen, declared that the reason why the Bata concern had not been invited to the congress was that the congress was attended by representatives of the trade from various countries, whereas the Bata concern was conducting a fierce campaign against the shoemaking concerns in many countries. The congress then approved the motion submitted by M. Cesare Bertoletti, leader of the Italian delegation, and decided to organize an international campaign against unfair competition; the delegates also decided to ask their respective home governments not to allow the Bata concern to settle in the country.

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HUNGARY

REMARKABLE IMPROVEMENT IN FINANCIAL SITUATION OF STATE RAILWAYS

The official records published by the Hungarian State Railways on June 26-th show that the total receipts of the Railways in 1936/37 amounted to 247,407.790 pengő. The total expenditure of the State Railways, including the lines controlled by them, amounted to 273.574.953 pengő; it appears, therefore, that the receipts in 1936/37 were 28.3 million pengő, (i. e. 12.9%) higher than in the previous year, while the total amount of expenditure shows an increase by 10.3 millions, (i. e. 3.93%.) The chief items of expenditure as follows: personal expenditures 73.389.813 P. (28.83%) material expenditure 2.67 millions, maintenance and operating costs 76.1 millions, renewal of stock and improvement costs 6.5 millions, sundry expenses 82.4 millions, service of loans and interest 32.5 millions pengős. The excess of expenditure amounts to 26.1 millions, that being a marked improvement in comparison to the excess of 44.1 millions in the previous year a difference of 17.9 millions. The motor road transport of the State Railways was carried on by 114 motor-coaches of their own and 28 other motor coaches, while the number of passengers conveyed by them was 1.717.136. The volume of goods transported was 23.172 millions tons. The number of kilometers covered amounted to 4.5 millions, to which the motor coaches contributed 338.189 kilometers.

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RUMANIA

ECONOMIC REORGANIZATION SCHEME

In his economic organ, the "Excelsior" (July 23.) M. I. Manoilescu-Strunga, former Rumanian cabinet Minister, reports that the Supreme Council for Economic Affairs has Already laid down those principles according to which Rumania's economic reorganization will have to be carried out. The memorandum is entitled: "General Instructions In re the Drafting of a Long-Term Economic Plan". Already in the early autumn a number of committees will probably be appointed to revise the entire economic and financial legislation of Rumania and to bring the most important laws in harmony with this new scheme of the Supreme Council for Economic Affairs. Among the laws which are to be thus revised will be the following: the Mining Act, the law concerning the Exploitation of Energy, the law concerning the Valuation of the State's Resources, the law concerning the Organization of Agriculture, the Roads Act, etc.

The fundamental principle of the new economic scheme is that the sound economic development of the State must be based upon a free government, in such a way, however, that liberty should not jeopardize the vital interests of the State. The protection of national industry, according to the scheme, is to be based upon the idea that Rumania is to be regarded as an exporter, not only of raw materials, but of industrial products as well.

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YUGOSLAVIA

THE LAND DEBTS

The "Chartered Agrarian Bank" has just published its final report concerning the agrarian debts taken over by the State and the payments hitherto effected. The data of the report are as follows:

Area	No. of Banks	Number of Debtors	Amount of Debt
Belgrade	3162	404.333	1.581.491.556
Zagreb	1025	144.860	562.361.772
Laibach	511	47.895	479.670.028
Sarajevo	709	167.822	373.191.356
Total:	5407	764.910	2.996.714.712

In payment of these debts the agrarian debtors had paid, until June 3, 1938, to the Chartered Agrarian Bank the amount of 181.312 dinars in capital instalments and interest. At the same time, the Chartered Agrarian Bank has issued to the other banks bills to the amount of 228.452.000 dinars and has paid out 114.415.000 dinars in cash. ("Jugoslavenski Lloyd", June 18.)

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INLAND LIABILITIES OF THE STATE

According to the report published by the Narodna Banka, the inland liabilities of the State at the end of the budget year, April 1, 1938, were as follows (in millions of dinars):

	debt on 1. 4. 1937	payment in 1937/38	debt on 1. 4. 1938
7 ⁰ / ₀ investment loan	475.3	2.8	472.5
4 ⁰ / ₀ land loan	111.5	2.4	109.1
2.5 ⁰ / ₀ reparation loan (Ratna steta)	4075.3	72.6	4002.7
6 ⁰ / ₀ "begluk" land loan	465.6	5.7	500.8
8 ⁰ / ₀ Dalmatian loan	168.6	1.6	253.7
4 ⁰ / ₀ Northern land loan	47.6	5.2	62.7
5 ⁰ / ₀ public works loan	282.0	19.0	588.0
3 ⁰ / ₀ land bills	—	8.5	203.8
Total:	5625.9	117.8	6193.3

It appears, therefore, that in spite of the payment of 117.8 million dinars, the liabilities of the Yugoslav State have increased by 685.2 millions. ("Jugoslavenski Lloyd", June 9.)

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NEW STATE-OWNED MINING COMPANY

At the end of June an ordinance was issued in Yugoslavia relating to the foundation of the "Yugoslav Steel Company Ltd." The new company will have a share capital of 600 million dinars, the State itself being the principal shareholder. The State will cooperate with the new concern through the State-owned mines at Zenica and the iron works at Ljubija, which are also owned by the State. The value of these works is estimated at 285 million dinars. The new company will, moreover, take over

the exploitation of the State-owned iron and coal mines at Vares; the ownership of the latter will also pass into, the hands of the company after the expiration of the contract with the present lescees. In return, the State will receive a lot of shares of a total value of 100 million dinars. The State Credit Bank will also take over a lot of shares of the value of 200 million dinars. In addition to this, the amalgamation of the new company with the Iron Industry Co. Ltd. of Zenica has also been taken into consideration. The ordinance defines the purpose of the new company as the explorations of ores their exploitation and manufacture. In addition to iron and ore production the company is intended also to produce all kinds of metal goods. For this purpose the company will be allowed to establish new branches or to cooperate with other companies,

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OSZK

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