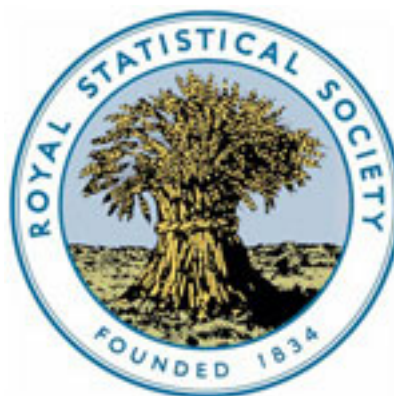


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Author(s): G. Diouritch

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MAY, 1919.

A SURVEY OF THE DEVELOPMENT OF THE SERBIAN
(SOUTHERN SLAV) NATION.

AN ECONOMIC AND STATISTICAL STUDY.

By G. DIOURITCH,
Assistant Professor of Political Economy, Belgrade University.

[Read before the Royal Statistical Society, March 18, 1919, the
President, the Right Hon. HERBERT SAMUEL, in the Chair.]

WE should like to give a brief survey of the economic development of the Serbian people, and to do this we must examine the development of the Serbian race, as a whole, and not confine our attention to the frontiers of the Serbian State. In fact, Serbia included within her frontiers but a small part of the Serbian race; nevertheless, she represented the ideal of free national development for the whole of the Serbian race. Her political frontiers depended, of course, on the possibility of the moment of carrying out her national aims, and as this was governed by the exigencies of the political situation, at different periods in her history Serbia had different frontiers—in 1830, in 1878, in 1913—and to-day they must be national frontiers determined by the whole Serbian race, which has at last achieved its unity.

To understand the full significance of the statistical documents herein quoted, and on which this study is based, the economic development of the Southern Slav race must be considered from the historical point of view.

The Southern Slavs settled in the centre and west of the Balkan Peninsula. On their arrival they were a cattle-raising population. The sparsely inhabited territories they occupied and the natural

riches of forest and pasture rendered any other form of economic life unnecessary for the time being. Foreign trade in cattle, and some animal products, were quite enough in those days to provide the very few economic commodities which the people needed and could not produce themselves.

Very soon, however, they turned their attention to agriculture, which sprang up at first in the most fertile territories, where quick results could be obtained with little labour, and gradually this pursuit assumed a greater importance in the occupation of the country.

The chief characteristic of Serbian history from the beginning of Serbian life in the Balkans up to the Middle Ages (fourteenth century) is the tendency towards the formation of independent States, with a distinctive character, all possessing one and the same national feeling. So far, therefore, national distinction is achieved in such a manner as to result in national unity, though politically the Serbs did not form one State until the beginning of the fourteenth century, when they realised, more or less, political unity. Unity of the intellectual life of the whole race was achieved to an even greater extent; we find the same language, the same customs and folk songs, and a highly developed Serbian literature.

The growth of these higher faculties necessitated also the development of the material life of the country, and trade developed. At first, this was internal only. The home market was supplied with products of home industry. But soon, in the different small Courts of the Serbian nobility, there arose the desire for foreign goods, which were brought from the East, especially from Byzantium. This is how Serbian trade with the East began. Naturally, for a time this was limited, because it had to supply the needs of a very limited class of society only. But with the development of national life, the real and more general foreign trade began. At the beginning *export* consisted of *cattle and wheat*, and *import* of *salt*, and a few manufactured articles for the Courts. But the need of the country, as a whole, for manufactured goods, grew very rapidly; as a result, export developed in proportion, especially that of *wheat*. A new feature asserted itself too in the development of the mining industry, which was the first Serbian industry to become of importance for foreign trade.

Even this stage, however, of economic development and varied export was surpassed by the Serbian race in the past. In the fourteenth century, the leading town, Dubrovnik, made an attempt to start factories and industries to replace foreign goods, and so successful was this attempt that very soon these products were competing in the Serbian market with those from abroad. Similar

attempts were made in other coast towns, and the whole economic trend of the country at this period indicates that its economic life was again undergoing transformation, and that the race had been carried another step forward in the national evolution of its economic organisation.

Therefore, if the Serbian race at this period is compared with any race in the West, we see that she could take her place among the most advanced races of these times. Economically, it is true, she was an agricultural State, but such was the case with every State in the West at this time, and as soon as mining and manufacture became general, they found great development in the Serbian countries also.

If the social economic organisation of the Serbs at that time is considered, we find that this too would bear very favourable comparison with that of the Western nations. The trade regulations of this period prove that every effort was made to protect and to encourage Serbian trade. In the time of the great Serbian ruler, Stephan Dushan, in the fourteenth century, many such regulations were framed. Much false money was then in circulation, and in the contemporary Serbian law we find laid down the manner in which money was to be minted. Trade by road received great attention, caravans were specially guarded, and in case of accident, the guards of the roads were held responsible (Dushan's *Code*, Article 159).

Regulations were also made to protect travellers staying at inns ; all their valuables and belongings could be entrusted to the innkeeper, who was personally responsible for their safekeeping. (Dushan's *Code*, Article 149.)

Laws were also made to favour Serbian export, and anyone putting difficulties in the way of a merchant from Ragusa to buy wheat from the Serbian peasant, or preventing a peasant from selling his wheat was liable to a fine of 500 perpers. (*Monumenta Serbica*, p. 119.)

From the foregoing it will be realised that Serbia possessed, in the Middle Ages, a highly developed economic and social organisation.

Unfortunately, it is not possible to quote from any statistical records of that period, but it will be interesting to quote from a description of the country as seen by a contemporary traveller. A French monk, Brochart, writing in 1332, says :—

“ This State (Serbia) is rich in wheat, in vines and cattle. The land is watered by many rivers and wells ; there are many forests and woods, rich plains and valleys, and everything that grows is of good quality.” Describing industrial conditions, he says : “ There are five gold and five silver mines, which are worked without ceasing, and there are other mines in different places.”

This satisfactory condition of the Serbian countries in the Middle Ages was a general result of the united social organisation of the Southern Slav race, and the lands which it occupies are economically so constituted as to form a complete entity for national development. We find large plains, like those of Srem, Batchka and Banat, those of Northern Serbia, of the Rivers Sava, Danube and Morava, and the plains of the Vardar, round Skoplje and Bitolj. On the other hand, we find the forests of Croatia, Bosnia and Serbia, and the mines of Macedonia, Serbia and Bosnia. All these productive territories were connected by national roads, *i.e.*, by roads which led through territories occupied by the same race, so that the different Serbian countries were connected for free economic intercourse. Further, these territories could also export their products by these roads, for they led to national ports on the Adriatic coast, also inhabited by that same Southern Slav race. Foreign trade was organised by these towns, of which Dubrovnik (Ragusa) was the chief, and she represented the commerce, banking, maritime and industrial activity of the whole of the Serbian lands. The trade of these Adriatic towns was widespread, stretching as far as trade could, in the Middle Ages. It was, of course, most active in the Mediterranean Sea and was conducted by a national Serbian merchant fleet. Travellers in the Mediterranean, in the Middle Ages, stated that Dubrovnik alone possessed more than 100 large merchant vessels with over 5,000 sailors.

All these conditions of the free economic life of the Serbian race in the past, explain why at that time the race attained such a high standard and why it was ambitious for a still higher economic organisation. If this social and economic state of affairs could have been continued in harmony for all the Serbian race, we should have seen the growth of a prosperous State, based on the *united* development of the whole Southern Slav race.

But, unfortunately, as it is known, this was not to be the destiny of the Serbian race. The growth of the nation was arrested by foreign invasion and domination, and the national economic organisation destroyed by foreign occupation has never been restored since. In the fifteenth century one Serbian State after another disappeared, and in the nineteenth century the economic conditions and organisation of the Southern Slav countries will no longer bear comparison with those of Western Europe.

In modern times, we find the Southern Slavs living under three different régimes, none of which was conducive to a full economic and social development of the Serbian nation, and each presenting some special peculiarity. So that to-day, when the Southern Slavs are united in one national state, we have still, in order to explain

their stage of development, to study their economic organisation, divided under these three different régimes.

At the beginning of the nineteenth century the whole of the Southern Slav lands were under the domination of Austria and Turkey. The population under Turkish rule was continually at war against a system of oppression, and this régime created such a condition of insecurity, and the agrarian system was such, that any economic development was impossible.

The Southern Slav race living in Austria-Hungary could, to a certain extent, develop individually as regards its economic organisation, but nationally, such development was impossible. This created a special state of affairs, so that the position of the Southern Slavs under Austria-Hungary has to be considered separately.

One part of the Serbian nation under Turkish domination succeeded, after a fight of life and death, in liberating itself, and formed an independent state in 1830, which is known as Serbia, and which acquired its full independence in 1878.

We shall, therefore, consider the economic development of the Serbs in Serbia first: this will allow of a full study as the statistical documents of Serbia are the most complete of any of the Southern Slav countries.

After that, we shall present the economic conditions in the new provinces liberated from Turkey in 1912, and, lastly, explain the position of the Southern Slavs who had to live under Austro-Hungarian domination.

Economic Conditions of Serbia.

Population.—In 1834, when the first official statistics with regard to the new Serbian territory were compiled, the population amounted to 678,192, inhabiting an area of 37,840·9 sq. kilometres. The density of the population was, therefore, 17·9 per sq. kilometre.

From 1834 to 1874, the growth of the Serbian population was as follows :—

Year.	Total number of population.	Number per square kilometre.	Year.	Total number of population.	Number per square kilometre.
1834	678,192	17·9	1859	1,078,281	28·5
1840	828,895	21·9	1863	1,108,668	29·3
1846	915,080	24·2	1866	1,216,348	32·1
1850	956,893	25·3	1874	1,353,890	35·8
1854	998,919	26·4			

In 1878, Serbia acquired, after the two Turkish wars, together with definite and full independence, frontiers which she kept until 1913, and the growth of the population was as follows :—

Year.	Town population.			Country population.			Town and country.		
	Male.	Female.	Total.	Male.	Female.	Total.	Male.	Female.	Total.
1880	107,094	89,922	197,016	755,134	772,164	1,527,298	862,228	862,086	1,724,314
1885	132,941	111,376	244,317	865,705	836,332	1,702,037	998,646	947,708	1,946,354
1890	161,153	125,313	286,466	948,732	926,763	1,875,495	1,109,885	1,052,076	2,161,961
1895	178,589	140,786	319,375	1,008,005	985,104	1,993,109	1,186,594	1,125,890	2,312,484
1900	200,285	150,730	351,015	1,080,993	1,060,874	2,141,867	1,281,278	1,211,604	2,492,882
1905	222,870	181,914	404,784	1,159,448	1,123,793	2,283,241	1,382,318	1,305,707	2,688,025
1908	194,379	156,303	350,682	1,258,737	1,211,596	2,470,333	1,453,116	1,367,899	2,821,015

As Serbia has embraced within her frontiers since 1878, 48,302 sq. kilometres, the density of her population was :—

Year.	Number of inhabitants per square kilometre.	Year.	Number of inhabitants per square kilometre.
1884	39·4	1895	47·9
1890	44·7	1900	51·6

From these figures we realise that the Serbian population has shown a steady increase, notwithstanding the fact that this population had to live under very hard conditions and with very primitive sanitary arrangements, which have had to be improvised entirely since the liberation of Serbia, as, under Turkey, they were non-existent.

The rate of *mortality* among the Serbian population was, and is, still very high.

The following table shows the percentage of mortality :—

Between the ages of	1895.	1900.	1908.
0—1 year	14·54	13·56	14·23
2—19 years	2·28	1·59	1·71
20—39 „	1·24	1·16	1·34
40—59 „	1·85	2·13	2·28
60 and over	4·76	6·69	10·98

The high death rate among infants is specially noticeable, and this does not show any tendency to decrease.

The following statistics show the occupation of the population. Of 100 families, the following were the numbers engaged in various occupations, trades and professions :—

	1900.	1905.		1900.	1905.
Government officials....	2·33	2·8	Labourers	1·82	1·84
Merchants	2·07	2·22	Different professions....	2·05	1·85
Artisans	4·40	4·64	Agriculturalists	87·33	87·37

From this it will be seen that the bulk of the Serbian population is agricultural, and this occupation even shows a slight tendency to increase. It will be necessary, therefore, to devote the chief part of our study on the Economic Life of Serbia to the agricultural activity of her population.

Agriculture.—At the moment of the Serbian liberation from Turkey, Serbian agriculture was in a most primitive condition and the position of the peasant towards the Turkish owner of the land was most hard and unjust. In fact, after the disappearance of Serbian independent States and the Turkish occupation of the Serbian lands, the peasants became the slaves of the Turkish owners. The Serbian nobility disappeared and the land was divided between the Turkish soldiers and officials. The peasant had no interest in the development of agriculture, for such development would not benefit him but the Turkish landlord. This state of affairs was so intolerable that it was certainly one of the chief causes of the Serbian Insurrection of 1804, which led to the liberation of Serbia. After the Constitution of the Serbian State in 1830 one of the first acts of the new Government was to settle the position of the peasants towards the land which they cultivated, and in 1833 all the Serbian peasants established on land belonging to Turkish owners became proprietors of this land. The same idea was adopted after 1878 when Serbia succeeded in obtaining another portion of Serbian territory ruled by Turkey. The Turkish owners were paid by the Serbian Government for their rights over the land and the Serbian peasants became the owners of their holdings. (This was decreed by a law passed in 1880.) This is the chief reason why in Serbia almost everyone is a proprietor, and why Serbia is a country of small holdings. In 1900 there were 401,093 families in Serbia, and 91·59 per cent. of these were proprietors.

The following figures show the division of property :—

	Number of properties.	Percentage of total number of properties.
Under 3 hectares*	98,253	33·490
From 3 to 5 hectares	62,622	21·160
„ 5 to 10 „	80,822	27·55
„ 10 to 20 „	40,782	13·92
„ 20 to 60 „	10,962	3·20
„ 60 to 100 „	397	0·130
„ 100 to 300 „	83	0·014
Over 300 hectares	3	0·001

* 1 hectare = 2·471 acres.

This division of the land in small holdings has its advantages if it is not carried to excess. Agricultural methods in Serbia are still relatively primitive and unintensive and the small holdings very often do not yield an income large enough to maintain a family. Such families with small holdings do not possess enough capital to

buy cattle and agricultural implements and a great help in this direction was afforded by the organisation of Agricultural Co-operative Societies. These were started in 1895 and proved a great success.

In 1909 there were 900, with 35,000 members.

In 1913, 1,200 with 40,000 members; 615 of these societies are for credit and 205 for the purchase of cattle and agricultural implements.

Although Serbian agricultural methods are still primitive and unintensive, the progress shown since the independence of Serbia is very great. This is proved by the steady increase in the area of the cultivated land and also in the growing agricultural output of the country. The first official statistics dealing with the cultivation of the soil and agricultural output were collected in 1847 and again in 1867. A comparison shows a distinct increase in the area cultivated and in the agricultural output during this period :—

Land Under Cultivation.

	Year 1847.		Year 1867.	
	In arpents.*	In acres.	In arpents.	In acres.
Maize	421,543	384,657·99	445,820	406,810·75
Wheat	183,632	167,564·20	248,936	227,154·10
Barley	54,562	49,787·82	58,715	53,577·44
Oats	42,901	39,147·16	50,617	46,188·01
Rye	22,638	20,657·17	30,470	27,803·87
Total area of land under cereal culture	761,734	695,082·28	861,070	785,726·38

* One arpent of arable land = 0·365 hectares.

„ „ vineyard = 0·058 „

„ „ grass land = 0·218 „

The harvest during these years amounted to :—

	1847.	1867.		1847.	1867.
	Tons.	Tons.		Tons.	Tons.
Maize	159,988	169,413	Oats	10,327	12,309
Wheat	70,272	95,548	Rye	6,349	8,661
Barley	11,254	16,981			

The progress in cultivation is even more noticeable if a comparison is made with the latest statistics :—

Land Under Cultivation.

	1897. In hectares.	Percentage of total area.	1905. In hectares.	Percentage of total area.
Gardens	14,922·17	0·59	25,815·25	1·29
Ploughed land	972,450·31	38·47	1,027,815·71	50·00
Vineyards	68,330·28	2·70	33,101·48	1·60
Orchards	97,971·14	3·88	136,939·51	6·66
Grazing land	652,269·96	25·80	418,391·87	20·35
Forests	481,213·95	19·04	293,011·75	14·80
Commons and uncultivated land.	240,730·17	9·52	110,101·26	5·33

The conclusion to be drawn from these figures is, that the area of cultivated—especially ploughed—land has much increased and this to the detriment of the commons, grass land and forests.

Agriculture, therefore, has made noticeable progress. The only set-back has been the reduction in the number of vineyards. The country was formerly famous for its vines, but the phylloxera has not yet been overcome and the new plants, though important, have not succeeded in making up for the destruction of the old.

If arable land is considered we find the following figures :—

	1906.	1908.
	In hectares.	In hectares.
Cereals	645,898·71	640,202·02
Maize	548,155·86	566,407·20
Meadows	325,644·16	324,143·78
Orchards	132,085·14	143,474·36
Vines	34,803·87	40,474·23
Potatoes	29,053·58	26,805·27
Industrial plants (tobacco, poppies, etc.).	15,973·91	17,920·40
Vegetables	9,121·06	10,116·21

The harvest during these two years and that between was :—

	1906.	1907.	1908.
	Tons.	Tons.	Tons.
Maize....	705,790·9	449,374·7	533,691·5
Cereals	576,083·9	366,457·5	457,734·8
Hay and clover	556,545·3	307,027·1	226,858·5
Straw	543,857·2	338,560·2	777,728·9
Plums	344,380·2	288,275·0	530,061·8
Potatoes	113,954·7	58,990·5	54,946·4
Various fruits	104,152·3	107,666·8	97,057·0
Vegetables	67,317·8	29,185·7	30,229·7
Grapes	57,440·7	53,609·3	85,570·0
Industrial plants	22,424·3	43,606·2	42,132·0

Cattle Raising.—In addition to agriculture, Serbia has always been a cattle-raising country. We know that in the Middle Ages

the cattle of Serbia were considered to be the best of all the Balkan States. During the Turkish occupation this industry, with all others, was ruined, but with the liberation of Serbia it was re-started and the progress, on the whole, has been very great, although at one period the number of cattle shows a slight decrease.

The first statistics dealing with cattle are those of 1846 and are as follows :—

	1846.	1859.	1866.
Horned cattle	672,738	802,692	741,425
Bulls and bullocks	280,334	334,349	307,516
Horses	—	—	18,680

The latest statistics dealing with live stock in Serbia are as follows :—

	1890.	1895.	1900.	1905.
Sheep	2,963,904	3,094,206	3,061,759	3,160,166
Pigs	908,603	904,446	959,580	908,580
Cattle	819,251	915,428	956,661	962,503
Goats.....	509,738	525,991	432,067	510,063
Horses	163,391	169,928	184,849	174,363
Oxen	8,494	7,471	6,929	7,450
Donkeys	1,463	1,645	1,762	1,247
Mules.....	125	133	178	737
Total	5,374,969	5,619,248	5,603,785	5,724,639

A comparison of the above totals shows an increase and they are more suggestive if compared with the first available statistics. Then the development appears really important. It is also noteworthy that sheep, pigs and cattle are the prevailing live-stock found in Serbia.

Industries.—From our examination of the occupations of the Serbian population we know that almost all are occupied in agriculture. Serbian industries have lately developed to some extent, but we shall see that a full development of the economic life in Serbia was impossible.

At present the most important industries are of a domestic character, first started to utilise the abundant natural products of the country and to supply the needs of the peasant family. Some, however, have developed to such an extent that they now supply the rest of the community and deserve mention as industries proper. The most important are : making of brandy, cheese, carpets, earthenware and woodwork ; drying of plums for prunes and flax spinning.

Modern Serbian industries in the same way utilise the raw products of the country and largely supply the home market. The chief are : flour milling, beer and jam making, and the making of pottery.

At first most of the *flour mills* were driven by water, but since 1880 steam has been used and in 1890 Serbia possessed 102 steam mills with a capital of 3 million francs. In 1905 this number had increased to 244 with a capital of 10 million francs. In 1890 there were 11 *breweries*, with an invested capital of over 2·3 million francs, increased in 1909 to 4·5 million. Up to the present *jam making* has not been conducted through large factories ; only one such existed and jam was made in a primitive manner and in small proportions by local merchants. The *textile industry* has a great future and before the war there were three establishments of modern importance. There are many *saw mills* in Serbia, 14 being established on a large scale.

The chief development, in the future, of Serbian industry lies undoubtedly in the utilisation of the raw material which is available in Serbia, not only in the agricultural products and fruit, but in the forests and mines.

Forests.—To-day, Serbia possesses over 1½ million hectares (3,750,000 acres) of forest, one-third of her total area. Of this, over two-thirds is State and communal property, only 300,000 hectares (750,000 acres) being private property.

The chief varieties of trees are : *Beech* (300,000 hectares) ; *Oak* (137,000 hectares) ; and *Pine*, with other coniferous varieties (82,000 hectares).

The most important forests belonging to the State are :—

	Hectares.	Acres.
Homolye	120,000	300,000
Miroch and Deli-Jovan	27,000	67,500
Rudnik	17,000	42,500
Malyen	20,000	50,000
Baranya	15,000	37,500
Tara	25,000	62,500
Gotch	20,000	50,000
Yastrebatz	30,000	75,000
Toplitza	30,000	75,000
Kukavitza	25,000	62,500

Mines.—Serbia has large mining resources. Traces of *débris*, shafts, coins and tools show that the mines were worked in Roman times. We have explained how this mining industry developed when Serbia had a national economic organisation in the Middle Ages. With the Turkish domination the mining industry dis-

appeared. But as soon as Serbia was liberated she began to take a renewed interest in mining, and the Serbian Government, when the Serbian State was in process of organisation, took a prominent interest in the mines and their exploitation. But the lack of capital and means of transport handicapped the development of mining. Consequently this industry is now in its first stages in Serbia and the most important work still remains to be done. Up to the present the most satisfactory results have been achieved in the mining of *copper, gold and coal*.

We give in the table on the next page the statistics showing the amount of ores exported between 1904 and 1908, but these figures ought not to lead to any wrong opinion as to the possibilities of the still unworked mining resources of Serbia. Since these statistics were compiled, one copper mine alone has exceeded the results of the copper mines here shown, and in 1910 the export of ore from this mine amounted to over 8 million francs worth.

Foreign Trade.—All we have stated up to now about the development of the economic conditions and organisation of Serbia, and the chief occupations of the Serbian population will be proved by a study of Serbia's foreign trade. Of course, when Serbia first obtained an independent existence, this trade was extremely limited. It was merely a kind of local trade within the frontier, and consisted chiefly of the export of pigs. Food, especially wheat, was imported. This was quite natural at a time when agriculture was still little developed. But things changed quickly and Serbia has exported in increasing quantities, agricultural raw products, cereals, live stock, pigs, cattle and fruit, and has, at the same time, imported increasing quantities of manufactured articles.

From the following figures we shall see, (1) the gradual development of Serbian trade, (2) the goods imported and exported, (3) the increase in the import and export trade, and finally the different countries with which Serbia dealt.

(1) Figures showing amount of Serbia's foreign trade (in francs):—

Year.	Import.	Export.	Percentage of total foreign trade.	
			Import.	Export.
	Francs.	Francs.	Per cent.	Per cent.
1869	26,659,546	33,863,709	44·05	55·95
1870	27,937,238	30,595,420	47·73	52·27
1875	31,219,243	35,014,874	47·13	52·87
1880	46,095,614	35,212,269	56·69	43·31
1911	115,425,600	116,916,000	47·62	52·38

Export of Ores, in metric tons.

	1904.	1905.	1906.	1907.	1908.
Coal and lignite ...	2,631,810.00	184,401.00	2,375,067.00	268,315.00	296,125.00
Gold (in kilogrammes) ...	89.450	87.043	139.747	149.00	191.00
Silver (in kilogrammes) ...	43.487	9.579	3.295	35.00	823.00
Black copper ...	1,641.30	35,088.00	7,613.00	1,764.00	2,198.00
Copper ore ...	500.00	—	—	—	—
Lead ...	245.40	42,153.00	213.00	52.00	1,552.00
Ores of lead and zinc ...	—	—	102.00	40.00	274.00
Antimony ...	4,725.00	83,709.00	3,200.00	179.00	261.00
Pyrites ...	—	—	—	—	32,726.00
Cement ...	52,500.00	6,000.00	92,357.00	7,044.00	11,074.00

(2) Figures showing value of goods imported into and exported from Serbia (in francs) in 1911 :—

	Imports.	Exports.
	Francs.	Francs.
Textile goods	31,326,000	2,143,000
Agricultural products (raw and pre-served)	20,062,000	64,788,000
Metals and hardware	19,461,000	9,657,000
Machinery and electrical apparatus	11,861,000	28,000
Live stock and animal products	10,445,000	38,130,000
Drugs and dyes	7,573,000	288,000
Ore, coal and mineral products....	6,936,000	718,000
Hides, leather, pelts	4,140,000	37,000
Timber	2,262,000	858,000
Paper and papier-mâché goods	2,210,000	9,000
Furniture	1,671,000	66,000
Glassware	1,520,000	—
Pottery	1,303,000	109,000
Watches, small-arms and toys	1,138,000	—
Fatty products	879,000	18,000
Jewellery and precious stones	843,000	—
Scientific apparatus and art goods	489,000	—
Rubber, gutta-percha	435,000	1,000
Stone, asphalt, plaster, cement	315,000	43,000
Books and pictures	302,000	19,000
Brushes, brooms, &c.	84,000	4,000
Wicker-work goods	79,000	1,000

(3) Different countries from which Serbia imported goods and into which she exported from 1900 to 1911 ; figures showing value in francs. (See next page.)

If the productive economic capacity of Serbia is considered from these statistics, we see that the bulk of the Serbian exports consists of agricultural products and cattle, and the capacity of the production of these articles has constantly risen, notwithstanding the fact that foreign trade in these goods was always hampered, and sometimes completely prevented, as we shall see.

As regards agricultural production, the first place is certainly taken by the cultivation of *maize*, which is the staple food of the population and of the large quantities of pigs and cattle. Maize is grown to such an extent that not only is this great home consumption satisfied, but, in 1910, maize was exported to the value of over 21·4 million francs.

The cultivation of *wheat* takes second place, but is also very important. The consumption of wheat is less than that of maize, and in 1909 the export valued over 29 million francs.

In our general statistics we have included *fruit export* in the agricultural products. It would be interesting perhaps to note that

	1900.		1904.		1908.		1911.	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
Austria-Hungary	In francs. 25,528,875	In francs. 56,584,701	In francs. 36,583,709	In francs. 55,351,237	In francs. 32,151,945	In francs. 21,501,402	In francs. 47,448,000	In francs. 48,433,000
Germany	15,015,743	3,912,958	8,054,981	2,606,517	21,361,347	14,018,977	31,347,000	28,933,000
England	3,773,603	—	5,002,120	2,500	8,803,350	498,717	9,524,000	87,000
France	3,522,808	369,160	974,586	22,020	1,563,053	3,042,724	5,746,000	3,814,000
Turkey	1,239,281	1,456,493	1,965,236	1,707,200	3,146,543	10,968,164	3,884,000	11,984,000
America	1,119,002	—	745,274	1,000	473,970	1,985,600	2,136,000	3,609,000
Roumania	944,227	3,063,592	1,254,540	843,165	734,435	3,004,100	1,539,000	6,141,000
Italy	766,452	—	877,042	137,976	2,271,714	3,490,054	4,861,000	4,394,000
Greece	430,647	—	386,740	5,500	314,642	224,161	325,000	110,000
Holland	404,189	18,662	221,226	—	349,515	—	509,000	7,000
Belgium	356,572	68,735	560,893	230,107	1,601,576	16,133,792	2,081,000	6,142,000
Switzerland	351,303	114,608	907,666	—	1,336,701	90,709	1,553,000	258,000
Bulgaria	278,808	629,049	2,103,361	1,012,639	294,096	1,860,028	697,000	2,802,000
Russia	197,342	80,502	1,072,473	45,412	1,010,995	23,540	3,392,000	53,000
Bosnia and Herzegovina	40,888	223,499	56,281	190,803	119,786	65,232	220,000	112,000
Montenegro	27,488	—	60,278	—	46,399	9,406	69,000	3,000
Other countries	—	—	—	—	55,350	832,472	152,000	2,000

fruit growing is extremely important and that great results could be achieved in this direction. At present the most extensively cultivated fruit is the plum, which has achieved quite a famous reputation, but which is often known abroad as the German plum, because its export is effected through German intermediaries. The export of prunes was as follows :—

		Tons.	Value in francs.
1906	....	48,270	12,067,520
1907	....	42,648	15,743,616
1908	....	49,042	10,350,721
1910	....	23,901	10,488,043

and the export of plum jam :—

		Tons.	Value in francs.
1906	....	12,439	3,175,087
1907	....	13,306	4,257,932
1908	....	14,898	3,251,093

In addition to these figures a certain quantity of plums were also exported in 1910, valuing about one million francs.

The export of other fruit besides plums, was :—

		Tons.	Value in francs.
1905	....	44,440	2,169,000
1906	....	15,500	1,095,100
1907	....	30,450	2,492,900
1908	....	17,310	1,480,400
1909	....	—	2,288,300
1910	....	—	2,740,000

The second item of importance in Serbian export after food stuffs is that of *live-stock* and *meat*. The growth in the quantity exported shows the progress made in cattle raising ; but to be able to judge this from the official statistics, it should be known that among the many difficulties which Serbian trade had to overcome, special difficulties lay in the way of the export of cattle and meat which was many times completely prohibited.

The export of cattle and pigs was the first item in the foreign trade when Serbia gained her independence. And until 1905, this export was almost completely directed into Austria. Since that date

the tariff war between Austria-Hungary and Serbia began, and the export was directed to Turkey, Egypt and Italy.

Export of cattle estimated in heads :—

To	1905.	1907.	1909.	1910.
Austria-Hungary	71,937	—	—	—
Bulgaria	89	853	665	185
Turkey	89	4,031	22,154	36,161
Egypt	—	3,344	5,809	—
Italy	—	2,842	6,396	—
France	—	2,100	—	—
Greece	—	—	665	—

The export of pigs estimated in heads, was :—

To	1905.	1907.	1909.	1910.
Austria-Hungary	121,930	—	—	—
Bulgaria	132	—	9,929	3,352
Egypt	—	—	4,799	—
Turkey	140	1,987	8,718	4,720
Italy	—	7,227	1,415	275
Greece	—	—	154	—
Rumania	—	635	—	5,285

As the export of live-stock was greatly handicapped by the Austro-Hungarian policy of handicapping Serbia's trade, slaughter-houses have been established in Serbia, and their activity has been chiefly devoted to prepare meat for export. Serbia had five establishments of this kind where about 50 to 60 thousand head of cattle and about 150 to 180 thousand pigs were slaughtered every year. The chief establishment, which is in Belgrade, exported :—

Killed meat :—	Head.	Tons.
1911	22,018	= 9,082.111
1912	23,170	= 9,556.294
1913	10,849	= 5,325.690
Pork :—		
1911	68,047	= 9,751.277
1912	89,044	= 11,426.760
1913	100,776	= 12,913.465

The rest of the Serbian export consists chiefly of raw products, of which hides, timber and ore should be mentioned, but which cannot be studied in such a short survey.

This economic progress was achieved in such a short time in spite of the fact that Serbia had to create the whole of her economic

existence. In fact, when she was liberated in 1830 she had no economic organisation or production.

Means of communication.—The first attention of the Serbian State was given early in its existence to the construction of some dams on the river Save and the construction of roads. For a long time the only communications were by road. And these consisted chiefly of surface tracks, and were rarely paved with stone, except in the case of one or two of the chief thoroughfares. Until 1884, Serbia had no railways.

The situation to-day, as regards means of communication, is this :—

Serbia has succeeded in building in macadam her most important roads and establishing the necessary bridges and viaducts. It is estimated that Serbia has spent about 100 million francs in constructing these chief roads of communication, and she had about 15 thousand kilometres of roads, including those of local interest.

Railways.—The first Serbian railway was constructed between Belgrade and Nish in 1884. According to the statistics of 1908, Serbia had 625·3 kilometres of State railways.

(In New Serbia there are about 400 kilometres, and if all the additional constructions since 1908 and local and private lines are taken into consideration, the full length of the Serbian railways would be about 1,700 kilometres.)

The rolling-stock at the same date consisted of 78 engines and 2,558 railway wagons.

River communication.—Transport by rivers (on the Save and Danube) is performed by a Serbian Navigation Company. In 1908, the figures relating to this were as follows :—

The Company disposed of—

8 ships.

46 barges.

2 boats for transporting wood.

15 rafts.

By these means—

306,580 persons ;

159,775·8 tons of goods ; and

66,870 logs were transported.

The figures showing the development of the postal service are as follows :—

In 1898	Serbia had	119	post offices.
„ 1901	„	120	„
„ 1904	„	1,241	„
„ 1907	„	1,450	„
„ 1908	„	1,493	„

As regards telegraphic service, the following figures show (in kilometres) the length of the telephonic and telegraphic distances :—

		1905.	1908.
Telegraph	....	3,281·6	3,439·3
Telephone	....	1,446·2	2,126·0

Currency and Banking.—At the moment of Serbia's liberation her monetary condition was the same as that of Turkey, which was extremely unsatisfactory. Over forty different varieties of coin were in circulation in Serbia, chief of which were Austrian and Turkish. One of the first duties of the Serbian authorities was to adopt the Turkish piastre as the legal standard of coinage, and to fix the rate of exchange of all money circulating in the country to the piastre. This rate of exchange, however, could not remain stable owing to the diminishing value of the Turkish piastre, and as soon as 1833 the Serbian Authorities were obliged to lower the exchange rate of the piastre to half its nominal value, so that a new idealistic unit was created, the Government tax grosche, the value of which corresponded to the 10 kreutzer piece, or, 200 tax grosches were equivalent to 421 ordinary Turkish grosches. To overcome this unsatisfactory state of affairs, the Government began to coin national money, according to laws passed in 1868 and 1869. In 1878 the monetary question was definitely solved by the adoption of a national currency, and by the adoption also of the system of the Latin monetary union, with one difference only : the Serbian unit was a *gold dinar*. In practice, however, the dinar was of silver, which was always liable to a gold premium in the exchange for gold.

For instance, the exchange of the French sovereign for Serbian dinars in 1908 was as follows :—

January.	March.	May.	July.	September.	November.
20·22	20·31	20·22	20·06	20·04	20·46

This indicates clearly the instability of the Serbian currency, which was of great disadvantage to trade.

Nevertheless, during the last ten years before the war, a growing stability was noticeable, and the gold premium constantly decreased.

(In 1903 it amounted to 4·6 per cent.; in 1904, 3·5 per cent.; in 1905, 2 per cent.; in 1906, 1·3 per cent.; in 1907, 1 per cent.)

Just before the war of 1912, the Serbian Government had contemplated transforming the unit from silver to gold. This was quite possible then, because the gold reserve of the National Bank, the note-issuing Bank of Serbia, was quite adequate for such a change. (After the Balkan wars, the paper circulation in Serbia amounted to about 100,000,000 dinars, and the gold reserve to about 60,000,000 francs).

In 1912 there was in circulation in Serbia

15·6 millions of silver money.
3·6 „ „ nickel „

which was increased during the Balkan war by

10 millions of silver money, and
2·4 „ „ nickel „

The notes issued by the Serbian National Bank before the recent war amounted in value to 100,000,000 dinars.

The first Serbian bank was created in 1869, after which progress was for a time slow, owing to the inexperience and the misfortune of the first banking institution. But during the last few years especially great development has taken place. Before the war of 1912, Serbia possessed 177 banking and credit organisations. Some of these were very limited in importance, and strictly speaking did not deserve the name of banks, but nevertheless they helped the banks proper to organise credit and to direct the available capital in the country into productive channels. The discount of bills forms the chief active business of the Serbian banks, and deposit the chief passive business. Of these 177 banks only 5 are created with foreign capital, in which French, Austrian and German capital finds a place. Up to the present, English capital has not been represented in Serbian banks.

In 1908, the position of the chief Belgrade banks was as follows :—

Figures given in dinars.

Name of bank.	Paid in capital.	Deposits.	Total value of bills discounted.	Total turnover.	Net profit.
Serbian National Bank	7,500,000	—	54,275,480	214,996,056	643,098
Banque d'Exportation	2,500,000	296,744	1,572,682	26,534,153	125,856
Banque de Crédit Serbe	1,200,000	434,779	1,918,893	125,371,675	150,784
Association de Belgrade	1,000,000	1,688,461	29,111,495	38,161,277	259,664
Banque Commerciale de Belgrade	1,000,000	1,043,942	14,625,401	117,396,111	191,515
Etablissement de Crédit de Belgrade	906,000	678,756	16,412,740	22,403,588	91,224
Banque de Crédit des Artisans	941,557	140,658	3,633,454	10,190,408	38,489
Banque d'Echange	800,000	1,544,168	22,033,579	48,456,118	143,507
Association des Employés	700,000	121,706	598,348	729,169	54,628
Banque Central Serbe	500,000	40,391	4,617,855	9,228,532	36,860
Association de Vračar	500,000	1,965,982	8,140,924	24,898,881	65,000

Public expenditure and revenue.—This rapid economic development and organisation of Serbia is also visible from the statistics showing the increase in the Serbian public expenditure and public revenue. At the time of the formation of the Serbian State, the Budget was very small, public revenue was limited and was not even distinct from the private income of the Serbian Prince. But as the State organisation developed, expenses increased and the public revenue had to be increased too. The whole of the economic organisation which we have reviewed had to be created in less than 80 years, and it is rather remarkable that a primitive and poor peasant country, such as Serbia was in 1830, could achieve this. There was no capital to draw upon, and the whole public expenditure could be covered only by the annual surplus created by the productive capacity of the people. If the growth of public revenue and expenditure is considered, we find the following figures (in francs) :—

Years.	Public revenue.	Public expenditure.	Years.	Public revenue.	Public expenditure.
1882-83...	34,480,000	34,369,919	1900	77,789,648	76,269,245
1885-86....	46,000,000	45,968,639	1905	88,046,000	87,632,278
1890	47,296,864	46,196,864	1908	95,239,037	95,091,251
1895	63,755,600	63,623,868			

Although the public revenue increased with the economic capacity of the country, it was nevertheless impossible to meet all the expenses incidental to State organisation thereby. That is why, early in her independent life, Serbia had to have recourse to public

loans which were all contracted abroad. The first of these loans were contracted in 1876 and 1881. The Serbian national debt in 1915 amounted to 897·5 million francs. The Serbian loans were placed abroad as follows:—

France	....	....	....	To amount of	762·2	million francs.
Germany	....	....	....	„	148	„
Austria-Hungary	....	....	....	„	43	„

The amortisation of the Serbian public debt was assured by setting aside various public taxes specially for that purpose. In 1913 the annual amortisation was 32·8 million francs and the amount of taxes collected for the purpose exceeded this sum by over 21 million francs.

The result of this examination of the economic development of Serbia convinces us that though the achievement in this direction was relatively very great, it is not what it should be if the economic possibilities of the Serbian race are taken into consideration.

There was also another part of the Serbian nation which lived in an independent State, viz., in Montenegro. The economic conditions of Montenegro are practically the same as those of the southern and mountainous parts of Serbia, and what has been said as to the impossibility of full national economic development in Serbia, applies even more to Montenegro. In fact, this State does not possess enough natural resources to start an independent economic existence. This is best proved by the fact that in 1910, Montenegro's foreign trade deficit amounted to 5·8 million francs. Export amounted to 2·4 million francs and import to 8·2 million, of which 4·5 million (56 per cent. of the total) came from Austria-Hungary.

In 1912, Montenegro had an area of 9,080 square miles with a population of 285,000, which was increased in 1913 to 15,087, with a total population of 435,000. The population is occupied in *cattle raising* and *agriculture* and the total land under cultivation, in the old provinces, was 78,000 hectares. The same products are grown as in Serbia.

Economic conditions in the Serbian territories liberated in 1912.

The best method of showing how important was the economic development of the population living in independent Serbia is by comparing it with the economic conditions of the Serbian population under Turkey.

Population.—The area of the newly-liberated territories is estimated at 43,000 to 44,000 sq. kilometres, and the population of these territories was estimated at 1,500,000. It is, unfortunately, impossible to give particulars showing the development of this

population, as the statistics for this territory, as long as it was under Turkish denomination, are not available. The same reserve must be observed with the figures given below. They will be found to be incomplete, and most of them are estimates made by the Serbian authorities since the liberation of these territories.

The chief characteristic of the population is its scantiness, compared to the extent of territory, as many of the people emigrated to escape from the Turkish rule, first to Serbia, and then to America. The occupation of the population is almost exclusively agricultural, even much more so than in Serbia, because here commerce and trade are very often in the hands of people who are not Serbian. The economic conditions of this population are very primitive, as their chief occupation, agriculture, is carried out in a very primitive manner.

Agriculture.—The principal reason for these primitive agricultural methods is the condition under which the land is cultivated by the peasants. The very small holdings belong generally to the Serbian population, but they do not yield enough profit inasmuch as in these territories agricultural products are cheap and difficult to export.

Often this class of people, possessing small holdings, would remain at home long enough to cultivate them, and the rest of the year migrate and carry on a certain amount of trade. Large properties were, as a rule, owned by Turkish landlords who were called "begs." These properties were generally cultivated by Serbian peasants, who were their tenants. The relations between the Turkish owners of the land and the Serbian tenants changed, in time, so that different conditions exist to-day. The most usual terms of tenancy are that the peasant receives lodging, one team of cattle, and seed. His duty is to cultivate the ground, and from the harvest the owner takes one-tenth for taxes, the amount of the seed advanced, and the remainder is divided between the owner and the peasant tenant. This system resulted in the fact that agricultural methods in the newly-liberated territory are very primitive. The land is ploughed by a wooden plough, and on this account and the miserable condition of the poor cattle, the ploughing is but superficial.

As a result of the scarcity of the population, and the conditions above mentioned, the land in this new territory is very little cultivated. It has been estimated that before 1912, about 8 per cent. of the soil of Turkey in Europe was under cultivation, and that not more than 5 per cent. of the soil now belonging to Serbia was cultivated. But the land is rich and fertile, and 50 per cent. of it is

certainly suitable for agriculture, which shows the future possibilities. It ought to be mentioned that it is from these provinces that the wheat came which had a great reputation in mediæval Serbia as an article of export. The figures dealing with agriculture in these territories, at present available, are as follows :—

Land under cultivation (in hectares).

	Department of Kosovo.	Department of Monastir.
	hectares.	hectares.
Cereals	319,481	185,484
Vines	11,299	11,947
Vegetables	10,034	8,279
Industrial plants	8,252	20,727

The fertility of the soil is shown by the harvest from one hectare (in hectolitres) :—

	Department of Kosovo.	Department of Monastir.
	hectolitres.	hectolitres.
Barley	20·88	23·22
Rye	19·03	20·92
Oats	18·82	17·20
Wheat	17·88	18·99
Maize	17·60	21·47

Cattle.—In the old Serbian State, the territories which we are now describing were famous for cattle raising, but that industry lost much of its importance during the Turkish occupation, so that the quality of the live-stock found in the newly-liberated territories is much below that of Serbia.

It has been pointed out that the area of cultivated land in these territories is very small in proportion to the total acreage. As the forests are also in bad condition, many of them having been devastated, the soil cannot obtain sufficient moisture to produce good pasture ; it is dry and the vegetation poor. In addition to the poor pasturage, there is no selection in breeding ; the cattle are used for labour while very young, which retards their growth. For these reasons the cattle are much smaller in size and poorer in quality than those of Serbia. In the new territories the same varieties of live-stock are found, but while there are so many pigs in Serbia, they are rare in the new territories, and sheep and goats are more abundant.

Before the liberation of these territories, the estimate of the live-stock was as follows :—

	Department of Kosovo.	Department of Monastir.
	Heads.	Heads.
Sheep and goats	1,662,797	1,748,607
Cattle	405,338	302,259
Horses, donkeys, mules	116,869	108,451

Forests and mines.—We know that the forests and mines in Old Serbia were famous in the Middle Ages, especially those in the territories under Turkey until 1912. Timber was also imported for shipbuilding and construction from these regions; the exportation of ore was one of the most important items of the old foreign trade of Serbia. To-day there is not much to say about these industries; they were ruined by Turkish rule. A distinction, however, is to be drawn. The forests are devastated, and they need nursing for years. The mineral riches are still in the soil, but unexploited, they require investigation and working. There are no statistics available about the forests and mines. It is estimated that 60 per cent. of the total territory of new Serbia is ground which was once forest-land, and is about 2,280,000 hectares in extent. But to-day, 75 per cent. is bare, 570,000 hectares are under forest, but not more than 114,000 hectares are under full-grown forest.

The mines in new Serbia are all abandoned, and, therefore, it is not possible to give any statistics. Only one or two were worked in modern times. Antimony and arsenic were exploited in *Alschar*. The mine was worked from 1891 to 1895, and produced 4,000 tons of antimony ore with about 53 to 62 per cent. of pure antimony, and 2,000 tons of arsenic ore, with 40 to 55 per cent. of pure arsenic. In *Rabrovo*, as much as 3,000 tons of chromide was exploited, with as much as 50 per cent. of chromeoxide.

But, although there is not a single mine working, the soil is full of mineral riches. Galleries of old mines show this, and traces are found of ore with gold, silver, copper, iron, lead, sulphur and coal. In the place where the Serbian mediæval town of *Novo Brdo*, famous for its mines, used to be, traces are found of galleries, 6 kilometres in length, and the ore contains: siderite (lodestone), pyrolusite (native manganese dioxide); hæmatite (valuable ore of iron); limonite (iron ore); and galenite (sulphide of lead).

Foreign trade.—With such a primitive economic organisation, scanty population, and no capital in the country, trade, too, was very limited. This can be judged by the foreign trade. Here is a Serbian estimate of how much that trade amounted to yearly, approximately, and of what kind of goods it consisted:—

Export from the new territories.—According to an official statement of the Serbian Ministry of Agriculture in 1914, the export trade of the new territories was estimated as follows :—

	In thousands of francs.	£
Opium and poppy heads	7,179	299,125
Tobacco	5,756	239,833
Fruit, chiefly grapes	3,556	148,166
Silk cocoons	3,000	125,000
Hides	2,466	102,750
Cattle, chiefly sheep	1,793	74,708
Cereals, wheats	1,356	56,500
Rice	616	25,666
Flour	378	15,750
Wool	348	14,500
Foodstuffs	286	11,916
Woollen goods	176	7,333
Gutskins	70	2,916
Ropes	54	2,250
Wine	36	1,500
Metals	17	708
Sundries	500	20,833
Total	27,587	1,149,454

Import into the new territories.—An examination of the imports into the new territories reveals the following figures :—

	In thousands of francs.	£
Woollen and cotton goods	12,733	530,541
Metals and hardware	5,609	233,708
Flour	4,603	191,791
Sugar	4,027	167,833
Leather and leather goods	2,633	109,708
Chemicals and soaps	2,118	88,250
Cereals (wheat)	1,696	70,666
Rice	1,380	57,500
Petrol	1,246	51,916
Salt	1,148	47,833
Coffee	1,142	47,583
Foodstuffs	1,191	49,625
Glass and china	850	35,416
Jute goods	847	35,291
Paper	815	33,958
Spirits	805	33,541
Building material	640	26,666
Fruit and vegetables	635	26,458
Machinery	512	21,333
Oil	306	12,750
Drugs	254	10,583
Beer	205	8,541
Wine	87	3,625
Sundries	3,698	154,083
Total	49,180	2,049,199

The comparison between economic conditions in Serbia and those in the newly-liberated territories shows that the development in Serbia was enormous. But if the density of the Serbian population, their occupation, and the production of the country is compared with those of the Western countries of Europe, then Serbia's conditions are still only primitive. This is because but one small part of the Serbian population succeeded in forming an independent State, and that population was only just strong enough to form the most necessary economic organisation. Even that was hampered by the special frontiers which Serbia was given in 1878, which enabled Austria-Hungary practically to control her, economically. It was indeed essential for Austria-Hungary, in order to continue her very existence as a State which was based on the domination of foreign races, and of a goodly part of the Serbian race, to separate the Serbs in Serbia from the Serbs in Austria-Hungary. This was effected by her policy with regard to economic communications, which was to give the economic development in Serbia a local character and limit it as much as possible.

One typical example of this policy—it is impossible here to explain the scheme in detail—was the attitude of Austria-Hungary on the occasion of the conclusion of commercial treaties by the new Serbian State in 1878.

Before this date, Austria-Hungary had a privileged economic position in Serbia, which she imposed on that vassal state of Turkey. After 1878, having acquired full independence, Serbia wished to shake off that economic domination and to trade freely with other countries. It is interesting to note that the first Serbian commercial treaty to this effect was concluded with Great Britain in February, 1880. But Austria-Hungary, in order to prevent this, closed her frontiers and prevented all export from or import into Serbia. At that time this was the only way by which Serbia could conduct international trade, and she had to give in, and Austria-Hungary once more resumed her monopoly over Serbia.

Since 1906 this monopoly was becoming weaker. Serbia decided first to resist Austria-Hungary and to divert her export trade towards Salonica. This is visible in our figures relating to the foreign trade of Serbia. This attitude of Serbia became even stronger after 1912 when she secured one main line of her economic communications: the *Varadar Valley*.

Austrian economic control, however, was not removed, because Austria-Hungary still dominated the other Serbian economic outlets, the Sava Valley and the Adriatic Sea.

Southern Slavs under Austria-Hungary.

This domination had to be removed too, and a national development made possible for the Southern Slav race living under Austria-Hungary.

Population.—The Southern Slavs lived in Austria-Hungary in the following provinces, and the numbers of this Southern Slav population, according to Austro-Hungarian statistics, are as follows :

In—

Bosnia-Herzegovina	....	....	....	1,900,000
Croatia-Slavonia	....	....	....	2,300,000
Dalmatia	....	....	....	611,211
Southern Hungarian Provinces (Batchka, Banat, Baranja, Medjumurje)....				
Istria	....	....	....	280,234
Southern Styria	....	....	....	409,835
Southern Carinthia	....	....	....	82,230
Carniola	....	....	....	491,083
Goritz, Gradishka	....	....	....	154,750

The economic organisation of this population was completely incorporated in that of Austria-Hungary, and it was impossible for the Southern Slavs of these provinces to start a national economic life of their own. How far this is so, is easily proved by the fact that it is impossible to study statistically the economic condition of the Southern Slavs in these provinces. Indeed, generally, the administrative division does not correspond to the national division of the land. For instance, the Serbs living in the Southern part of Hungary live in four different provinces, and if agrarian statistics are taken they are given for the whole provinces, and the economic conditions of the Serbs are incorporated in the documents showing the economic conditions of the Hungarians.

On the other hand, in an administrative division, such as Croatia and Slavonia, composed only of a Croat and Serbian population, then even in this case some aspects of the economic life cannot be statistically represented, because the trade figures are incorporated in the general trade of the whole of Hungary, under whose rule these provinces were. With some approximate calculation in proportion to the population, figures could be obtained, but we do not propose to follow such a system. We will give a short survey of the economic conditions in general, although all these Southern Slav lands vary in individual economic organisations, we will use the statistics which are available, and draw our conclusions as to the economic conditions of these countries.

Occupation of the Population.—Although the agricultural conditions between the peasants and the landowners are different from

those in the countries liberated in 1912, the chief occupation of the Southern Slavs living in the different provinces of Austria-Hungary mentioned above is agriculture.

In Croatia-Slavonia (which is the chief agricultural country after the Serbian lands in Southern Hungary, but which we do not propose to consider here, because for a statistical study it is not suitable, being administratively incorporated in the Hungarian statistics) 85 per cent. of the population is engaged in agriculture.

The land is very fertile and was divided up as follows :—

					Per cent.
Area of ploughed and garden land	....	....	....	....	36
„ woods and forests	....	....	....	....	35
„ grazing ground	....	....	....	....	13
„ meadow land	....	....	....	....	10
„ uncultivated land	....	....	....	....	5
„ vineyards	....	....	....	....	1

The division of property in Croatia and Slavonia is quite different from that in Serbia, where 54·65 per cent. of the holdings are less than 5 hectares in extent, there being only 63 holdings of over 100 hectares. In Croatia and Slavonia there are 4,408 properties of over 100 hectares, covering an area of 3,223,065 hectares, which is 27·25 per cent. of the total private property.

The average acreage of land devoted to the principal cereals under cultivation for the period 1911–1914 was as follows :—

					Acres.
Maize	....	....	....	....	738,841
Wheat	....	....	....	....	582,766
Oats	....	....	....	....	174,728
Rye	....	....	....	....	159,384
Barley	....	....	....	....	110,063

Amount of production of the principal cereals, in tons :—

Maize	....	....	....	....	326,692
Wheat	....	....	....	....	187,252
Oats	....	....	....	....	38,266
Rye	....	....	....	....	41,723
Barley	....	....	....	....	27,439

If we consider Bosnia and Herzegovina, where the conditions are totally different, then we see also that almost the whole of the population is occupied in agriculture. Indeed, only 31,606 people are occupied in industry.

The average yearly production during the period 1902–1904 was as follows :—

	Tons.
Wheat	444,790·1
Vegetables....	127,695·0
Potatoes	59,553·5
Tobacco	2,805·1
Industrial plants	2,301·6
Hay	612,635·7
Clover	2,623·7
Plums	141,841·8
Grapes	5,779·9
Other fruit	44,296·6

But the agricultural production of Bosnia and Herzegovina is far from what it ought to be. In fact, the agrarian system of the countries is to-day just the same as it was in 1878 at the time of the Austro-Hungarian occupation of these lands, and which was one of the chief Austrian arguments for her occupation.

Under this system a great quantity of the land is cultivated by holders (*kmeti*), comprising to-day about 112,000 families, who cultivate the land of the *agas*, acquired during the Turkish domination; the same system in fact explained above, for the Serbian territories liberated in 1912. The "*kmeti*" have a right to buy themselves free, but that process is very slow and only a few hundreds a year succeed in doing so. The largest number, 1,409, was reached in 1884. Since, it has declined, and was in—

1900 816 | 1902 603 | 1904 965

Small credits are put at the disposal of the "*kmeti*" to buy themselves free, but the Government never favoured this, because the antagonism between the "*kmeti*" and the landowners was part of its policy. Of course, as long as the "*kmet*" has to cultivate the ground that does not belong to him, he has no interest in developing intensive culture, nor in improving the soil, because that would only raise the value of the ground he hopes to buy free.

The Slovene population is also chiefly occupied in agriculture, although the Slovene lands allow even more scope for forestry and cattle raising. The number employed in these occupations is easily seen when we state that in 1903 there were in these lands 875 factories, employing 68,000 people.

The Slovenes live in a territory of about 9,650 square miles, of which 3,860 square miles are in Carniola, 1,158 square miles in Carinthia, 3,088 square miles in Styria, and 1,544 square miles are in Istria.

This territory is divided as follows :—

	Ploughed land.	Meadows and grass land.	Vineyards.	Forests.	Unculti- vated.
	per cent.	per cent.	per cent.	per cent.	per cent.
Styria	20	23·8	1·4	47·9	6·9
Carniola	18	32·0	1·5	44·0	4·5
Carinthia	15	27·5	—	48·5	9·0
Coast land	15	41·0	7·5	30·0	6·5

The ploughed land was cultivated, in 1910, as follows :—

	Hectares.		Hectares.
Clover	65,062	Mangelwurzels	45,814
Wheat	62,851	Oats	32,523
Potatoes	49,648	Barley	19,965
Maize	49,213	Hops	2,821

The result of the harvest in 1910 was as follows :—

	Hectolitres.		Hectolitres.
Clover	2,550,668	Barley	311,635
Maize	901,630	Lentils	344,262
Oats	873,224		Tons.
Wheat	806,371	Potatoes	149,990
Rye	730,298	Mangelwurzels	205,204

The holdings are small in the Slovene land, and are usually included in some larger properties, generally forests. In Styria, the average holding is of 18 hectares (45 acres), in Carinthia, 20 hectares (50 acres), in Carniola, 7 hectares (17½ acres), and in Istria, 3 hectares (7½ acres).

The Dalmatian population also is chiefly agricultural (about 85·7 per cent.) and the figures showing the average cultivation of the land between 1903 and 1912 are as follows :—

	Hectares.	Acres.		Hectares.	Acres.
Wheat	28,401	71,002	Maize	42,772	106,930
Rye	6,418	16,045	Potatoes	5,694	14,235
Barley	21,275	53,187	Vines	75,501	188,752
Oats	3,760	9,400			

By far the most important occupation, therefore, of the whole Southern Slav people is agriculture, and the following comparative figures show the results of the harvests for an average of the period 1899 to 1903.

	Tons of cereals.	Lbs. per head of population.
Serbia	975·2	833·14
Croatia Slavonia	1,026·4	913·71
Bosnia and Herzegovina	423·0	541·48
Dalmatia	58·1	214·96
Carniola	77·4	334·66
Styria	312·4	504·01
Carinthia	90·5	541·41
Istria	22·7	143·57
Goritz-Gorizia	27·5	258·23

The agricultural character of the Southern Slav countries is emphasised if the Serbian provinces of Hungary are considered. It is not possible to give a direct and true statistical estimate, but if a proportional estimate is worked out for those lands inhabited by Serbs, on the basis of the Hungarian statistics as a whole, then we find the following figures :—

	Tons.		Tons.
Maize	1,930·0	Barley	83·0
Wheat	1,200·0	Rye	58·0
Potatoes	300·0	Wine (in thousands of hectolitres)	580·0
Oats	240·0		

After agriculture, the most important occupations of the Southern Slavs are, besides vine and fruit growing, cattle raising and forestry, occupations which are closely connected with agriculture.

Cattle Raising.—Cattle raising is carried out in different ways in these different lands, by more advanced methods, as in the Slovene lands and Croatia and Slavonia, or in a primitive manner as in Bosnia and Herzegovina and Dalmatia.

But the results are, relatively, great, and as we cannot enter into any details we will give figures.

In Croatia and Slavonia the number of domestic animals was as follows :—

	In 1895.	In 1911.
Cattle	908,730	1,134,857
Pigs	882,973	1,164,022
Sheep	595,902	850,485
Horses	311,359	305,050
Goats	22,418	95,598

The number of cattle in the Slovene lands is not easy to determine, but according to the statistics of 1910 they were as follows :—

	Pigs.	Cattle.	Sheep.	Horses.
Styria	836,520	683,443	120,246	62,408
Carinthia	185,595	222,383	95,250	30,020
Carniola	177,000	227,000	24,000	40,000
Coast land	111,649	138,606	228,236	13,104

In Bosnia and Herzegovina, the number of domestic animals in 1895 was :—

Sheep.	Goats.	Cattle.	Pigs.	Horses and mules.
3,230,720	1,447,049	1,417,341	662,242	239,626

In Dalmatia, the number of domestic animals in 1910, was :—

Sheep.	Goats.	Cattle.	Pigs.	Mules and donkeys.	Horses.
1,027,747	254,896	104,716	70,849	42,670	26,520

An estimate of the number of domestic animals in the Serbian provinces under Hungary was as follows :—

Sheep and goats.	Pigs.	Cattle.	Horses.
1,900,000	1,300,000	839,000	516,000

Forests.—The Southern Slav lands include some countries which are famous for forestry, and this is a very important occupation of the population at present, and especially for the future. The most important forests are in the Slovene lands ; Bosnia and Herzegovina ; Croatia and Slavonia. The following are the statistics :—

Slovene lands.—It is estimated that the forests in those parts of the following provinces inhabited by the Slovene people only, amount (in hectares) to :—

	Private forests.	State and Communal property.	Total.
	hectares.	hectares.	hectares.
Carniola	331,699	110,268	441,967
Styria	240,153	26,129	266,282
Carinthia	158,039	43,319	201,358
Coast land	46,291	40,187	86,478

The production of these forests in 1910 (in cubic metres) was as follows :-

	Timber.	Firewood.
	cubic metres.	cubic metres.
Carniola	578,150	677,280
Carinthia	459,812	378,576
Styria	293,000	461,900
Coast land	30,892	247,868
Total	1,361,854	1,765,624

The forests in Croatia and Slavonia are very important. The timber is of very good quality and there are over 840,000 acres covered with oak alone, and 435,000 acres covered with black pine. But the forests are badly cut by holders of concessions, and in 1907 two-thirds of the forests marked for improvement were not touched.

The pre-war statistics relating to these forests were as follows :—

Total area covered by forests (in hectares).	Annual production (in cubic metres).	Value in kronen.
1,496,029	5,092,900	70,821,295

The statistics relating to the forests in Bosnia-Herzegovina are (in hectares) as follows :—

	State property.	Per cent. of State property.	Private property.	Per cent. of private property.
	hectares.	per cent.	hectares.	per cent.
Full grown	1,436,584	71·9	121,827	21·2
Undergrowth	374,376	18·7	185,279	33·6
Shrubs	186,985	9·4	225,086	40·8
Total forest belonging to the State.	1,997,945 hectares = 78·4 per cent. of the total forests.		532,192 hectares. Total private forests = 21·6 per cent. of total forests.	

The total ground covered by forests, including that belonging to the Church :—

2,530,137 hectares, which is 50 per cent. of the whole area of these territories.

The export trade in timber and wood from Bosnia and Herzegovina, in 1904, was as follows :—

	Tons.	Value in kronen.	Value in £.
Firewood	70,216·2	477,470	£ 19,894
Timber	405,961·7	22,465,788	936,074
Total export	476,177·9	22,943,258	955,968

Industries.—We are now able to judge, bearing in mind what has been said about the occupation of the Southern Slav population at present living under Austria-Hungary, that there is not much room left for industry, and only a small proportion of the people is so employed. In this connection we shall quote only a few figures for the most important countries.

In *Croatia* and *Slavonia* the number of people employed in industry in 1910 was 88,250. The importance of metallurgical industry is small, and there are only about ten factories of any importance. The manufacture of stone-ware, pottery and glass-ware employs 5,600 workers. The largest factories are those dealing with wood and bone, in which 17,500 workmen were employed in 1910. In 1903 there were thirty-three large steam and ten electric motor and hydraulic saw-mills.

According to the latest statistics, the value of the total output of the larger factories in Croatia and Slavonia was :—

	£
Foodstuffs	2,908,750
Wood and bone articles	1,328,333
Stone-ware, pottery and glass-ware	806,500
Textile goods	557,833
Chemicals	541,125
Leather goods, brushes, &c.	448,791
Paper	161,083
Iron and metal goods	86,958
Machinery	77,958
Clothing....	49,416

The Slovene industries also are very little developed and the capital invested in them was largely German. In 1910, of 190 millions' worth of capital so invested, 172 millions were German money.

The most important industry, connected with the natural resources of the country, is that of wood sawing. In the Slovene countries there are 2,704 water-mills, of which 111 are driven by

steam power and the rest by water power. Besides this, there are twelve furniture factories and twenty-five paper and pulp factories.

Mining.—The mining industry is very little developed in proportion to the mineral wealth. In *Croatia* and *Slavonia* the soil must be rich in minerals, but their exploitation is very limited. About some 4,000*l.* worth of *iron ore* is obtained annually.

In the Slovene lands the soil is also rich in minerals, but they are at present far from being exploited to their full extent. In 1910, the comparison between working mines and unworked mines was as follows :—

	Coal.	Lead.	Iron.	Anti- mony.	Man- ganese.	Quick- silver.	Alu- minium.	Copper.
Worked	23	9	1	1	1	1	1	—
Unworked	45	34	8	2	3	3	2	5

In 1910, 11,239 workmen were employed in these mines, and the production of ore and coal amounted to over 19 million kronen.

It is interesting to consider what became of the famous Bosnian mines of the Middle Ages.

The results obtained to-day are nothing to compare with what could be achieved in Bosnia and Herzegovina, when the mineral riches of the soil and the amount already worked are considered.

In 1905, mining production was as follows :—

	Production.	Value in kronen.	Value in £.
	Hectolitres.		£
Salt	1,947,607	177,090	7,378
	Tons.		
Coal	540,236	2,381,195	99,216
Iron	127,525	760,039	31,668
Sulphur	19,045	380,900	15,870

Industries were not developed in the Southern Slav lands under Austria-Hungary because of the same reason which prevented them attaining the full capacity of production in any branch of their economic life, namely, because these countries did not possess a national economic organisation.

The aim of Austria was to leave this people in such a primitive stage of economy as to render them an absorbing ground for the industrial production of the German and Hungarian population, and to develop only those industries which would help to exploit the

natural riches of the soil, and the mineral wealth of these lands, and the working capacities of their people. This principle shows itself in all the figures representing the economic condition and state of this population.

This plan was achieved by different methods. The chief are as follows :—

1. In agriculture, to favour the large proprietors who were chiefly foreigners established in the country, or owners of land by Turkish law, as in Bosnia and Herzegovina. The small proprietor was in a very difficult position because he had no facilities for obtaining capital and credit, and was handicapped by those who had capital. Only latterly in some of the Southern Slav countries co-operative societies with a national character have been formed with great difficulty to afford credit facilities to the small proprietor. Under these conditions large numbers of the Southern Slav population emigrated especially to America. It is estimated that about 800,000 Southern Slavs are living in America and the British Colonies and Dominions. Nevertheless, as a result of this policy, while it was difficult for the Southern Slavs to make progress in agriculture on small holdings, foreigners, Germans and Hungarians, found it very profitable to settle into agriculture in these countries. The Government of Austria-Hungary, again following the same plan, favoured such settlement, so that to-day colonies of Germans and Hungarians are found in the Southern Slav countries possessing the best land under special Government auspices.

2. The scarcity of capital made any development of national industries, *i.e.*, industries with Southern Slav capital, very difficult, and even when that was possible it was not favoured by the Government, and all possible difficulties were put in the way, of which the chief was that the export of these products into the rest of the Southern Slav lands was hampered, and German and Hungarian industries were given facilities to penetrate into these lands. Even when German capitalists wished to invest in industries in the Southern Slav countries, Austria thought it wise to advise them not to do so, because of the danger of creating large centres of industry in the Southern Slav countries, to the detriment of the German and Hungarian industrial centres in Austria-Hungary. Only one kind of investment was favoured, that was the exploitation of the natural riches of the Southern Slav countries by foreign capital, especially those of forest and mine. Concessions in these directions were always forthcoming with much greater facility for foreign capitalists. As a result, the Southern Slav in Austria-Hungary, if employed in industry, was merely a lower-class labourer

and his standard of wages was lower than that of the Hungarian or German worker.

3. The economic communications are organised in such a way as to emphasise and assist the whole scheme already explained, and the railways and ports were constructed with this object. It was always Austria's first idea to connect by the best and shortest route the German and Hungarian industrial centres with the sea, and to create the best outlet for their products. She also sought to provide good means of penetration into the Southern Slav lands. But for the export of the products of these lands there was no provision. It was to the Government interest to retain the raw material for the industries of Austria-Hungary.

For all these reasons the railway lines were never constructed to favour the economic development of the Southern Slav countries. On the contrary, they were planned so as to leave these countries unconnected and isolated from Serbia. When this idea could not be carried out in its entirety, *i.e.*, when a railway line was constructed which suited the German and Hungarian interest and accidentally was also to the economic advantage of the Southern Slavs, then a special tariff system was arranged which favoured Hungarian and German interests. On the railway line, Budapest-Zagreb-Fiume, the tariffs were regulated in such a way that passenger rates and freight were the same from Zagreb to Fiume as from Budapest to Fiume, which is nearly twice the distance.

Merchants in Osek (Slavonia) find it an advantage when sending goods to Bosnia-Herzegovina, to dispatch them first to Budapest and then to re-dispatch them to Bosnia-Herzegovina, increasing the distance by 500 kilometres, but reducing the freight, because it is cheaper to send goods from Hungary to Bosnia-Herzegovina than it is to send them from one Southern Slav country into another.

4. Finally, the general reason why the Southern Slav countries could not develop their national economic organisation was because they were incorporated into a foreign state. Under such conditions, though it was sometimes possible for private people to achieve great prosperity, such prosperity did not benefit the national welfare of the Southern Slavs. Indeed, any revenue resulting from that prosperity was spent in developing the economic organisation and national prosperity of Austria-Hungary, and was in direct opposition to the interests of the Southern Slav race.

Economic unity and independence achieved, the national economic development of the Southern Slavs becomes possible. Their economic independence will be realised by the possession of the natural channels of communication in the countries inhabited by the

Southern Slavs. It is easy to realise what these are if the geographical position of these countries is considered. The whole country is divided by two axes of natural economic communication. The one from the West towards the East formed by the valleys of the rivers Save and Danube ; the other from the North to the South, formed by the valleys of the rivers Morava and Vardar. These two natural lines of economic communication cross each other and are bounded on the South-West by the Adriatic Sea. To render them completely effective—economically—they have to be brought into communication with the Southern Slav ports in the Adriatic, as was the case in the Middle Ages. The control of these economic roads gives to the Serbian (Southern Slav) race the possibility of a national economic development which is full of the finest prospects. It would be easy to visualise that future, if we would calculate the future development on the basis of the total Southern Slav population, and by adding the different economic resources of the Southern Slav countries which we have already presented. We will not do this, however, because we are convinced that a new and important economical development awaits the Southern Slavs when they are economically free and united, which will far exceed their isolated achievements in the past.

After this statistical study of the economic development of the Southern Slav nation, as a whole, it would be interesting to give statistics showing the Serbian losses in this War.

Unfortunately, it is as yet impossible to give figures which would include all damage and loss, as these have not yet been officially estimated, owing to the complete devastation of the country by the enemy, and the lack of staff and communications.

At present a Commission is working on this, but though no figures are yet available, two points can be emphasised :—

1. It has already been established that by enemy occupation the whole economic organisation has been destroyed. All industrial plant has been dismantled and removed, raw materials also, and public and private mobile property stolen or commandeered for enemy use. Cattle and agricultural implements have been treated in the same way. In fact, the enemy, during his occupation, stripped the country of almost everything, and during his retreat deliberately despoiled and laid waste anything still left to destroy. Communications by road and rail have suffered to such an extent that it will take a considerable time to rebuild them.

2. At the same time, although the economic wealth of the country has been so enormously reduced, the National Debt has

considerably increased, for Serbia had to re-arm and re-organise her army, maintain this army, feed the civil population which managed to escape, pay the salaries of the officials and their families who remained in Serbia and help her prisoners in enemy hands. All this Serbia had to do, despite the fact that during almost four years she had no Public Revenue whatsoever, and the National Debt which she had to contract in order to continue the War amounts at present to 2,400 millions. This, when added to that contracted prior to 1914, is quite out of proportion to the Revenue.

Besides these material losses, Serbia had, through the War and enemy occupation, to sustain tremendous losses in *lives*. It is as yet impossible to ascertain the exact total of these losses, but some figures have been officially established.

According to information from the Serbian Ministry for War, Serbia, from July 25, 1914, to July 14, 1916, placed 707,343 men in the field. During the whole of this period she maintained a force of 500,000 effectives. The number of men mobilised amounted to 24 per cent. of the entire population within the old frontiers of Serbia. Only about 100,000 men were drawn from the new provinces. In the two great Austrian offensives in 1914, the number of men killed in battle was 45,061, and the number of deaths from wounds and sickness 69,022. In 1915, the number of deaths from sickness was 56,842. Total number of deaths from all causes was 171,725.

At the time of the retreat 139,000 wounded were left behind on the battlefields and in hospitals or sent home disabled or for convalescence, all of whom were taken prisoner by the enemy. During the retreat across Albania 150,000 men perished.

The last call-up (old men) and part of the third call-up amounted together to 100,000 men. They remained in Serbia and were taken prisoner by the enemy. The remnant of the Serbian armies, taken to Corfu, Bizerta and France, amounted to 150,000.

According to the official returns, the number of those fallen in battle and dead in captivity, up to the last Serbian offensive, amounted to 320,000, which means that one-half of Serbia's male population, from 18 to 60 years of age, perished outright in the European War.

In addition to the above figures, it has been estimated by the Serbian Medical Authorities that about 300,000 people have died from typhus among the civil population, and the losses among the population interned in enemy camps are estimated at 50,000. During the two Serbian Retreats and during the Albanian Retreat the losses among children and young people were enormous, and are estimated at 200,000.

Lastly, during over three years of enemy occupation, the people had to live under a régime specially organised for the extermination of the Serbian population. Owing to this fact, and the lack of proper food and medical attention, the losses in lives during this period are estimated at 250,000.

It should also be remembered that during this time, the Serbian birth-rate was much reduced, so that the Serbian losses in lives must certainly much exceed 1,000,000, or over one-third of the population of the Serbian Territories of 1912.

DISCUSSION ON DR. DIOURITCH'S PAPER.

PROFESSOR EDGEWORTH, in proposing a vote of thanks to the author, said that Dr. Diouritch had given them a most instructive exposition of national progress. How soon that progress had begun, many of them had perhaps not realised. One read with wonder of the factories, industries and exports at an early stage. That flourishing period before the Turkish domination in Serbia had verified Hume's thesis that refinement or skill in the arts was very consistent with, or even favoured, military prowess. The existence of the martial spirit in Serbia required no proof. It was too fresh in their grateful thoughts. If any proof were required, they had only to consider those tremendous statistics which had just been read out to them at the end of the Paper. Half the adult male population had been killed, if not actually on the field, yet as a direct consequence of military operations, besides other losses. If they included, as De Foville had recommended in his account of the 1870 war, those who failed to be born, they came to the stupendous result that one-third of the Serbian population had been lost in this war. They hoped that prosperity, which had been so well deserved, would now be commanded. In view of that future prosperity which the reader had suggested, there was one feature which might seem foreign to some English readers. He referred to the association of economic progress with national life and political action. They continually read of national economic organisation and expressions of that kind. Progress was associated with the acquisition of territory, natural channels, and so forth. Such considerations were not much dwelt on by Newmarch and Tooke and the older members of the Statistical Society. But if Great Britain had a neighbour such as Austria thwarting her in the three or four ways that Dr. Diouritch had described, perhaps those considerations would have been more prevalent. A perfectly Cobdenite view of affairs could hardly be possible, he thought, in conditions such as Dr. Diouritch had very

temperately and without any tone of passion put before them. Still he (the speaker) wished for unprotected and unrestricted trade as far as was consistent with common-sense. He trusted that the Serbians in whatever new territory they might acquire would be disposed to act in the spirit which had been lately voiced by two leading Italian economists, Professors Prato and Einaudi. In a Report presented to the Italian Branch of the League of Nations, they expressed very strongly their hope that in any new territory which Italy acquired, for instance, Trieste, there might prevail perfect freedom of opportunity for all other nations. That was the spirit, he thought, in which the acquisition of territory by others could at least be tolerated by those who would prefer to have it themselves. But while touching on such topics, one could not conceal that there was perhaps something unrealisable by the merely statistical or economic mind in the relation between war and political economy. One of the most pacific and distinguished of American economists, Professor Taussig, even before the war had turned attention in those directions, and expressed his belief that there was something in the martial spirit not unconnected with economic progress.* Such economic progress had often followed very closely upon military success. To these general considerations he would only add a few questions about particular points. The author had alluded to the mortality in Serbia, and observed that it was specially great at the infantile period. There was also something at the senile period which he had found rather puzzling. The author gave the mortality after 60 years in three different epochs, and the mortality was very much greater in the third epoch, more than double what it was in the first epoch. Any further remarks which Dr. Diouritch might make with regard to peasant properties would be of interest. When speaking of those properties under Austria, he seemed to think they had a shadow side. Again, the neglect of the Serbian forests in the past suggested a question. Was there here an illustration of Sidgwick's remark that forests formed one of the instances in which the interest of the individual proprietor does not coincide with that of the nation ?

Mr. T. T. S. DE JASTRZEBSKI, in seconding the vote of thanks, said it seemed to him that Dr. Diouritch had had a most difficult task in making a choice as to how he should cut down his material and present it, as the field was so great. He thought he could very properly assume that the ignorance of his audience would be as vast as the field he had to cover, because he (the speaker) thought that most of them could without hesitation with their hands upon their hearts lay claim to a monumental ignorance of Serbia and Serbian history. Whether it was in consequence of his name that he had been asked to second the vote of thanks in the vain hope that a name like his might possibly connote some knowledge of Serbia or

* Presidential Address to the American Economic Association, 1905.

not, he did not know; but his actual knowledge of Serbia was confined to the fact that in the year 1849 his father had tramped from Shumla to Cetinje as a refugee after the flight across the Danube of Kossuth's last army. He was an officer in the Polish Legion under General Wysocki. As a small boy he could remember listening to his father telling him some incidents that happened to him while he was there. The only real clear recollection he had was that he always had been told that the Serbian population was a population with the greatest love of liberty, and the most profound sense of their national existence of any people in the whole of Europe, not even excepting those of his own unfortunate country—Poland. Turning to the Paper itself, there were one or two points he wished to touch upon. The first, as to the population, was exceedingly interesting, because if they looked at the figures given they would find that there was always a preponderance of males. The preponderance of males was kept all the way through, which was a very rare and extraordinary thing among European populations. At all ages the males preponderated in Serbia, so that up to the present war at any rate they never had that terrible problem, which had so exercised their friend, Dr. Snow, of what he had most ungallantly called the superfluous spinster. That was due to two causes. In the first place, the sex ratio of birth in Serbia showed a relatively high male plurality. For the years 1876 to 1910 the ratio was 1057 of males to every 1,000 females. That was compared with a ratio in this country up to the war of 1038. On the other hand, the female mortality was higher in Serbia than the male mortality. He thought it was generally held that where the female mortality was higher than the male it argued ill for the social progress of the people in question, because as one probably knew, in this country at any rate, male mortality was relatively much higher than female mortality. They had probably the highest relative male mortality of any country in the world. In Serbia it was the other way round, so that they had two causes operating to keep the male population preponderating. On the whole, the Serbian race seemed to have been relatively prolific. He had looked up to see what was the relative fertility as given in the last volume of the International Institute's publication, and had calculated that children born to women between 15 and 49 for the years 1896 to 1905 in Serbia were 173 as against the rate in England and Wales of 104; while, if they excluded the unmarried, the widowed and the divorced, and calculated only on children born to 1,000 married women in those ages in Serbia, it was 236, as against 203 in England and Wales. They would therefore see that the Serbian population was a distinctly interesting one. He asked Dr. Diouritch to assure him whether the Serbian statistics were reliable. He had told them very emphatically that Austro-Hungarian statistics were unreliable and doctored, and that Turkish statistics were not to be considered statistics at all. In trying to study Serbian populations, he would like to have the assurance that

he could take it that the Serbian statistics were actually reliable in themselves. With regard to the Paper itself, there was the question of the occupation of the population as showing the progress of the country. The first thing he noticed was that between 1900 and 1905 the biggest rise in the occupation was in the Government officials. Was that a sign of progress in the country or not? There was no other occupation which had made such tremendous strides in those five years as that of Government officials. Speaking as an official himself, he did not know whether an undue excess of the parasitic growths of the country was an altogether desirable thing; and he trusted that that kind of progress was not going on at the same rate, because, if it did, in another century the agriculturists would occupy the position which the Government officials did before the war and the Government officials would occupy the position of the agriculturists, and after all they could not live indefinitely on taking in one another's washing. He was doubtful whether Professor Edgeworth had interpreted Dr. Diouritch's view on the question of small holdings. After all, the progress that free Serbia made—and it must be remembered that free Serbia only meant Serbia since 1878—seemed to him to have been mainly due to the fact that 90 per cent. of its population were holders of their own land. The prosperity of a people depended more on the proportion of the nation who had ground which they could call their own than anything else. It was probably due to that and not to economic success, and to the fact that Serbia for four centuries was struggling continually to keep her soul alive against the dominion of the Turk that they saw the martial spirit of the Serbs. He wished to have explained some of the figures; for instance, on page 302, the land under cultivation. In 1897 the total amount given was 2,527,000 hectares. In 1905 apparently it had fallen to only 2,000,000; there must be some mistake in the figures. The conclusion Dr. Diouritch said was to be drawn was that the area cultivated of the freed lands had much increased and that would diminish lands and forests. The conclusion one would naturally draw was that the area of the cultivated land was decreased to an enormous extent. He could not quite understand how it was in the two tables, if there were 1,167,000 hectares under cereals in 1907, they only produced 366,000 tons, whereas with a drop of 47 per cent. apparently in the following year under cereals there was a rise of 25 per cent. in the production. If that were due to improvement in agricultural methods, it was really a remarkable and brilliant success, but he thought there must be some figure slipped somewhere. After all, it was the last few paragraphs of the Paper which interested them most. Had there ever been in modern history such a record of heroism as was set forth in those few bald unadorned sentences with which Dr. Diouritch had concluded his Paper? When one reflected that after having the enormous weight of the German, Austrian and Bulgarian invasion thrown upon them, after that ghastly retreat through Albania, which

should have demoralised and disorganised and ruined any military organisation in the world, that the 150,000 Serbian survivors should have been capable of being brought together as a living army again, and should in the end have performed that epic feat of their last great attack, when they swept the Bulgarians, like chaff before the wind, literally from one end of the country to the other. And what a country it was across which they swept them; he did not believe himself that, great as had been the achievements of every one of the Allied Armies during the war, heroic and super-heroic as had been the deeds of every nation that had taken part, there had been anything done in the whole course of the war which could be compared with that last grand sweep of the Serbian Army. He asked them to think what they had passed through. To think of the indomitable spirit of those men, and to think of what the little country had suffered, not only in this war, but through the centuries, in the name of their own liberty. They had valued their own national existence beyond everything, beyond home, limb or life. Everything had been given to preserve Serbian nationality and Serbian liberty. It was to the Little Nations after all that they had to turn for the brightest example of the flame of the worship of liberty, the greatest good that man could have; and he thought that they all felt the debt that they owed to Serbia was an incalculable one. Small the nation might be, few and scattered its people, but when the impartial eye of history summed up the great European War of 1914 to 1918, was there any of the countries that took part which had played a more glorious role than Serbia?

Mr. E. A. BRAYLEY-HODGETTS asked a question with regard to the land tenure. Dr. Diouritch had said that the land was owned by private holders. Did that mean that there was no communal land system? He was under the impression that in most of the Slavonic countries the system of communal land prevailed.

Mr. J. W. WILES said that as one who was in Serbia before the war and at the beginning of the war, and also during the last phases of it, which had been so eloquently referred to by Mr. de Jastrzebski, he wished to express his gratitude at being allowed to be present to hear the Paper read. He had come up from Serbia the whole way from Salonica to Belgrade, and beyond Belgrade to Austria by road early last November, and he would never forget it. He was filled with admiration, and more than admiration, even love and affection, for the Serbian people, perhaps most of all for the bravery of the women. He had many talks with them, as he was able to speak a little Serbian. As reference had been made to communications, he wished to refer to the merciless destruction of the Serbian railway, which he had seen. For practical purposes there was no railway at all from Vrangae right away to Belgrade, which represented the old frontier before 1912. The Germans had ripped it up mercilessly and had ruined the railway stations and blown up every culvert. It would

be a long time before it was put right. He wished to say that the great demand now was for English men of business to go out to Serbia. He hoped some would go out and spend their holidays there, if they could. There was a great demand for English building firms, and in many other ways.

Mr. E. R. P. MOON said perhaps he might be allowed to put one question in addition to that of Professor Edgeworth with reference to the mineral resources of Serbia. They had heard about gold and copper. He rather gathered that the working of them had been discontinued, but probably Dr. Diouritch had some view as to whether the minerals were found, as they called it in South Africa, in "payable" quantities.

Mr. FRANK HASTINGS wished, as a visitor, to express his gratitude at being allowed to be present. He was sure they had all been much impressed by the very carefully prepared Paper which Dr. Diouritch had given them. With regard to the part of the Paper as to mortality, speaking on behalf of the Serbian Red Cross in Great Britain, it was the duty of that Society in some way to endeavour to mitigate the terrible sufferings which were going on in Serbia amongst the children. In that room there was one of the super-heroes who had been referred to, and he assured them that if they in any way could do something to help, nationally, the women and children of Serbia at this time the Serbians themselves would have the greatest gratitude for it. It would be an enormous advantage if help could be rendered to the Serbian Red Cross Society in this country so as to help the women and children. Dr. Diouritch had given them some very valuable statistics with regard to the trade of the country, but what he felt was that their own country should come into closer association with Serbia. He thought the Government should endeavour to provide greater facilities for their merchants and should endeavour to provide ships which should take goods from this country to Serbia and back from Serbia to this country. It was what might be termed preferential rights. There was the Commission Internationale de Ravitaillement, which had been giving very valuable facilities for the transfer of goods for Red Cross purposes, but he felt that it would be of great advantage to Serbia if their own Government would encourage a commercial mission from Serbia to this country and from this country to Serbia, in order to bring before the British Empire her resources and enable them to get into touch with their own merchants, in order that Serbia might feel that she was getting some real substantial help from the British Empire once more to reconstruct herself and to rehabilitate her population.

Mr. O. PELLY DICK said, with reference to what Mr. Hastings had just said, that the British Government had arranged to send out an Economic Commission to Serbia, the first part of which was now

working in Serbia, and a further part would be going out in about a month's time, which dealt with various branches of English industry and agriculture.

Captain GOODWIN said that whilst he had been talking with various English people since he had been back in England, they had asked what proportion of the Serbian people were in any way educated. Particularly, business men said that if they were going to deal with them they wanted some idea of the number of educated Serbians.

The PRESIDENT said he might perhaps be allowed to add his voice in expressing the thanks of the Society to Dr. Diouritch for the exceedingly interesting Paper he had given them. It was a Paper that had supplied them with much information on a little-known subject. The discussion which had followed it had evoked several expressions of the intense sympathy with Serbia in the trials through which she had passed, and the admiration for the heroism of her population, which were widespread amongst the British public. The first part of the Paper struck the hearer as perhaps containing a number of statistics on rather a small scale; but when it was remembered how recent the industrial development of Serbia was, the surprise was rather that she should have already proceeded so far. It was only in 1884, as Dr. Diouritch told them, that the first railway was built. Until then she had not even completed a line of railway; and when they realised that for centuries she was under the blight of Turkish rule, and that afterwards she had had the unhappy and injurious economic conflict with Austria-Hungary, which for several years crippled her trade seriously, they were filled with admiration at the great efforts which her population had made to build up a sound economic system. During the last few years she had undergone the utmost devastation of war. As had been mentioned by previous speakers, the statistics at the end of Dr. Diouritch's Paper were perhaps the most striking of all. To think that in these modern times half the adult male population of any country should have been destroyed within a few years was terrible; and if they added the mortality which was due to typhus and the high infant death-rate to the deaths of prisoners, even excluding the children unborn through the fall in the birth-rate, they had a total, according to the figures presented to them in the Paper, in the neighbourhood of 900,000 deaths directly due to the war. If those figures were accurate, it appeared that Little Serbia had lost as many human beings in the war as the whole of the vast British Empire; and when they realised how heavy they themselves had felt the casualties in the war in this country and how many had fallen from among the population of their great Dominions, and contrasted the 400,000,000 of the British Empire with the comparatively insignificant population of Serbia, then indeed they had some measure of what the calamity had meant to her. They would, however, trust

that now with her greatly enlarged territory, with fresh economic outlets, there would be a revival of her agricultural development and of her industry, and a growth of her prosperity. They all hoped that now Greater Serbia, the Triune Kingdom of Serbs, Croats and Slovenes, would be in the days to come one of the most prosperous and most happy of the European family of nations.

A vote of thanks was then passed unanimously to Dr. Diouritch.

Dr. DIOURITCH, in reply, stated that he thought it would be necessary to say that all the questions really proved that his lecture on the economic development of the Southern Slavs was incomplete. His idea was to give a general economic survey and he was handicapped very much by the limited space allowed him. He was asked to write something to the extent of 25 pages. He was afraid it was much longer; but there were a lot of points he was unable to treat, and he thought it would be very interesting if in the future a special study could be made of some of those points. With regard to Serbian statistics, he must admit that he was afraid they were as uncertain as many other statistics. He found one thing especially which would apply, he thought, to every peasant country: that directly statistics regarding land, production and livestock were demanded from the peasants they thought it had something to do with taxes and were very careful indeed not to over-estimate their livestock and the production of their land. The unreliability of the Hungarian statistics to which he referred is of a different character. It was to the political interest of Austria-Hungary to misrepresent the true conditions of the Serbs living under her domination. As far as births and deaths went, he thought Serbian statistics were reliable. The only point that was not certain, and which would be only noticeable if the population were studied in detail, was the different diseases and their cause, owing to the lack of medically trained people. Another point raised was as to communal property. It was quite true that all the Serbian countries were typical examples of communal property, but when he spoke of every peasant being the holder of his land, he meant to point out the disappearance of the mediæval system of holders and proprietors. He thought it would be very interesting to take up that question and study it statistically, because he thought communal property played an exceedingly important role in keeping up the national spirit and preserving the Serbian race during five hundred years of foreign occupation, and not only occupation, but dominion by a barbarous race who really wanted to destroy it. He was afraid that communal property had lost much of its interest in the present day, and he thought agricultural co-operation was the thing they must look to. As to the question of Serbian educational statistics, he was afraid he could not say much. He had explained how difficult it was: that Serbia in 1830 was really a primitive Turkish province which was set free, and that primitive Turkish province had no national roads and did

not possess economic organisation of any sort ; no national currency, no credit, and no public finance. Public education was non-existent and had to be wholly organised in the same way as other public institutions. Progress in this direction had been relatively very great, considering that in 1830 Serbia was practically an illiterate country, but to give statistics as to this would open up a question which, besides being prohibited by the limitations of space, would be outside the plan of his Paper.

The following Candidates were elected Fellows of the Society :—

R. Ramaswamy Aiyengar, B.A.
J. E. Allen.
Arthur R. Crathorne.
Sir Edward H. Holden, Bart.
Richard D. Holt,

F. W. Lanchester.
George A. Pavlovsky.
Ibrahim Rashad.
Sir Felix Schuster, Bart.
Joseph Edmund Stone.