

**AGRARIAN PROBLEMS
FROM THE BALTIC
TO THE AEGEAN**

*Discussion of a Peasant
Programme*

**The Royal Institute of International
Affairs**

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ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS
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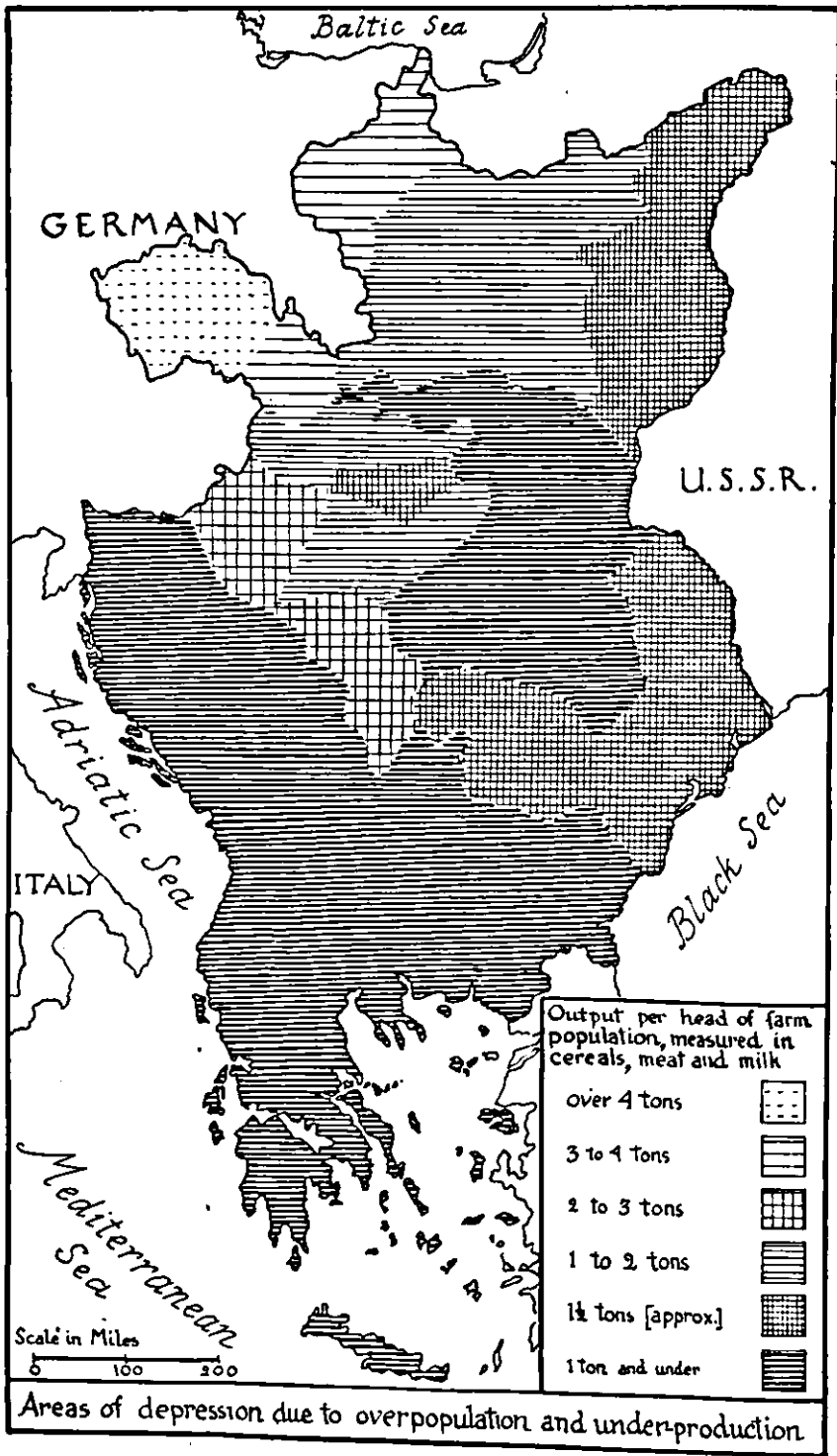
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FOREWORD

EARLY in 1942, a number of prominent citizens of seven nations in central and south-eastern Europe assembled in London to discuss matters of common concern, especially in relation to the peasant communities of their respective countries. They were all associated, in one way or another, with the Peasant Movements of central and south-eastern Europe, as will be seen in the biographical notes in Chapter I. Professor R. W. Seton-Watson, Professor D. Mitrany and Sir Frederick Whyte constituted a Private Members' Group at Chatham House for the purpose of pursuing these discussions, at which Sir Frederick Whyte was subsequently asked to preside. The Council recognizes that the economic future of the countries concerned is an essential part of the post-war inquiries conducted by the Committee on Reconstruction, and regarded the work of the group as providing a most useful opportunity of securing authentic information based on first-hand experience. The Council accordingly undertook to provide such assistance as might be required for the preparation of the material for discussion, this duty being assigned to Dr E. J. Lindgren as Liaison Officer at Chatham House with Allied and other foreign groups in London.

The Institute is precluded by its Charter from advocating any particular policy. None the less the Council has given a place among the publications of Chatham House to this booklet, which contains a Programme expressing the hopes and aspirations of the Peasant Movements in Poland, Czechoslovakia, Hungary, Roumania, Yugoslavia, Bulgaria and Greece, as well as some expert examination of the problems of rural communities in the countries concerned. The Council hopes that it will assist those who seek the best treatment of a subject vital to post-war progress.

*Chatham House,
10 St James's Square,
London, S.W.1.*

ASTOR
Chairman of the Council.

April, 1944.

INTRODUCTION

SIR E. JOHN RUSSELL, O.B.E., D.SC., F.R.S.

OF all the changes that have occurred in Europe since the last war, few are more important than those in the social structure of the belt of country lying between the Baltic and the Aegean seas. In a region which at its widest equals the distance between London and the Faroes, and is no deeper from north to south than the distance from London to the Shetlands and back, there are seventeen major nations and a much larger number of small but distinct ethnological groups. To establish them all as independent nations would be impossible; they must somehow be grouped. This has been attempted in several ways during the past hundred years; between the last and the present wars they were formed into eleven. But the various peoples are very much intermingled; some regions until recently hardly recognized nationality, but classified themselves according to their religion: Catholic, Orthodox or Uniate.

Until the last war many of them lived under a feudal system. Much, and in places most, of the land was in large estates, employing a large number of workers usually paid chiefly in kind. But there were many peasants having the right to use land themselves or even to own it. Those in the northern part had an agricultural system much like the old three-field system that lasted until the early nineteenth century in Great Britain; the peasants' holdings were not compact farms, but strips of land scattered over the whole arable area, with the idea of ensuring equal shares of good and of bad land to all alike. In the centre and the south the peasants had a patriarchal system, in which the families kept together under one head.

These peasant systems had some advantages, but they involved the permanent subordination of the peasants to the ruling upper class, and directly the peasants refused to accept the position the old systems were doomed. The change went on during the nineteenth century; many of the old services were then remitted on payment of a fine, but the rate of change was slow. It became much more rapid during and after the last war, especially in Russia. It proceeded more slowly in the seven countries dealt with here, and on entirely different lines, but none the less equally surely. The peasants formed Peasant Parties and

induced or compelled their Governments to introduce agrarian reforms, breaking up the large estates and the State domains and handing the land over to the peasants. By 1939 this change was well on the way to completion in Czechoslovakia, Yugoslavia, Rumania, Bulgaria and Greece. In Poland the change had been slower and some 25 per cent of the cultivable land still remained in large estates, but the breaking up was going on continuously. Only in Hungary was it hanging fire, and large estates occupied some 35 per cent of the land.

Thus it came about that the three classes of people in the countryside of 1914 (the large landowners, the peasant landowners, and the landless peasants) became in most countries, as the years went by, practically reduced to two; and the cultivable land of the large estates went to augment the peasant holdings where these had been too small, and to create new small farms to provide for some of the landless peasants. Simultaneously great efforts were made to do away with the three-field system, as being wasteful and incapable of assimilating modern technical improvements; by various devices the scattered strips were consolidated into compact farms, on which improved methods could be practised. This change, however, proceeded only slowly, and in many places the peasants agreed to it very reluctantly.

On the agrarian side the peasants had won the day. But the Peasant Movement had a second purpose: it was to free the peasants entirely from subordination to any particular class, to make them independent and give them a voice in the government of the country commensurate with their numbers. Here less success was achieved, and the Governments set up in the nineteen-thirties were usually in the nature of dictatorships which, however, found it desirable or even necessary to conciliate the peasants by continuing the agrarian reforms and persuading the peasants peacefully to consolidate their holdings. This course was justified by the claim that the Peasant Movement had been unable to devise measures for dealing adequately with the very difficult economic problems of the period between 1925 and 1935.

The present war has brought to Great Britain a large number of representatives of Peasant Parties and experts on agrarian questions from these eastern European countries. They have been able to meet and discuss their problems. The common dan-

ger has given them a common ground that they never had before; the friendly atmosphere of this country has softened the differences which in other circumstances might have created difficulties. They have been able to realize that what they have in common far outweighs the differences between them: that their troubles arise from substantially the same causes, and that presumably the remedies will be very similar, at least in general principles. The Peasant Programme reproduced in Chapter I is the result of many of these discussions, and it was signed without reservation by representatives from all seven countries. The document itself is remarkable, but even more remarkable is the fact that it could be produced at all when we think of the past history of these countries. It is, of course, confined to internal problems and does not touch on those big external political questions which could be solved only in association with the large Allied nations.

The facts are only too clear. The dominating one is the great poverty of a large number of the peasants: in most of the countries the national annual income per head of population is as low as £16 or £17. We usually think of the peasants as subsistence farmers and therefore as being at least well fed, but they must have some money to pay their taxes and buy kerosene and other necessary household and farm equipment; and something like half their produce is needed to supply even the barest minimum. The evil effects of this great poverty are far-reaching: an infant mortality of 140 or more per 1,000 births, a considerable incidence of diseases associated with under-nutrition and malnutrition, and a lower expectation of life than in the western countries. All this leads to much unrest.

The poverty is ascribed to two causes: too many people and too little capital. The two are closely connected and the root of the trouble is the lack of capital; for the density of population is in fact considerably less than in this country. The lack of capital drives the peasants to grain production, the cheapest but least lucrative of all arable systems; it is suited to the wide open spaces of North America, Australia, or the great plains of the U.S.S.R., where there is far more land than can be closely occupied, but it is much less appropriate to regions where there is pressure of population on the land. The Programme was produced before and quite independently of the Hot Springs Con-

ference of May 1943, but the two fit together remarkably. Should it be found possible to carry out the provisions of the Atlantic Charter as elaborated at Hot Springs, grain production in eastern Europe will have to be largely replaced by systems producing more of the so-called protective foods. This change will require more labour and the use of more fertilizers and better animal husbandry, and will therefore yield far higher returns per acre and per man than grain; it will then give a higher standard of life to the countryman.

The change-over from grain production to farming for higher nutrition will, however, require capital, and in some of the countries it may even necessitate imports of grain for human beings and of oil seeds for livestock. This implies an export trade of some kind. By sufficiently improving the agriculture, it would be possible to organize an export of high quality protective foods and desirable horticultural produce, as Denmark and Holland have done and which has proved a satisfactory solution for those countries. If all Europe practised a high nutrition policy, there would be abundant demand for produce of this kind.

It is improbable, however, that a high nutrition agriculture alone could satisfy the needs of the countries of eastern Europe. In the absence of famine, pestilence or war a peasant population can speedily outgrow its agriculture, however efficient this may be. Migration becomes essential; as this is no longer possible on any great scale to other countries, it can only be to towns or mining centres in their own countries. The development of manufacturing and mining industries is therefore indispensable. Czechoslovakia affords a good example; before the war nearly 40 per cent of the population were employed in industry and mining, and only 40 per cent in agriculture, as against from 50 per cent to 80 per cent in the other countries. In consequence, although Czechoslovakia had more population per square mile of total land surface, and per 100 acres of cultivated land, its people had a better dietary, consuming more sugar, meat, milk, butter, eggs, vegetables and fruit per head, than those in any other of the eastern European countries, it had also the lowest infant mortality rate, if still a high one according to our standards.

All the signatories to the Peasant Programme agree in postulating a system of peasant farms for these seven countries: the alternative suggestion of large farms, howsoever organized, is not here

considered. Actually this question has been discussed elsewhere in great detail.¹ The arguments in favour of small farms are the need for high gross output from the land and for a useful and congenial occupation for the large peasant population; both these are achieved more fully on small than on large farms. The peasants are there and must be employed; they can neither emigrate nor easily become factory hands. The preference for small farms fits in well with a high nutrition policy, for while large-scale farming is appropriate for grain production, small-scale and peasant systems are usually more suited for livestock, vegetables and fruit.

If peasant farming continues, there is no necessity to perpetuate its present weaknesses. Before the war the poverty of the peasants kept them continually in the hands of money-lenders who were frequently also their merchants. Work was done laboriously by hand, prematurely ageing the men and especially the women, who have the added burden of child-bearing; much of the work could have been done more quickly and better by machine, and with far less waste of human life. Operations were carried out by individuals, each on his own little holding, that would have been far more economically done by one individual or organization for the whole group. There is no need for all this wastefulness, and the signatories to the Programme recognize that it must be avoided.

One obvious method is by co-operation. Denmark has set a wonderful example to the rest of the world, showing how much can thus be achieved. In the middle of the nineteenth century Danish agriculture, then largely based on sheep and grain, was hardly more efficient than the peasant systems of pre-war eastern Europe. It was further impoverished by the disastrous war of 1862 with Germany. Then the Danes effected a complete transformation and by the end of the century they had developed a high-nutrition type of agriculture. The change was entirely beneficial to the farmers and the workers, and gave them a standard of life such as we would like to see all over Europe. The most important factor in ensuring its success was the development of co-operation.

The signatories of the Peasant Programme recognize the urgent need for achieving this same end in their respective countries. Co-operation is indeed no novelty for any of them. In most of the countries it has been developed with success for supplying credit

¹ See, *inter alia*, "European Agriculture: Scientific Problems in Post-War Reconstruction", *The Advancement of Science* (Vol. II, No. 6, 1942).

and for keeping together the members of a minority nationality, saving it from becoming submerged. The supply of credit is particularly important. There is a considerable time-lag between the beginning of expenditure on an agricultural operation and the payment for it; during this period the peasant and his family have to live either on their own or on borrowed resources. Further, the very rigid etiquette of peasant life requires a considerable expenditure on certain events, especially the weddings of daughters. Money usually has to be borrowed and as banks will not make advances it must come from a money-lender, who charges a very high rate of interest. Often, too, he is the middle-man who buys the peasants' produce and supplies him with goods. Frequently he has a strong and pernicious hold on the peasant.

The Credit Society gives the peasant a way of escape and it can exert a very beneficial effect on the peasants' farming by selecting the operations for which it is prepared to make advances.

The justification for the nationalist co-operative societies in eastern Europe is that the minority nationalities have no intention of dying out, and while they have not their own States or even their own cantons, each can set up a co-operative society, and add to its popularity by making it help the peasants in those directions where help is most needed and will be most appreciated.

If, however, co-operation is to achieve all that it might, it must be free from political restrictions. All farmers coming up to the requisite standards of technical knowledge and efficiency should be eligible to join such a society, though not necessarily a particular one, for it is of the essence of co-operation that the members can choose who shall and who shall not be admitted. The Government should see to it that no competent farmer is deprived of the opportunity of joining some society or other.

Credit facilities and the means of national self-expression for minorities do not, however, completely solve the peasant problem. It is vitally important that co-operative societies should develop their technical and economic activities. One of the chief sources of the poverty of the peasant is his woeful inefficiency; this arises not so much from ignorance as from the pitifully poor resources at his disposal. His implements, seeds, livestock, the accommodation for his animals and the utensils for handling products such as milk and eggs are often such that no amount of industry on his part can ever give an adequate return. Cyril Hopkins once told me

how a small, poor farmer in the American Middle West, worn out with toil, visited an experimental field where he saw some plots receiving the ordinary small farmers' treatment, while others received the special fertilizer found to be necessary. The difference was enormous. The farmer recognized the results of the ordinary treatment; they were like his own. But he broke down when he saw what he might have had, if only he had known about the fertilizer. "All my life," he said, "I have laboured on my farm and my wife and family as well. It has always been hard work and poverty, and nothing more. How was I to know that this material you called fertilizer was all that was needed to change our poor crops into this splendid result, to give us a life of comfort instead of our painful drudgery?"

That indeed is the tragedy of the peasant's life: so much of his poverty and suffering need not be. While the Governments must develop educational and research services, the co-operative societies should organize heavy work, such as tractor ploughing and cultivation, and "combine" harvesting, and also set up collecting and grading depots for produce like milk, eggs, meat, vegetables and fruit. They should do the processing and marketing, advise the peasants how best to satisfy the market requirements so as to ensure the readiest sale at maximum prices, and how to adapt themselves to changes that set in from time to time. The societies should maintain and send round pedigree animals, or alternatively distribute the semen and ensure its proper use; they should take such other steps as from time to time may be needed to grade up the farm animals, and so eliminate one of the greatest sources of peasant poverty, the inefficiency of his livestock.

Co-operation, however, develops only slowly and unequally unless the peasants are sufficiently educated to receive it. The education must be not only technical but moral: the kind of training that teaches a man to play the game; to pull his weight; to market only produce of the proper standard and never to attempt dishonest dealings. This type of education was given by the Danish Folk High Schools, which inculcated respect for the community and the country, the desire to farm well and to raise the standard of country life. It was also one of the objects of the very successful Boerenbond of Belgium, a Catholic society in the Flemish region. The rural universities of Poland had the

same purpose and had they been given time would, in my view, have done very good work. The need is recognized: one can only hope that after the war the machinery can be set to work again.

But behind all these schemes for peasant improvement there lie two great and fundamental needs: capital to carry out the changes, and some means of operating the exchange between town and country. The pre-war financial system had many good points, but it did not function well as between the peasant and the townsman. The peasant wanted goods that the townsman could have supplied, and with which he could have produced more and better food. The townsman really needed this food, and would have had a much healthier and happier life if he could have had it. But somehow the exchange never worked properly; the peasant could not obtain the necessary appliances and the townsman obtained neither the market nor the food. This question of exchange deserves the most serious study by economic experts. If a workable system cannot be devised, there is very real danger that either peasants or townspeople or both may take things into their own hands and adopt drastic measures that will not only fail to achieve their object, but may cause great and widespread suffering.

The peasants of eastern Europe have caught a glimpse of a fuller life than they themselves have ever known, and they are resolved that they and their children shall share it. Their first belief was that they would achieve this if only they could get possession of the land. Experience soon showed that that was insufficient and that something more was needed. In the Peasant Programme given here, some of the leaders have set out their hopes and aspirations. They ask that their countries may secure a place in the economic structure of Europe and in the markets of the world. They are extremely anxious to avoid the position that was developing before the war, which put them under the economic domination of Germany. Their objects are both dignified and reasonable, and are indeed in close accord with the resolutions adopted by the Hot Springs Conference. There are no special technical or scientific difficulties in the way. The main difficulty is to start up the machine: to get the townsmen working to satisfy the peasants' needs and the peasants working to satisfy the townsmen's needs. In pre-war days this was only partially done, because those whose business it was to do such things saw

little chance of making much out of it. After the war it must be done, regardless of whether anybody derives any profit or not.

There can be no permanent peace in Europe until the peasants can be given a more satisfying life. The problem concerns us intimately: the peasants are no longer remote from us, for distances in Europe are now annihilated. The problem can be solved, and the question should no longer be "Who is to pay?" but "How can we help?"

I. A PEASANT PROGRAMME AND ITS SIGNATORIES

THE following document was signed in London on 9th July 1942, by twelve agrarian experts and representatives of peasant communities in Central and South-Eastern Europe:

PEASANT PROGRAMME

INTRODUCTION

I. We here present a programme drawn up by the representatives of the Peasant Communities of Central and South-Eastern Europe now in exile in London. The countries represented are Bulgaria, Czechoslovakia, Greece, Hungary, Poland, Roumania and Yugoslavia. None of those who sign this document will claim that he represents in any final way the policy of his own country. But, each of them claims, and is entitled to claim, that he knows the needs of his country as he sees them. And, collectively we assert that the programme for peasant progress here presented is sincerely designed to serve the future needs of the whole region now under consideration when the victory of the Allied Nations has restored their liberties.

II. Our purpose has been to examine the post-war prospects of the Peasant Community in Central and South-Eastern Europe. The problems involved are agrarian, economic and political.

In this programme we are mostly concerned with the agrarian aspect, and we have sought to present a constructive plan, capable of acceptance by the Peoples and Governments of the whole region and likely to enlist the support of the United Nations as well.

Of the political prospect, we declare that we remain opposed to dictatorship in all its forms and heartily associate ourselves with the United Nations.

III. We welcome, without reserve, the democratic leadership in war of Mr Churchill and President Roosevelt, now greatly reinforced by the Anglo-Soviet Treaty. We endorse the general purpose of the Atlantic Charter. But we feel the necessity to develop it in relation to our own European situation. In so doing, we believe we are performing a constructive task for our peoples. That task was already undertaken by our respective peasant parties before Hitler interrupted their work. We now think it vital to remind our compatriots that this programme offers new developments of their accepted ideals, and thus presents a constructive alternative to the prospect held out by Nazi Germany, knowing

well that the Nazis regard Central and Eastern Europe as the booty which they hope to extract from this war. All our countries have in recent years fallen more and more under the control of Germany, because she bought our products and dictated the price which she would pay for them. After victory we must be relieved from the grip of the German taskmaster; and this can only be achieved by opening new markets for us in Britain and Western Europe, and by a closer all-round association between us and the United Nations. The permanent subjection of this region by Germany would mean German domination of the whole Continent; and this would involve not merely the final suppression of liberty in the nations concerned, but insecurity for all, including the Great Powers themselves.

IV. We are convinced that the maintenance of our liberties after the downfall of Germany cannot be achieved by a mere reversion to pre-war conditions. The nations throughout this territory must execute a common policy, in close accord with Great Britain, the Soviet Union and the United States. Our contribution to this task is described in this Peasant Programme: subject, no doubt, to specific reservation by each country on certain points. Such a programme—especially if given due publicity during the closing stages of the war—would have a reassuring effect on the people, and would help materially to prevent anarchy and chaos in large tracts of Central and South-Eastern Europe. It would, moreover, concentrate popular attention on far-reaching plans of social improvement, and would exercise a beneficial effect upon the post-war development of the whole region.

V. We proclaim our faith in the principle of Democracy and the Four Freedoms proclaimed by President Roosevelt. We believe that the Right of the People to choose and to interpret their own destiny is essential in human destiny. And we feel that there is an especial need, in many of our countries, to provide our peoples, and particularly the peasants, with adequate means to voice their needs and with institutions which will enable them to establish their national policy. We know that the Nazi denial of this fundamental popular right is the central issue of the war. That is why our fight for a better world must go hand in hand with the fight for the complete annihilation of Nazism and Fascism and their Quisling satellites in Central Europe. Believing that mankind cannot fulfil this destiny by any bald declaration of principle, we conceive it to be our duty to proclaim the following policy for the Peasant Communities of the region now in the grip of Nazi tyranny, as a common safeguard against any future attack on democracy.

PROGRAMME OF POPULAR LIBERATION AND PROGRESS
FOR THE PEASANT COMMUNITIES IN
CENTRAL AND SOUTH-EASTERN EUROPE

PROLOGUE: THE PARTNERSHIP OF THE PEASANT AND THE TOWNSMAN

Believing, in the words of the Bible, that "we are all members of one body," we design our programme as part of a general human purpose, and we maintain that the raising of the peasants' standard of life is the necessary precondition for the progress of the whole nation. We are only too well aware that, in some of our countries, certain privileged classes have exercised an influence upon public policy which has often been detrimental to the national interest generally, and to the peasants in particular. We deny that there must be any inevitable hostility between the interests of the urban and rural population. We welcome industrial development, as the chief means whereby the condition of the whole people can be raised: and we believe that the struggle for a higher standard of living must be based on a collaboration of all the constructive forces in society.

1. PEASANT OWNERSHIP

"The Land for the Peasant" is our watchword. As we believe that the land should belong to those who work it, we cannot tolerate the existence of multitudes of landless men, or men with too little land, side by side with the existence of large estates. We regard the expropriation of the larger owners and the sub-division of their estates as an essential social reform in those regions where peasant proprietorship does not prevail.

The main basis on which a sound and progressive agricultural community can be built up is that of individual and peasant-owned farms. We do not however believe that the peasant can live in isolation, and we recognize the desirability of voluntary co-operation in land cultivation.

To safeguard the peasant against dispossession, or alienation of his land, under whatever guise, measures must be taken to prevent speculation in agricultural land, and to regulate the practice of mortgaging it. Further, measures should be framed to limit the right of the Public Authority to distrain peasant holdings for the payment of taxes.

As the individual peasant often farms small parcels of land, widely separated from one another, he fails to get an adequate return for his labour. Therefore, in order to improve his income and to promote more efficient cultivation, the holdings of each peasant must be *consolidated*. This may be achieved either by

voluntary co-operation organized by the peasant community itself, under an arbiter, or by machinery set up by the law.

2. AGRICULTURAL CO-OPERATION

The strength of the peasantry depends on the strength of their common institutions as much as on their ownership of the land. Experience of the past twenty years proves that land reforms alone are not sufficient. They must be followed by further constructive measures. The peasants themselves should control Marketing, Credit, and the supply of agricultural equipment by their own institutions, democratically organized. This method of combined action, being the practical expression of the co-operative principle, should be extended to factories for processing agricultural products, to the markets of the products thus made, to village communities engaged on special types of production, and to the promotion of agricultural education.

3. AGRICULTURAL CREDIT AND INSURANCE

The provision of finance for the peasants is a prime need. The stability of the financial institution required for this purpose can only be assured on a national basis, and therefore a Central Agricultural Bank should be established; but there should be a large measure of local initiative and control exercised by the co-operative institutions of the peasants themselves.

As much of the present uncertainty of the peasant's life is due to inadequate protection against the risks of his arduous calling, we prescribe a system of public agricultural insurance as one of the basic necessities of any programme of reform. In its inception, this may require State assistance.

4. STABILITY OF PRICES

The peasantry should be assured of a market for their produce at *stable prices*. This will require regulation both on a national and on an international scale.

5. NEED FOR BALANCED AGRICULTURE

Agricultural production must be well-balanced. Cereals have hitherto occupied too large a place in some of our countries. We therefore prescribe the introduction of more varied crops: e.g., fruit, vegetables, poultry, livestock, etc. Such improvements should be introduced as the result of scientific advice on the types of production most suitable to local soils and local climate.

6. ESSENTIAL MEASURES OF AGRICULTURAL IMPROVEMENT

In order to provide adequate scope for the policy here described, certain fundamental measures are required. They will probably

demand action on something more than a local scale entailing considerable investment of capital and scientific control. They are:

- (a) Land Drainage, Water Conservation, Irrigation and the vital supply of Hydro-Electric Power both for town and country, for which an initial survey on a national scale will probably be required;
- (b) Measures of Soil-Improvement, including the use of manure and appropriate fertilizers;
- (c) The provision of technical equipment, many forms of agricultural machinery and implements: the distribution of these may well be left in local hands, but their design and sources of supply should be one of the main concerns of the Ministry of Agriculture;
- (d) The improvement of all kinds of seeds, and the improvement of the breeding of livestock.

7. AGRICULTURAL EDUCATION

The scientific knowledge required for this policy must not remain the sole possession of experts. Therefore we demand both a substantial improvement in general education, and special measures for the development of technical instruction in all matters pertaining to farming. There should be a special section devoted to agricultural education in every peasant co-operative organization, and the central authority should organize local instruction through it.

8. RURAL WELFARE

We are deeply impressed with the inadequate provision for the general welfare of the peasants in many parts. Housing, nutrition, sanitation and recreation stand high on the list of urgent needs; and since this welfare must, first of all, be secured by a minimum standard of health, a competent Medical Service is needed.

9. INDUSTRIALIZATION

We have stated above (see para. 5) that a well-balanced agriculture is necessary to secure adequate results in a given area. We are equally convinced that a well-balanced rural society requires the combination of appropriate industries with agriculture. In many countries, over-population on the land is a serious problem; and special efforts must be made to create new outlets for it. Industries, so far as possible on a co-operative basis, are required to provide the necessary employment. They should be mainly devoted to the processing of local agricultural or forest products. We are convinced that, by these measures, we can raise the standard of living of the peasants and avoid excessive concentration of production in large towns.

10. COMMUNICATIONS

Throughout wide regions in Central and South-Eastern Europe, one of the impediments in the way of social progress has been the lack of adequate communications. We therefore demand for the whole area, and for each country involved, a survey of existing facilities, in rail, road, water and air transport. Of these four methods, we believe that the improvement of road transport is the most vital. We recognize that a programme of motor road construction cannot be designed solely for local needs; and we therefore suggest that neighbouring countries should confer together at an early date in order to co-ordinate their plans of new transport.

11. OUR "OVER-RIDING PURPOSE"

As persons and goods pass from one country to another they are normally subject to import restrictions imposed to protect national interests. Recognizing that these interests must be served and preserved, we record our conviction none the less, that there is an over-riding purpose common to the whole Peasant Community, from the Baltic to the Mediterranean, which we desire to promote. In the field of tariff policy there are conflicting interests to reconcile. And we hope to achieve this reconciliation by bringing them into their true relation with a greater interest, common to us all. The exaggerated nationalism of the Nineteenth Century gave us a legacy of national strife. We desire in the Twentieth Century to serve a better cause. We are all fighting for our nations against Nazi tyranny; but when, with the aid of Britain, America and the Soviet Union, we have won our freedom once more, we are determined to bury past feuds and to show the world that we have a common purpose.

12. THE INTERNATIONAL BASIS OF THE PROGRAMME

We present this Programme as proof of our common purpose. We recognize that its execution will depend in large measure on the extent of the help which will be forthcoming from Great Britain, the U.S.A. and the U.S.S.R. In the post-war period the immediate operation of a common plan to assist in the recovery of this region is essential, and we regard it as a matter of the first importance that the United Nations should now prepare a scheme for the supply of food, industrial products and raw materials, and that these goods should be supplied to the peasant communities in return for their services on projects of reconstruction. At the first opportunity the work of the Inter-Allied Committee for Post-War Requirements should be expanded to meet the needs of the pea-

santry, in order that the supply of machinery, electrical apparatus, railway material and rolling-stock, can be organized in accordance with the local demands of each market. We hope that by these methods the relief and reconstruction plans will develop into a long-term policy for closer trading relations between this region of Europe and the United Nations.

Our great Allies must recognize, in their turn, that it is not enough to set free our enslaved peoples. Liberation can only lead to improved conditions for us all, if our Allies are prepared to make with us a sustained effort of long-term reconstruction, based on scientific methods and democratic practice.

(Signed) 9 July, 1942

BULGARIA
CZECHOSLOVAKIA

D. Matzankieff
L. Feierabend
J. Lichner

GREECE
HUNGARY

V. Capernaros
A. Dániel
M. Karolyi

POLAND

St. Mikolajczyk
W. Z. Kulerski

ROUMANIA
YUGOSLAVIA

Pavel Pavel
Rudolf Bićanić
F. Gabrovšek
M. Gavrilović

* Dr Bićanić signed the Programme at the time of its original publication in 1942. He wishes it to be understood that, if the conditions prevailing now (May 1944) had existed then, he would not have signed it.

The signatories of this Peasant Programme represent a wide range of agrarian knowledge and political experience, as is shown by the biographical notes given below.

BIĆANIĆ, DR RUDOLF: Born on 5 June, 1905, at Bjelovar, Croatia, Dr Bićanić obtained a doctorate in Law at the University of Zagreb, and attended the Ecole des Hautes Etudes Commerciales in Paris. He then entered the Social Insurance Service. His political activities as a member of the Croatian Peasant Party resulted in his imprisonment with Dr Maček during the period of dictatorship, 1932-1935. From 1935 to 1940 he was Director both of the Economic and Social Research Institute and of the Peasant Co-operative (*Gospodarska Sloga*) in Zagreb, editing the paper *Gospodarska Sloga* and also, from 1937 to 1939, the underground Peasant Party paper, *Politički Vjesnik*. Dr Bićanić was Vice-President of the Electrical Company of the Banovina of Croatia, Zagreb, 1939-1940, and Director of the Foreign Trade Section of the Ministry of Commerce and Industry, in Belgrade, during 1940. He became Vice-Governor of the

National Bank of Yugoslavia in 1941, and Deputy Governor when the same bank moved to London, where he has also been a member of the Post-War Reconstruction Committee of the Royal Yugoslav Government. Dr Bičanić has published a number of books and articles on agrarian and economic problems.

CAPERAROS, DR VRASIDAS: Born in 1909 in Alexandria, Dr Capernaros lived in Greece from 1915. After attending high school in Corfu, he graduated from the Athens College of Agriculture in 1932. After his military service he spent a year as Technical Manager of the Cassandra Prison Farm, from which he was transferred to the technical service of the Fertilizers Association. A year later he joined the Agricultural Bank of Greece, being appointed in 1935 Assistant-Inspector in the Bank's Technical Service. Granted a scholarship in September, 1938 and leave from the Agricultural Bank of Greece, Dr Capernaros took a Ph.D. degree at the University of Edinburgh with his study of the economics of live-stock improvement. In June, 1941, he joined the Greek Section of the B.B.C. He has also been a member of a Technical Committee attached to the Greek Ministry of Finance in London.

DÁNIEL, M. ARNOLD: Born in 1878 in Hungary, on leaving a secondary school M. Dániel was engaged for some years in agricultural and commercial practice. From 1901 he was a writer and publicist, however, and from 1906 a prominent member and the agrarian expert of the Society of Social Sciences, collaborating in its monthly, *Huszadik Század*. During this period he published two books in Hungarian, *Land and Society* (1911) and *Increase Agricultural Production!* (1913), besides a number of pamphlets. In 1918 M. Dániel became Director of the State Agricultural Museum in Budapest, but went to Switzerland in February, 1919 and has since remained abroad. While in Austria he wrote for the *Archiv für Sozialwissenschaft und Sozialpolitik*, *Der Deutsche Volkswirt*, *Der Oesterreichische Volkswirt* and other papers, some of them Hungarian. From March, 1934, M. Dániel worked at the Czechoslovak Academy of Agriculture, and in March, 1939, left Prague for England.

FEIERABEND, H.E. DR LADISLAV: Born in 1891 in Bohemia, Dr Feierabend studied at Neuchâtel, Switzerland, and at Oxford, obtaining a doctorate in Law at the Charles University of Prague. After spending a few years in the administration of law, he was employed by the Board of Czech Agricultural Co-operatives, becoming General Manager in 1930; and he created the *Kooperativa*, a powerful trade organization of agricultural co-operative societies. Dr Feierabend was also Vice-President of the Czechoslovak Export Board, member of the State Railways, Customs and Statistics boards, and since 1930 President of the Prague Produce Exchange. In 1934 he organized the State grain monopoly, which stabilized the price of grain, and was made its president. Dr Beneš appointed Dr Feierabend Minister of Agriculture in the second post-Munich Czech Government, and while a member of the Cabinet under the Protectorate Dr Feierabend maintained contact with Dr Beneš, as well as an underground organization, until his escape from Prague in January, 1940. He then co-operated closely with the Czechoslovak National Committee in Paris until June, 1940, when he came to London and became a member of the Czechoslovak Government. Dr Feierabend is now Minister of Finance.

GABROVŠEK, THE REV. FRANCIS: Born in 1890 in Rovte, Slovenia, Father Gabrovšek is the son of a farmer and by profession a Roman Catholic priest. From 1923 to 1928 he was Secretary of the Slovene People's Party, which

represents a large proportion of the Slovene peasants and seeks to introduce Christian social principles into social life. Father Gabrovšek was also a member of the Yugoslav Parliament for the Logatec District. From 1928 to the outbreak of war he was the Delegate (*Administrateur délégué*) of the central board of the Co-operative Union in Ljubljana, the strongest peasant co-operative union in Slovenia; and he was the Union's representative in the Chamber of Agriculture for the province of Slovenia. Father Gabrovšek has been connected with the Yugoslav Government in London as a member of its Post-War Reconstruction Committee.

GAVRILOVIĆ, DR MILAN: Born on 6 December, 1882, in Belgrade, Dr Gavrilović studied law at the universities of Belgrade and of Paris, where he obtained a doctorate in Law with his dissertation on "The State and the Law." A founder of the Serbian Peasant Party, Dr Gavrilović was Deputy President until the death of the President, M. Jovan Jovanović, whom he succeeded. Dr Gavrilović was employed for a time at the Yugoslav Ministry of Foreign Affairs, but left it in 1923 to become one of the chief directors and leader writers of the Belgrade paper, *Politika*. Here he was free to advocate the thesis of his book on political and economic democracy, i.e., "that the economic programme of any political party must be built on a basis which corresponds to the social structure of the country, and that such a programme will not be accepted by Parliament unless a peasant majority in Parliament itself has been formed in a democratic way." During the period of dictatorship, however, Dr Gavrilović was forced to relinquish his editorial work on this paper, and he then devoted himself to politics, remaining in opposition until the fall of the Stoyadinović Government and the conclusion of the Serbo-Croat agreement. He became Minister in Moscow on Yugoslavia's resumption of diplomatic relations with the Soviet Union, which occurred before the German attack on Poland. When the Cvetković-Maček Government telegraphed him on 24 March, 1941, that they were about to sign the Tripartite Pact, he resigned. On 27 March, 1941, Dr Gavrilović became Minister without Portfolio in M. Simović's Government, resuming at the same time his duties as Minister in Moscow. In Professor Slobodan Jovanović's first Cabinet he was Minister of Justice and Religions, while in the second cabinet (1942) he was also appointed Minister for Agriculture and Reconstruction.

KAROLYI, COUNT MICHAEL: Born in 1875, Count Karolyi was leader of the opposition in the Hungarian parliament before and during the war of 1914-1918. He advocated a separate peace and for a time led the Independence Party. After the collapse of the monarchy he became Prime Minister and, later, President of the Republic. He emigrated after the Bolshevik *coup d'état* and has lived in Czechoslovakia, France, Yugoslavia, Great Britain, and the United States. He has been one of the editors of the Paris *Monde*. President of the Hungarian Committee in 1941, he is leader of the New Democratic Hungarian Movement in London. His principal publication has been *Egy egész világ ellen*.

KULERSKI, M. WITOLD Z.: Born in 1911 in Poland, M. Kulerski was editor and publisher of two Peasant Party papers, and since 1937 has been a member of the Supreme Council of the Party, as well as Chairman for the Province of Pomorze (Pomerania). He is now Honorary Secretary to the Polish National Council in London, on which he is also one of the five Peasant Party representatives.

LICHNER, H.E. M. JÁN: Born in 1897 in Velký Čepčín, Slovakia, M. Lichner joined the Czechoslovak Legion in Russia during the war of 1914–1918, fighting with the Allies. Afterwards he studied law and problems of agrarian policy, taking part in co-operative undertakings and working with various institutions concerned with agrarian economics. In 1935 he went to parliament as an Agrarian Party representative, and attempted to further the peasants' economic progress in that capacity. In the post-Munich period he was in the Government for a short time, administering Posts and Communications in Slovakia, at the same time engaging in underground activities until his escape in 1940. On the recognition of the Czechoslovak Government in Britain, 23 July, 1940, M. Lichner joined it as Minister of State, later becoming Minister of Agriculture and Public Works.

MATZANKIEFF, M. DIMITRE: Born in 1887 in Silistria, Southern Dobrodja, M. Matzankieff completed his secondary education in Roussé. After graduating in law at the University of Geneva, he practised in Sofia and has been a judge, Public Prosecutor, the head of a department at the Bulgarian Ministry of the Interior and Legal Adviser to the Sofia Municipal Council. For thirty years a member of the Bulgarian Agrarian Party, he is now on the Executive of the Agrarian National Union named after Alexander Stambolisky. As a result of his active opposition to the Government he was several times interned and once sentenced to imprisonment for "political crimes" against the dictatorship. In 1938 M. Matzankieff was returned to Parliament by his Sofia constituency, but with several colleagues he was soon suspended because of opposition to the Government's policy. He was then interned to prevent his taking part in the 1939 general election, following the dissolution of parliament. His opposition activities caused his transfer to prison, where he was detained eight months. After his release, and just before the entry of German troops, M. Matzankieff escaped with a colleague and came to England.

MIKOŁAJCZYK, H.E. M. STANISLAW: Born in 1901, M. Mikołajczyk is from a peasant family of Poznan Province and became a factory worker at the age of sixteen. In 1918 he played an active part in the revolution against the Germans, fighting with the Polish Army as a private in 1920. Wounded, he returned to the 50-acre farm left by his father, to become a founder, and for many years Chairman, of the provincial Peasant Youth Association. He was elected to various local administrative bodies, from the village council to the highest central authorities in that sphere, holding these offices simultaneously until the outbreak of war. In 1930 he entered parliament as a representative of the Peasant Party and became Honorary Secretary of the party's Parliamentary Committee. From 1935 he was Chairman of the Poznan Association of Agricultural Circles, the oldest and chief agricultural organization. He participated in founding a popular university for peasant youth in Nietazkow, where he lectured on economics, politics, and local government. M. Mikołajczyk was also a member of the administrative board of the Central Association of Agricultural Chambers and Societies, Warsaw, of the Poznan Electrification Society, and of many similar co-operative or professional organizations. Since 1935 he has been first Vice-Chairman of the Chief Executive Committee of the Peasant Party, of which he is now Acting Chairman for the third time. He has contributed many articles to the press on economic and political topics. M. Mikołajczyk fought the 1939 campaign as a private, was interned with his unit in Hungary and escaped.

to France, where he joined the Polish National Council as a representative of the Peasant Party. He was elected Acting Chairman of the Council, deputizing for M. Paderewski. In 1941 he became a member of the Polish Government as Deputy Prime Minister and Minister of the Interior, and since the death of General Sikorski in 1943 is Prime Minister.

PAVEL, DR PAVEL: Born in 1901, in Northern Transylvania (then Hungarian), Dr Pavel comes from a Roumanian peasant family and was apprenticed to a shoemaker after leaving primary school, but later worked his way through secondary school by spending his holidays as a journeyman. He obtained his doctorate in Law at the University of Cluj and the diploma of the Institut des Hautes Etudes Internationales of the University of Paris. In his legal capacity Dr Pavel became the Deputy Director, and lawyer, of a big chemical plant in Bucharest. His political and journalistic career began in connection with *Patria*, of Cluj, the official organ of Maniu's Party. In 1926, when a split had occurred in this Party, he and some of his friends succeeded in creating within it a left-wing political movement which was the first to attract many of the younger generation. Early in 1929 he became Press Attaché at the legation in Paris, and late in 1931 went to parliament as a representative of the National Peasant Party. He also became foreign editor of *Dreptatea*, the Party's official organ. At the same time he contributed to various left-wing papers and periodicals and participated in founding a review, *Stanga* ("The Left"), later suppressed. Articles on internal policy, on problems of Roumanian foreign policy, and advocating a Central European confederation have been republished in various volumes (1935-1936); others concerned minorities, disarmament, the weakness of the corporate State, the New Deal, and directed economy. As a close collaborator of Maniu, Dr Pavel went abroad on various missions; thus he explained the Roumanian situation to a House of Commons Labour group, headed by Mr Attlee, in 1938. Dr Pavel has recently published *Why Rumania Failed*.

II. THE ZONE OF SMALL NATIONS IN EASTERN EUROPE: A POLITICAL SURVEY

PROFESSOR R. W. SETON-WATSON

The first World War was waged by Germany for a programme variously defined as the *Drang nach Osten*, *Mitteleuropa*, or *Berlin-Bagdad*. Under it Germany, with the willing or reluctant backing of her then allies—Austria, Hungary, Bulgaria and Turkey—sought to achieve hegemony over the continent of Europe: and her emergence as a world power, claiming a generous share of African, Asiatic and South American territory would only have been a matter of time. In the second World War she is striking a much shriller note, partly because the immense blunders of her opponents have shown her how nearly



success was within her grasp, and partly because the Nazis are an infinitely cruder edition of *Kaiser und Reich*, more brutal, more intolerant, incapable of culture and despising education. This time the conception is no longer that of one victorious empire, with a group of allies holding subordinate but quite honourable rank, but that of a *Herrenvolk*, led by a superior mortal substitute for God Almighty, affecting to believe—perhaps so drunk with power as really to believe—that his régime is to endure for a thousand years. Round this *Herrenvolk* are to cluster the vassal States of Europe. The Reich is to resume its utmost medieval frontiers by incorporating Alsace-Lorraine, the Low Countries, the whole course of the Rhine, Switzerland, the East Mark and the Sudetenland. Then Poland and Czechoslovakia are to be permanently replaced by the “General Government” and the “Protectorate”; and *Lebensraum*—planned on strategic interior lines—is to be secured for the German people, no longer by assimilation, but by wholesale expulsion, transplantation, and where “necessary” by extermination. In other words the eastward expansion of the Germans, by which in the Middle Ages the Slavs were driven back from the line of the Elbe and the Saale to the Oder, is now to be resumed: if the salients of Posnaña and Bohemia can be hacked away, the new line might follow the Vistula or even the Niemen in the north, while in the east it might be extended as far as the Bug or the Don. This last change would have the double advantage of providing Germany with the vast resources of the “black earth” of the Ukraine and of relegating Russia politically to Asia, and perhaps even cutting her off from the Black Sea and the Baltic. German designs upon the Baltic States need no elucidation; limitless ambition in the east is the logical result of the working alliance concluded between the Führer and the General Staff, which sees opportunities for conquest and expansion far beyond the wildest dreams of any previous Prussian military chief.

The exact shape which Hitler's New Order could assume in south-eastern Europe is not yet apparent; indeed it is pretty safe to assume that on many points he holds a whole series of alternatives in reserve, to be applied or withdrawn as His Omnipotence may choose on the spur of the moment to dictate. Austria, Bohemia and Poland, seized “One by One” and swallowed whole; Slovenia wiped out; Slovakia, Croatia, Hungary, Serbia

and Montenegro as nominally independent, but utterly helpless, vassal States; for former Yugoslavia, Voivodina established as the strategic centre of Germanism on the Middle Danube; Transylvania, equally detached from Hungary and Roumania, with German garrisons holding the eastern watershed of the Carpathians; a Roumania, reduced to the dimensions of the old Regat, almost as powerless as a landlocked Serbia; an autonomous Macedonia, so framed as to enable its real political master in Berlin to dominate the Aegean and the exit through the Straits; Albania, helpless in itself, but a convenient thorn in the flesh of prostrate Greece and mangled Serbia; Turkey, perhaps ridden with a looser rein, but having no longer any choice save to enter the sphere of influence of Berlin; and beyond her the infinite possibilities of the Arab world and the Middle East: such are a few only of the patterns that follow each other in Hitler's shifting kaleidoscope.

The list may seem fantastic, and yet if the reader will stop for one moment to compare it with the realities of the war map as it is to-day, he will at once see that the most difficult and fantastic items on the list are the very ones that have been achieved and that we are faced by the necessity of reversing a series of accomplished facts before we can proceed to build anew. Nazi success hitherto rests upon a skilful combination of strategy and exploitation: a sudden and overwhelming concentration of force against one country after another, first the east (Poland), then the north (Scandinavia), then the west (the Low Countries and France), then the south-east (Hungary and the Balkans), and then a systematic draining of their resources—agricultural and mineral wealth, investments and real property, and above all man-power—to supplement Germany's own depleted stores and to make good the deficiencies due to war-strain and blockade. The final assault upon Russia was a bid for securing fresh supplies in the only country (save inaccessible Britain) still capable of providing them: fortunately for us, it proved to be a profound miscalculation, owing to Russia's unexpected powers of resistance and to the desperate heroism of her "scorched earth" policy. Unless, then, Germany can seize some other still unplundered country (and of the few still remaining neutrals, Spain is already drained dry, Turkey is a tough nut with little nourishment inside it, while Switzerland and Sweden are mere

flea-bites by comparison with what the Germans have already plundered), the time must come (though the date cannot be determined beforehand) when shortages of man-power and vital material will hamper her war effort, and when she will no longer be able to keep pace with Allied war production.

It would be a foolish illusion to suppose that the German leaders have as yet abandoned the hope of total victory; but as exponents of *Realpolitik* they may safely be assumed to have thought out alternative plans, enabling them in case of need to reduce their liabilities and shorten their strategic lines. It cannot be supposed that they expect to retain France as a permanent conquest, though they certainly do not intend to relax their grip except in return for a quite exorbitant price. But there are other directions in which only irredeemable defeat will induce them to relax their hold. It is in the east rather than the west of Europe that the real spoils of war are to be found; for if Germany is able to retain her control of Poland, Bohemia and Austria, all the Danubian and Balkan countries will be at her mercy and her domination of the Continent becomes a reality.

These issues concern the Slav world in the first instance, for the very survival of at least three out of the five Slavonic States—Poland, Czechoslovakia and Yugoslavia—is at stake. But in these days of air strategy they have also become the vital concern of the British Commonwealth and of the United States. It is as vital for us to-day to emancipate the Zone of Small Nations from German control, as it was for us in Napoleon's day to break the continental blockade which he had imposed upon the conquered nations of Europe.

The inhabitants of the Zone, on their side, are fully aware that their sole hope of emancipation lies in the victory of the Allied nations. To them the Atlantic Charter is nothing less than a charter of liberty, because its signatories pledge themselves (a) to refrain from all territorial aggrandisement; (b) not to allow territorial changes save "by the freely-expressed wishes of the peoples concerned"; and (c) to "restore sovereign rights and self-government to those who have been forcibly deprived of them." These pledges are couched in general terms, which commit us up to the hilt to the restoration of lost independence, but do not preclude frontier adjustments, by direct negotiation between many of the countries concerned. The value of these general

pledges does, however, seem to have been deepened and extended by the Anglo-Russian Treaty of 26 May 1942, the preamble of which expressly mentions the adhesion of the U.S.S.R. to the Charter and the resolve of Britain and Russia to make it the basis of their "close collaboration" during the peace settlement and the subsequent "period of reconstruction." Article V is more precise and definitely pledges the two powers to refrain from "territorial aggrandisement for themselves" and from "interference in the internal affairs of other States."

The representatives of the various Allied nations, in accepting these pronouncements as a sound foundation, and a hopeful augury, for victory, do not need to be reminded that a reversion to the exact pre-war *status quo* is neither possible nor desirable: that not only the small States, but all Powers, great and small alike, will have to accept certain limitations of that absolute sovereignty which was rapidly becoming a fetish in the period between the two wars, and was one of the main reasons for the failure of the League.

Moreover, the argument sometimes put forward in quite serious circles, that the day of the small nations is past, is surely a veiled way of saying that a few super-Great Powers are destined to swallow up all the others, and that we had better acquiesce in this, since we are lucky enough to be a Great Power. But in reality this is as illogical as it is pernicious. If once the Axis is defeated—till then all arrangements are thin air—the other Great Powers, namely Britain, America, Russia and a restored China, are pledged to execute the Atlantic Charter, and this *ipso facto* involves a very special respect for the rights of the small nations, whether allied, neutral or enemy.

It follows from all this that on the one hand there must be regional combinations of States, organized for common defence and close mutual intercourse, and on the other, that the individual States must be encouraged, and where necessary assisted, to settle disputed frontier questions by direct negotiations. In proportion as inter-State combinations can be created, frontiers alike political, linguistic and strategic, will tend to lose their old importance, and in the New Order everything must be done to promote this tendency. It must be made impossible for interested groups or classes to divert attention from long overdue social reforms by artificially fanning racial animosities.

The enslaved nations of the Zone, like their fellow victims in other parts of Europe, ask nothing better than to be released from German rule and to link their destinies with the Grand Alliance. To them the conception of the United Nations is one of the most fruitful ideas in the whole strategy of war and peace. And, since some of the peoples concerned in this Peasant Charter are near neighbours of the Soviet Union, they give a special welcome to the Anglo-Soviet Treaty and to the proof offered by the attitude of the United States Government that America desires to promote the united action of all the nations, great and small, in the prosecution of the War and in the work of reconstruction. They recognize the common need, shared by them, by the Soviet Union, and indeed by the whole continent, to create in eastern Europe a stable and reliable guarantee against the renewal of German aggression. They consider that this will require a firm political understanding between the Western Powers and the Soviet Union, and they desire to promote good relations between the U.S.S.R. and themselves. They realize that their own security will depend on the maintenance of such relations. They envisage an economic policy which will assure to them adequate markets for their products and which will prevent any Power from establishing an economic monopoly in the Danubian lands. In all this, they recognize the desire of the Soviet Union to make its own western frontier secure; but they believe that the problem of security in eastern Europe is inseparable from that of Europe as a whole, and therefore they pin their faith to the conception of the United Nations acting in co-operation in the general interest.

In terms of international policy, the problem that has to be solved is how both to guarantee the independence of the lesser States which lie between Germany and Russia, and to provide Russia herself with real guarantees against fresh attacks from Germany. The principle of real guarantees to Russia against fresh attacks from Germany and the principle of the independence of the lesser States lying between Germany and Russia are not incompatible, as some tend to believe; they are in fact complementary. A secure Russia means security for these States, and vice versa: the security of these States is at the same time a safeguard for Russia. Moreover the interests of Great Britain, Soviet Russia and the nations of the Zone concerned are not divergent,

but convergent. The lesser nations will be only too anxious to live in good neighbourly relations with Russia; and in promoting this end Britain and America, if they hold together as they ought, can contribute most materially.

Moreover, in proportion as we make a reality of the alliance with Russia and establish terms of mutual confidence and esteem, we shall restore security in this region and thus automatically reduce the temptation for any Power to revert to the old annexationist methods. Soviet Russia, on her side, will greatly benefit from the existence of a belt of States set free from the economic and military thrall of any Great Power, and separating her from Germany.

It is not my purpose, in what is a mere prefatory note, to propound some cut-and-dried system for the vast area to which it is both convenient and practically desirable to apply the name of "The Zone of Small Nations." It is, however, safe to assert that their mutual relations can only be satisfactorily built up on federal lines. In passing, it is essential to enter a certain caveat as regards the much misused word "federal." The relationship between the eight¹ States of the Zone obviously cannot be "federal" in the sense used in the United States; it will bear greater resemblance to the old German "Confederation" (as a *Staatenbund*, not a *Bundesstaat*), with the very vital difference that no one of the eight will enjoy such superiority of power and influence as Prussia in the German Bund.

In this direction the first faint outlines of the future are already discernible on the European lantern screen, though much focusing or readjustment may still be required. In the north the plan of a Polish-Czechoslovak Confederacy was adopted by the two exiled Governments in London, and considerable study has been devoted on both sides to the issues which are likely to be raised as soon as it proves possible to pass from theory to practice. In the south, again, the Greek and Yugoslav Governments by their Pact of 15 January 1942 established a confederacy between them, which of course remains purely theoretical so long as the enemy occupation lasts, but which accepts as its basis "the principle of 'The Balkans for the Balkan

¹The author here includes Albania, a country whose agrarian problems would have been included in this study had an Albanian agrarian expert or Peasant Party representative been available in Great Britain.—Ed.

Peoples'." This is expressly envisaged as the first step towards a wider Balkan Union, including all States "ruled by Governments freely and legally constituted." The Kings of Greece and Yugoslavia, in speeches following the signature of the Pact, expressed the hope that the Balkan and Polish-Czechoslovak Confederacies would be "inspired by the same principles," and that a "Central European Union" would eventually be achieved.

It would be the height of folly to prophesy what may eventually come out of these first experimental decisions. There are some who think that it will be positively easier and safer to achieve the wider "union" or confederacy including everything from the Baltic to the Aegean; but most people will incline to the view that a northern and a southern may be built up step by step, and that then perhaps a superstructure may be erected over the heads of them all. It will be sufficient for our present purpose to give three more concrete indications.

1. Balkan Union, in its first experimental form of the "Balkan Entente," was already in a fair way towards realization when the immense disaster of the present war, and the ruthless Axis policy of everywhere setting neighbour against neighbour and brother against brother, wiped out in a few weeks the progress of over twenty years, and stirred afresh hatreds that were at long last beginning to die down. In particular, relations between Serbs and Bulgars had been steadily improving, and only a few months before the outbreak of war a pact of "lasting peace and eternal friendship" had been signed between Yugoslavia and Hungary. The events of 1941 have naturally set back the cause of Balkan union, but we must not allow ourselves to be unduly discouraged. Once Hitler and the Gestapo have been evicted and the nightmare ends, necessity will dictate a return to reason and co-operation; and Balkan statesmen, and still more Balkan peasants, will surely not ignore the miraculous example before their very eyes, of the reconciliation of those secular enemies, Greeks and Turks, after the war of 1922. Bulgaria, if freed from the yoke of her German king and allowed to express her natural Slav sympathies, would be one of the most thorough-going democracies in Europe, and would thus qualify for inclusion in the Union—whether as an equal federal unit of Yugoslavia inside a wider confederacy, or only on the same terms as all the other State members, is really a secondary question. The crux

is that Bulgaria, thanks to her geographical position, holds the key. Without her inclusion the peninsula cannot be consolidated, and without solid guarantees against a fresh "stab in the back," none of her neighbours will consent to include her. It is the test of statesmanship to find an exit from this dilemma, and as formulated above, the problem is far from being insoluble.

2. A Northern Confederacy is faced at the outset by a double dilemma. For obvious geographical reasons it can only expand by including either Austria or Hungary, or both. The two problems are fundamentally different. The restoration of Austrian independence is an eminently desirable aim: it is known that Nazi rule is as deeply loathed in Austria as in any non-German occupied country. None the less, for both Czechs and Poles the memory of three years of prolonged horror is bound to act as a brake and arouse certain misgivings, when a confederacy including a German people is in question; and it must also be admitted that in the case of Austria it is even more difficult than in the case of Germany to forecast with any certainty the political and social structure of the post-war period, and therefore the basis of co-operation with the neighbour States. One thing alone is certain: that Poles, Czechs and Slovaks alike are overwhelmingly and irrevocably opposed to any restoration of the Habsburg dynasty (as indeed are the Yugoslavs and Roumanians also), and that this offers common ground with the great majority of the Austrian population. The realist will boldly face these difficulties, but he will persist in regarding both Austrian independence and Austrian adhesion to a Northern Confederacy as essential to the future settlement.

3. The position of Hungary in the new constellation is far the most difficult, and perhaps for that very reason forms the crux of the whole problem. For Hungary, as at present constituted, as a last survival of feudalism in central Europe, is an obstacle to the formation of either a northern or a southern confederacy. Unless and until there is a thorough change of régime, Hungary's rulers will of necessity gravitate towards Germany rather than towards either Bucharest, Belgrade and Zagreb, or Prague and Warsaw, while each of those five capitals will view with disfavour and distrust her inclusion in either of the two combinations. Nor, for that matter, will Hungary, unless radically transformed, entertain for one moment the idea of entering either group.

Her present alliance with Germany was embarked upon deliberately, because a German victory holds out far brighter prospects to the Hungarian chauvinists than any other outcome of the war. Hungary's present rulers not merely hope to restore the old pre-1914 "integral" Hungary (and in particular to recover the remaining half of Transylvania), but also are resolved, if possible, to prevent the re-establishment of Czechoslovak or Yugoslav independence. Moreover, they fully realize that their defeat will be the end of the existing order in Hungary.

Just as Bulgaria holds the key position on the Lower Danube, but to an even greater degree, Hungary holds the key position on the Middle Danube. Transform Hungary from a feudal to a popular democratic basis, and the main obstacle to co-operation throughout the Zone would disappear. For the real bond of union between these eight States lies in the fact that they are predominantly peasant in structure, though the relative importance of the peasantry and other elements in the State varies to some extent from State to State. The peasants have already emphasized their democratic aims and opposed dictatorial or monopolistic régimes; and it must be made impossible for any State to be run on anti-peasant lines, as was sometimes the case in the period between the two wars, in more than one of the States with which we are concerned. Moreover, just as the further decay of the peasant class and the decline of the birth-rate spell ruin for the State as a whole, so a planned economy, systematically directed towards raising the standard of life among the peasantry, will send fresh blood coursing through the veins of the State. For one of the main tasks of statesmanship in this zone of Europe must be to assign their proper function to Town and Country alike; and if due attention is paid to this task, the resulting situation should work out to the advantage of the urban population and the intellectual class no less than to that of the peasantry.

June, 1943.

III. THE GENERAL BACKGROUND OF THE PEASANT PROBLEM

AN EXPERT OBSERVER

The peasant problem in eastern Europe, speaking broadly, is twofold in nature. It is an economic problem—how to organize peasant agriculture, and peasant life, so as to provide a livelihood for the peasant masses at a higher standard of living than that which has prevailed hitherto. But it is, secondly, also a political problem—the problem of the social organization of those countries in order to give the peasant masses at last their rightful voice and place in the government of their countries. This may be only the framework, while the other is the content, of the peasant problem. But without the proper framework, the content, no matter how improved, would in the end waste itself in a fruitless effort. As so often in the past, changes and reforms might be misdirected, or be misapplied, unless genuine democratic régimes were there to watch over their fulfilment.

The Peasant Programme reproduced in Chapter I makes it clear that in the eyes of its signatories the two sides of the problem are indissoluble. While, therefore, the chapters which follow are devoted to a survey of economic ways and means, in a broad sense, for improving the peasants' lot, some account must be given by way of preface of the political and social conditions which have stood in the way of such improvements in the past, and which will have to change if reconstruction is to move freely and effectively towards a better future. The countries of eastern Europe are young not only as States but also as societies. Historical circumstances arrested their development. In the nineteenth century they were for the most part still in a patriarchal, semi-feudal stage. Economically they were largely self-sufficient agricultural communities, with only handicrafts to supply those goods which were not produced domestically. It was only within the last two or three generations that industry began to play an important part. That trend was quickened by the first World War and the great economic crisis of the nineteen-thirties, and the present war is likely to speed it up still more.

The trend and balance of social forces which emerged during this period of transition showed many of the traits which characterized the Industrial Revolution in the West. But at the same

time there were also essential differences, due in part to local conditions and in part to general historical circumstances. In the West the emancipation of the peasants, under the impetus of the Industrial Revolution, led to the consolidation of the landed class and to the spread of commercial farming. In both directions the change was dominated by the economic point of view. In eastern Europe, because of the overwhelming presence of the peasants, and of the absence of any substantial middle class, the first phase, with certain local variations, led rather to the increase of peasant ownership and of peasant farming.

The customary historical verdict charges Turkish domination with all the evils from which the peoples of south-eastern Europe have suffered. The long Turkish domination certainly warped the political growth of the Balkan peoples, but the same circumstances also delayed the social divisions and hardening which went into the growth of the militant nationalist State. It was only with the removal of Turkish domination that the internal struggle for power began to take shape; as it was only with the freedom to organize the national economy that the social struggle began to have any meaning. As the demand for cereals and the opportunity to export them increased, so did the rape of peasant land and the abuse of peasants' labour; and later the fall in prices with the coming of supplies from overseas had, however paradoxically, the same result. That was the meaning and the core of the "peasant problem" which, in somewhat varying degrees and forms, has continued to agitate the life of the eastern European countries.

To keep the peasant problem within bounds, agrarian reforms of one kind or another appeared perennially in the legislation of those countries, especially in time of war or national stress. And such legislation reflected the many ways in which the peasants' life and labour were being exploited, for it had to fix the wages they were to receive for work done on the large estates, to stipulate the nature and form of labour contracts, to reserve a sufficient number of days for the harvesting of the peasant's own crops, and take other such protective measures—apart from the periodical distribution of land. Land, of course, was the peasant's traditional claim. To him it was not merely a piece of property, but the established means of livelihood for himself and his family. It gave him, in his belief, all those forms of "social

security" which in the West the State had to ensure to the industrial workers by means of a growing variety of devices. "Land hunger" was therefore the constant factor in the social and political life of the region, a strong claim upon the readiness of the peasants to defend their countries, but also a latent ferment in times of revolution and stress. When the Central Powers invaded Roumania, in 1916, they called upon the peasants to revolt and promised them all the land. When a little later the Bolshevik Revolution broke out, it gave the impetus—indirectly and as a measure of defence—for the great land reforms, from 1918 onwards, which abolished the large estates in that region. Hungary alone remained an exception, and in Poland the reform has been only gradual and partial.

These land reforms, as a social principle, were a great historical milestone; but they also reflected in their application the political deficiencies of the region. Taken as a whole, they were in direct line with the nineteenth-century measures which emancipated the peasants in the west. The two groups formed part of a continuous movement, begun in the west by the French Revolution, which completed the demolition of feudalism. Yet between the western and the eastern group of reforms there were also differences which disclosed the startling change which the position of the peasant had undergone in the interval. The main features of the nineteenth century measures were for the peasant of a negative character. The peasants were freed from feudal obligations, but they had to pay compensation either in a lump sum or in taxes, and also they generally lost some of the land which they had formerly farmed. Under these measures, real benefits were reaped by the landlords. Their estates were freed from servitudes in a period of expanding corn-trade and rising land values, transactions in land were made free, and the way thus opened for the concentration of landed property. In the twentieth century reforms, whatever privileges the landlords had enjoyed were generally swept away, and the peasants received most of the land, with virtually no compensation to the former owners. The new reforms have well-nigh ruined the landlords, latifundia have been destroyed altogether, and the new measures contained provisions which restricted the sale of land and barred the way to any restoration of large private estates.

Thus these reforms, though carried through peacefully, were none the less revolutionary in character. They implied, and indeed postulated, a full social transformation. But their promise was not fulfilled, for reasons which show why the peasant problem in its broader sense is still unsolved. The reforms were in fact one-sided. They did bring about a drastic redistribution of land ownership, but they were not completed with those economic measures which would have made them into real agrarian reforms, nor with those social and political measures which would have made of them the vehicle for a true social advance. They were hampered as much by sins of commission in application as by sins of omission in policy. For the old ruling groups, to put the issue briefly and broadly, having lost the land, were driven to try to restore the balance in their favour by seeking new fields of activity and gain. They sought an economic refuge in industry and finance, and that was an important factor in the relatively rapid growth of those branches in the inter-war period. And because in a degree that growth was artificial, both in tempo and in substance, it depended greatly on the State's economic policy, and thus on the control of power in the State. This in its turn goes a long way to explain the domestic politics of those countries in the inter-war period, and especially the growing division between the peasant groups and the urban elements.

The not unnatural tendency of the former landed class to recoup itself in other fields permeated the whole economic and political life, and in so doing stultified from the outset the working of the great land reforms. To give examples of this trend is easy but would be invidious, while a more comprehensive statement would be out of place here. But speaking generally, I think it would not be unfair to say two things about the economic policy of the region in the inter-war period:

1. The means and resources of the State were devoted to furthering industrial development and the accumulation of capital, and hardly anything was devoted to land and agriculture. There were no roads for the countryside and inadequate education; the newly-endowed peasant farmers were given little of the implements, training and credits they needed if they were to make good use of their holdings. The State generally also kept in its hands control of the co-operatives, for political ends.

2. The fiscal policy of the States, in the matter of taxes, tariffs and prices, had the same tendency and thus added to the peasant's burden, all the more as he had in any case a low cash income. Extraordinary as this may sound, after the land reforms in some of the countries concerned, the duties on agricultural machinery and implements were actually increased, while the duties on motor-lorries, lighter passenger cars, etc., were decreased. One has to take into account that, in any case, the agricultural producers were already suffering from the effect of the price "scissors," in order to appreciate the full effect of that trend upon the new and poor peasant proprietors. In a candid apologia, in the late nineteen-twenties, a Roumanian sociologist, M. Zeletin, admitted the unorthodox ways used by the ruling group for building up a national capital reserve. But, he said in effect, what else could they do? It was easy for the French and the English to accumulate national capital by exploiting the natives in their colonies. Whom could the Roumanian capital-makers exploit? Only their own natives—the peasants. The toll taken from the peasants' social freedom was so to speak a levy for national economic independence.

This economic trend inevitably carried with it an equally serious political implication. Such an economic policy could obviously not be pursued if the prescribed democratic forms had been applied in the government of those countries, especially as in the meantime the peasants had been organized in powerful parties of their own. The one-sided economic policy inevitably had to rely upon arbitrary political methods. In earlier periods, when the political forms were still rudimentary, the peasants usually had spokesmen of their own. But under the supposedly new democratic constitutions, there was often not a single genuine peasant to be found in the Parliaments. The many methods by which such results were achieved would make a suggestive and comprehensive manual of political gerrymandering. But it is sufficient to note that in all those countries it was the peasant leaders and the peasant parties who were persecuted and ostracized, and by one means or another deprived of their proper share in government. Some of the most outstanding public men of the region in the inter-war period were thrown up by the peasant movement—men like Stamboliski in Bulgaria, Radić in Yugoslavia, Witos in Poland. There is

no saying what new light might have come upon their region had these men had a chance to fulfil their programmes. Instead, by violence or subterfuge, their political life was hamstrung or cut short; until the process, by a natural and continuous decline, ended in open or disguised dictatorial régimes.

In the light of this very recent history it will be clear that, just as a perverse economic policy in the inter-war period went hand in hand with a distorted political system, so any new economic policy must have the protection and support of genuine democratic régimes. It goes without saying that this applies not only to general policy but also and especially to local administration, which touches the peasants' life intimately and is so remote from central supervision. But, in any case, it is in the nature of things that all reconstruction in the Danubian region, if it is to be democratic in method as well as in purpose, must be largely for the peasants and by the peasants. The relatively small size and little strength of the industrial groups make the peasants the most potent political factor in eastern Europe. The workers might try to act without the peasants, but they could do nothing against them. Nor is the strength of the peasants limited to their own mass and means. Just as in the West many young intellectuals have been attracted to the Labour Movement, so in the East most of them, for various reasons, have taken up the peasant cause. They will need some fresh prospect to inspire them, if they are not to be left, through sheer disenchantment, to play a purely disruptive part.

It is not easy to say how the War will have affected the outlook of the peasants; and, especially—a very important factor—how contact with Russia and things Russian will have struck them, particularly the poorer peasants among them. Events in Russia have always reverberated in the neighbouring peasant regions. It is indeed interesting to reflect that the Bolshevik revolution might have spread in 1917-19 farther geographically, if it had not gone quite so far socially. In any case, there has now been direct and widespread contact between Soviet Russia and the peasants to the West. They are unlikely to have become Communists. But they are bound to have been impressed by the strength and the spirit of the Russian people in their national resistance to the German invasion; in addition to which the Soviet Union can present itself to them as a country in which

the social hierarchy and inequality of former times have been replaced by a philosophy of egalitarianism. Hence, the most effective appeal is likely to remain, even more than before, with the revolutionary claim. The previous reforms have eased somewhat the social strain, but not enough to remove it. Therefore, no amount of clamour about the Bolshevik—or for that matter about the Nazi—ghost will make the peasants forget the reactionary skeleton in their own national cupboards. Nor will it be much use providing them with new economic clothes, vital as these are, till those cupboards have been cleansed and aired.

IV. PEASANT LIFE AND LABOUR

The troubled political history of the seven countries in our area during the last twenty years is only one side of the picture. Less well-known but, as Chapter III has shown, not less real, were their economic difficulties. One fourth of the population of Europe (excluding Russia), living on one third of its territory, suffered even in years of peace from one great evil, poverty.

Little did western Europe, in spite of its depressed areas, slums and industrial unemployment, realize the extent of this peasant poverty. Although about 70 per cent of some 110 million inhabitants were engaged in agriculture, the struggle for their own daily bread, in the literal sense of the word, was never successful: the main diet of an area which, as a whole, exports wheat, consisted of maize and potatoes. Comparing the average annual consumption per head of various articles of diet with that attained, for instance, in Denmark, serious deficiencies are found in all protective foodstuffs (see Table A).

TABLE A¹

ESTIMATED ANNUAL CONSUMPTION OF THE MAIN FOODSTUFFS PER HEAD, PRE-WAR
(lbs.)

Country	Wheat & Rye	Maize	Pota- toes	Sugar	Meat	Milk	Eggs (No.)	Fats
Poland	392	*	550	27	50	260	90	21
Czechoslovakia	275	25	260	47	63	290	169	40
Hungary	550	*	220	26	57	240	95	30
Roumania	245	400	110	15	55	140	90	25
Yugoslavia	265	340	130	12	44	160	45	18
Bulgaria	440	*	35	12	45	150	80	19
Greece	340	33	34	22	34	155	76	35
Denmark	265	Nil	250	117	124	410	115	67

* = negligible

¹Extract from Economic Research Group data given in the Appendix, Table 4.

These figures, while revealing marked deficiencies, give grounds for hope by indicating a large potential internal market for local food production. But there is little chance that the market can be opened unless economic and social problems are tackled boldly, in a new spirit.

The cumulative effects of malnutrition and of inadequate social services and hygienic measures, for which capital did not suffice, are evident in the infant mortality rate (see Table B).

TABLE B
NUMBER OF CHILDREN PER 1,000 BORN ALIVE WHO DIED WITHIN THEIR FIRST YEAR OF LIFE, 1936

<i>Country</i>	<i>Children</i>
Poland	141
Czechoslovakia	124
Hungary	137
Roumania	175
Yugoslavia	137
Bulgaria	144
Greece	114
Germany	66
United Kingdom	62

Yet despite the high infant mortality, the natural increase of the population has been much higher than in western Europe. In 1938, the increase per 1,000 inhabitants was 12.9 in Roumania, 10.7 in Poland and 9.0 in Bulgaria, as compared with 7.3 in Germany, 3.5 in England and Wales, and a decrease of 0.8 in France.

The average expectation of life of a new-born child is not known for all of these countries, but in 1931 it was 49.8 years in both Poland and Hungary, whereas it was 60.8 in England and Wales and 61.3 in Germany, at the same period.

The standard of living varies, of course, between and within the seven countries. The highest standard is generally found in the western provinces of Czechoslovakia (Bohemia and Moravia) and in the western parts of Poland and Hungary. The Voivodina in Yugoslavia and the Banat enjoy reasonably good conditions, while in Ruthenia and Bosnia, in parts of Slovakia, Transylvania and Croatia, and in southern and eastern Poland, the standard is on the whole so low as to constitute them permanently distressed areas. In some sections, famine is not unknown even in peace-time. It has been said that in some districts of southern and eastern Poland a peasant could not afford

a whole match for lighting his fire: each one was carefully split into four parts before being used. This fact is symptomatic of the degree of poverty still suffered by millions in the last decade before the War.

It is not possible, on the other hand, to quote precise figures in illustration of prevailing standards. Statistical comparisons of the kind are difficult in any case; they are well-nigh impossible when most of the economic life of the nation cannot be expressed in monetary terms. In these countries the proportion of farm produce sold on the market averages less than 50 per cent, as compared with from 70 per cent to 80 per cent in western Europe. In other words, the peasants are largely subsistence farmers, earning more than half their income in terms of food. That this food is in fact insufficient for the family's subsistence was shown in Table A. Yet however bad the food situation on the farm before the new harvest is brought in, the peasant tries to sell as much as possible of his produce; for he needs cash, not only to buy industrial and other goods, such as kerosene, salt or matches, essential even to a farmer's life, but also in order to pay taxes.

There have, of course, been credit organizations, especially co-operative credit societies (see Chapter VI). But credit is no real help unless the peasant has a reasonable chance of being able to pay back what he has borrowed. In many cases this chance has been negligible; and the problem was aggravated by the fact that the peasants often fell into the hands of usurers who forced them to sell bits of land from farms already too small to feed a family, or one of the draught animals without which the coming season could hardly be faced.

In several countries the tax system has burdened the smallholder far more, proportionately, than the big landowners. In Hungary, for instance, the smallholder paid twice or even three times the amount per acre paid by large landowners, and in Yugoslavia and Roumania the system was not much better; for even where direct taxation fell equally on all, indirect taxation bore more heavily on the peasant. It is true that in times of economic crisis, especially during the world-wide depression when agricultural prices sank to a low level, the State gave some help. In Bulgaria and Roumania agricultural debts were converted by Government action. In 1934 some 200,000 Bulgarian peasants benefited by a reduction in their debts and

in the rate of interest, and by a prolongation of the time allowed for settlement. In Roumania some two and a half million peasants were assisted by similar legislation. But the problem was not thereby solved, only mitigated for a period. The peasants' urgent need for cash remained, and lack of capital prevented them from buying the machinery and technical equipment which could have improved, to a certain extent, their earning capacity. There seemed to be no way out of the vicious circle. Moreover with regard to debts, as with taxes, the small peasant suffered most. For Hungary this can be shown in detail (see Table C).

TABLE C

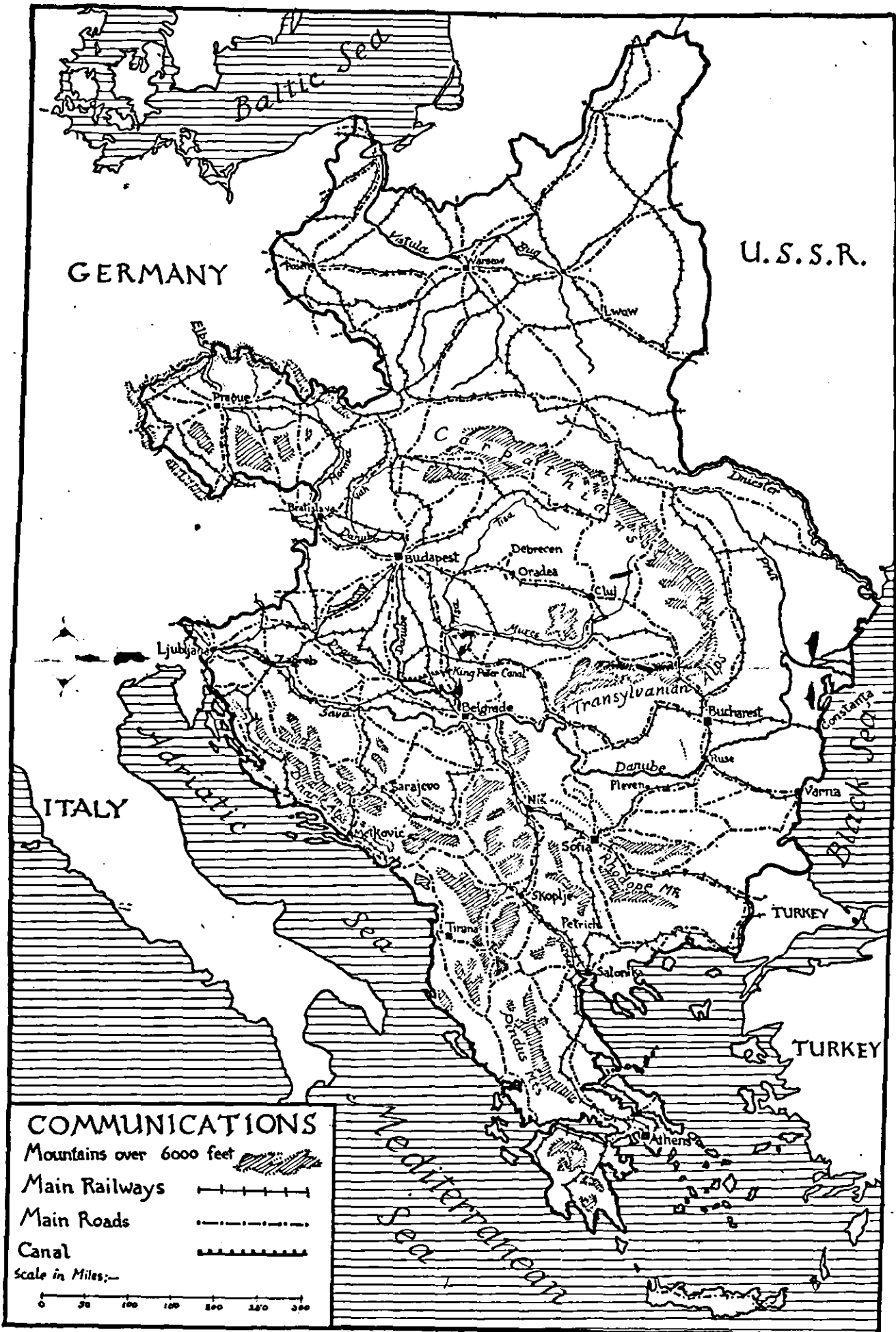
RELATION BETWEEN DEBTS AND THE SIZE OF FARMS IN HUNGARY, 1932

<i>Size of Property (in yokes¹)</i>	<i>Debt per Yoke (in pengő²)</i>
Less than 5	534
From 6 to 10	309
From 11 to 50	330
From 51 to 100	280
From 101 to 1,000	221
Over 1,000	167
Average	280

¹ 1 yoke=1.422 acres.² 1 pengő=8.34d. (in 1932).

A large proportion of the credits for which the peasants were indebted went to buy consumption goods, especially in the case of the small farmer; thus their greater indebtedness does not point to a higher degree of investment, but to the extreme poverty of the small farm.

Subsistence farming, as the main basis of economic life, is out of date. The economic autarchy of a farm has proved to be as impossible as the economic autarchy of a State. Unless some remedy is found by giving peasants a wider market, both inside and outside their own countries, no attempt at peaceful reconstruction can succeed. The figures for national income, where they exist, show the position of agriculture clearly. A rough estimate of the national income of Bulgaria, Greece, Hungary, Roumania and Yugoslavia shows that the income per head of the population was equivalent to about £16-£17 per annum. Yet the share of the national income derived from agriculture is, wherever we have the data to judge, considerably smaller



than the percentage of the population occupied in agriculture (see Table D).

TABLE D

RELATIVE IMPORTANCE OF AGRICULTURE AS OCCUPATION AND AS SOURCE OF INCOME, PRE-WAR

Country	Percentage of Population Engaged in Agriculture	Percentage of National Income derived from Agriculture
Czechoslovakia	39.7	36.0
Hungary	53.2	33.9
Roumania	78.1	49.0
Yugoslavia	76.1	48.3
Bulgaria	81.8	53.5
Greece	53.6	45.0

Parallel with this trend of economic development go changes in the customs and habits of the peasant population. When subsistence farming was still an adequate economic basis of life, the smallest constituent unit of society, especially in the southern part of the area, was not a family consisting of parents and children only, but the larger family, the *zadruga* (as it is called in Serbian), which was a patriarchal¹ community. The married sons brought their wives to the father's farm, on which there lived upwards of forty individuals. Economic life took the form of a primitive "communism," every one having an equal share in the output of common labour. In these largely autarchic units the women engaged in various home industries, providing the farm with almost all needs. Social relations were rigidly fixed, and the unquestioning acceptance of the social hierarchy resulted in a group life of considerable harmony and stability. Peasant arts and crafts flourished. Birth, wedding and death ceremonies, religious and seasonal festivities enriched a life of toil. But with the decay of subsistence farming, these traditional patterns of life are disappearing. In parts of Yugoslavia and Bulgaria *zadruga* can still be found, but their number is decreasing rapidly.

It must be realized that such a co-operative form of peasant life often has a deep attraction for those who have experienced the problems of an industrial civilization. About a hundred years ago the sociologist Le Play, for instance, contrasted the harmonious life of peasant communities with the unharmonious forms of town life. But whatever regrets are aroused by the

¹ The head was sometimes elected

decay of this type of life and by any conscious attempt to break with certain peasant traditions, developments in other directions cannot be arrested. No artificial preservation of the peasant past, in an idyllic "park," is possible. Most of the peasants themselves do not desire to be artificially "preserved." That they are capable of creating new social forms in their struggle for a new economic order has already been shown in the growth of the co-operative movement, in their various political organizations, and now in war-time guerilla tactics against the foreign oppressor. The positive side of these new social developments will no doubt come into full view once the fundamental problems are solved. Before we can turn to a discussion of possible solutions, however, the causes of economic distress must be further examined.

There are on the land three classes of persons: the big landowners, the peasants, and the landless labourers. The problem of the big landowners may be said to have been solved in all countries except Hungary and, to a lesser degree, in Poland and Roumania, by Land Reform. In Hungary estates over 700 acres in size still cover 35 per cent of the country, and the result is a large population of landless labourers. It is indeed estimated that half the total farm population in Hungary lacks land, and 35 per cent of the farms are "dwarf" peasant holdings which cannot produce enough to support a family.

The distribution of land is most equal in Bulgaria, where farms average about 12 acres, and there are very few big farms and very few landless labourers. Czechoslovak farms are of about the same average size, although with a wider range on either side. In Greece and Yugoslavia small owner-farmers predominate.

It may be assumed that Land Reform will be carried out, where necessary, after the War. But that unequal distribution of land is not the main cause of poverty is proved by the economic plight of the peasants even in countries where there has been the most nearly equal distribution. Where, then, lies the root of the evil?

The main causes of economic distress in the seven countries are undoubtedly the twin facts that too many people live in a comparatively small area, and that they lack capital. Even in Czechoslovakia and Hungary, neither of which suffers from rural over-population, there are areas with too great a density of rural population and agricultural unemployment. But all the other

countries are over-populated: there are, roughly speaking, about twice as many people to the acre as in western Europe, and with less capital to improve their lot.

To say that a country is over-populated does not, of course, simply mean that there is a great density of population. The term "over-population" can only refer to the density of population in relation to opportunities for making a living from the land available, with current agricultural techniques. It has been calculated that an area under maize or wheat cultivation, or growing rye and potatoes, with some live-stock and extensive grazing, but no dairying or root crops, is over-populated if more than from 25 to 28 persons live on 100 acres of farmland. Over-population in these circumstances means under-employment and a very low standard of living.

It is estimated that, on the basis of the system of cultivation prevailing before the War, about 18 million persons were redundant in the whole area. The incidence of over-population in the various countries is shown in Table E.

TABLE E
AGRICULTURAL POPULATION, PRE-WAR

<i>Country</i>	<i>Agrarian Population per 100 Acres of Farmland</i>
Poland	31
Czechoslovakia	24
Hungary	24
Roumania	30
Yugoslavia	42
Bulgaria	33
Greece	48

In Great Britain, by contrast, only 6 persons were employed in agriculture for every 100 acres, although it must be borne in mind that in eastern Europe children are more often included in statistics as engaged in, or dependent on, agriculture. In Switzerland, 14 persons are "engaged in agriculture" per 100 acres, and in Germany, despite alleged "overcrowding," 18 persons only (compared with 24 for Czechoslovakia and Hungary, the lowest in our group).

The figures in Table E would, however, be misleading unless the yield per acre were taken into account. Table F shows the average yield per acre in the seven countries, compared with that of Germany and of the United Kingdom.

By contrast, the enormous increase in population all over

TABLE F
- ANNUAL YIELD PER ACRE (AVERAGE, 1933-37)
- (in cwts.)

Country	Wheat	Rye	Maize	Potatoes
Poland	9.6	8.9	8.2	94.0
Czechoslovakia	14.8	12.9	13.5	103.3
Hungary	10.9	8.9	14.9	56.2
Roumania	7.3	7.4	7.8	63.7
Yugoslavia	8.9	6.6	13.6	48.9
Bulgaria ¹	10.7	8.5	10.0	53.0
Greece	7.7	6.4	7.2	43.9
Germany	17.7	13.6	25.3 ²	117.9
United Kingdom	17.3	12.9 ²	—	134.1

¹ For 1937 only; the method of collecting statistics was modified in Bulgaria in 1936, and the earlier and later figures are therefore not strictly comparable.

² For 1937 only; no previous data are available.

³ England and Wales only.

Europe since the industrial revolution has, in the industrialized countries, been not only equalled but surpassed by the increase in capital and in productive capacity. Through investment in railway transport in countries overseas, vast new areas have suddenly been brought under cultivation, and production thereby increased roughly in pace with population. Between 1860 and 1880 the population of the United States increased by 100 per cent, its corn production by 300 per cent. But the industrial revolution hardly touched the peasant countries of eastern Europe; the increase of population was accompanied rather by decreasing yields, and the surplus seldom found an outlet in industry. An ever-growing number of persons depended on a soil cultivated in much the same way as it had been fifty or a hundred years before.

One difference which has arisen in the mode of farming, as compared with the previous century, has indeed made any raising of the yield per acre more difficult: that is, the splitting up of peasant property into a number of more or less narrow strips, sometimes lying at a considerable distance from each other. Consolidation has been attempted in connection with the various land reform schemes, but the problem is technically extremely difficult. Types and quantity of soil differ greatly, and skilled surveyors have been scarce.

A great variety of agricultural activities are carried out under these conditions, but the preponderant forms have obviously been those requiring little capital per farm, although labour is often applied intensively. The climate is on the whole too dry,

to favour dairy-farming, and the lack of an internal market and the necessity for imported fodder have inhibited its development even more. Only in the western parts of Czechoslovakia are the cattle per acre comparable in number to the figures for western Europe. In the plains of Hungary and Roumania, pigs are fattened on maize. In the rest of the area, with the exception of Bulgarian sheep-farming districts, live-stock consists largely in draught-oxen.

In Greece and Bulgaria, especially, but also in parts of Yugoslavia, there is intensive cultivation of garden crops such as tobacco, tomatoes, wine, fruit and roses. The main cereal crops of the whole area are maize and wheat. Greece alone has specialized on export crops to such an extent that it imports both wheat and cattle; this is due, however, not merely to specialization in agriculture, but also to the fact that some of the population earn a higher income than elsewhere in the area, their income deriving from maritime and other non-agricultural occupations. The import and export situation is summarized in Table G.

TABLE G
SURPLUS OF (+) IMPORTS OR (-) EXPORTS, 1937¹
(000's omitted)

Country	Wheat (cwt.)	Maize (cwt.)	Potatoes (cwt.)	Cattle (head)
Poland	-169.1	+196.6	-918.9	-19.2
Czechoslovakia	-3,655.0 ²	+1,376.2	-17.9	-0.3
Hungary	-7,051.3	-3,743.5	-1,563.0	-104.3
Roumania	-19,684.9	-10,297.0	-0.6	-44.2
Yugoslavia	-6,258.6	-14,270.2	-2.0	-83.1
Bulgaria	-3,807.5	-1,943.0	-16.7	-15.5
Greece	+9,954.3	+935.4	+54.1	+55.3

¹ For the basic figures see the International Institute of Agriculture's *International Yearbook of Agricultural Statistics, 1938-39, Part V, "International Trade."*

² This figure is not typical, as in previous years Czechoslovakia had a small import surplus in wheat.

Since the fall in the world price of wheat in 1929 the wheat exports from the area have been on a low level, and in no year after 1919 have they reached the pre-1914 level. The slight recovery from 1935 onwards was almost entirely due to increased German buying.

Thus all the main causes of economic distress in the area are closely linked. Over-population reduces the standard of living and the cash resources of the individual peasant. Therefore no

agricultural improvements which need capital can be carried out, the yield per acre declines, and the competition of oversea agricultural exporting countries, with technical aids at their disposal, reduces the possibilities of export, especially since the fall of world prices. This in turn lowers the income per head of the rural population, and reduces the internal market. Still less money is available for improvements, or for educating the farming population in new directions.

As closely connected as the causes of poverty must be the remedies applied. No isolated action, whether industrialization or drainage, co-operative societies or the import of mechanical ploughs, will bring economic security, and with it a greater chance of lasting peace, to the area and the whole continent. All such measures must be brought within one plan and carried out simultaneously, if the desired result is to be attained.

The fundamental aim of the plan must be to raise the standard of living, and here the greatest single hindrance is certainly over-population. The main effort must therefore be directed towards a reduction of redundant labour on the land. Various methods can be used: the removal of a part of the population from the land; increase in the yield per acre; the development of local crafts and industries (see Chapter VIII). All may be attempted.

Part of the population can be removed by emigration to other countries, or redistributed by industrialization. Emigration to under-populated countries overseas would certainly produce immediate results; but in view of the large numbers involved and the immigration policy of many oversea countries, it would be unrealistic to expect to solve over-population mainly, or even substantially, in that way. Moreover emigration often drains a country of its most energetic elements, and those left behind may be doubly resentful of their fate. Nevertheless the Memorandum of the United States delegation to the Food Conference at Hot Springs, Virginia, suggests possible openings which should be welcomed and borne in mind.

Industrialization normally requires a longer time to alleviate the situation (see Chapter VIII). But here ultimately lies the way in which the countries concerned can by their own strength and efforts contribute most to raising the standard of living. Such industrialization should not, indeed could not, aim at economic autarchy in an area which will, like this one, be dominated by

agriculture for a long time to come. Its nature should rather be determined by the needs of agriculture in a more balanced economy.

At the same time the productivity of the land must be increased as soon as possible, and means found to give the rural population a fairer share of the national income than hitherto. Technical improvements are fully discussed in Chapter VII, and a change from staple crops to more intensive forms of farming is recommended. Intensive farming, however, is not only a question of mechanical implements and relevant education, but predominantly a question of markets. Industrialization will certainly help to increase the internal market, but the internal market is not likely to be able to absorb the whole agricultural produce of the area, nor would the trade balance of the seven countries, dependent as they are on the import of certain raw materials and consumption goods, benefit from a serious curtailment of their exports.

The export of agricultural products clearly raises both a political and an economic question of major importance. An aggressively expanding Germany became the chief importer from the area in the years before the War. The political implications of this question have been dealt with in Chapter II. But it must be remembered that the difficult economic problem of finding markets which will not lead to political control, must be faced and solved.

There is the further question of the organization of exports, and prices. In the last twenty years some experience has been gained in organizing State export monopolies for wheat and other agricultural products. If similar organizations could be founded, which even transcended national frontiers within the area, the trading power of the whole area might be greatly increased and price stability more easily achieved. The Grain Monopoly in Czechoslovakia, instituted in 1934, proved to be an instrument of benefit to the farming population during its years of existence. For from the peasant's point of view it is not a very high price which creates an optimum income, since high prices limit consumption. What the peasant needs is a fair, and a stable, price for his products. The "fair" price must be determined in relation to the peasants' cash expenditure on essential manufactured goods, to the cost of the means of production,

interest on debts and taxation. The "fair" price must also be affected, of course, by the interests of the consumer. In a word, the internal and external markets should form the object of organization and planning.

Undoubtedly such long-term, large-scale plans, integrating the various aspects of the economic problems of the area, will have to be sustained by foreign capital. Such an investment would not only raise the standard of living of some 110 million human beings; it would be an investment in European peace.

V. THE LAND FOR THE PEASANT

LAND REFORM

The short period from 1918 to 1920 saw the sudden rise of peasant movements in every country of eastern Europe. Some of these were genuinely revolutionary movements, inspired by the Russian revolution; others had a more constitutional and parliamentary character, and had already played a part in political life in Austria-Hungary, particularly in the Polish and Croatian areas. All, however, were united by the common desire to end feudalism and to build up in its place a democratic society based on peasant ownership. In 1920, when the first meeting of the Green International was held, the peasant parties seemed to represent a new social force, capable of building up a new social order.

The first and main objective of these parties was to reform the land system: to expropriate the big landowners, and to transfer their land to the peasants. The usual procedure was to fix a maximum acreage, usually about 500 acres, for big estates, and to decree that all land in excess of these amounts should be sold to peasants, either to create new farms or to add to the area of peasant farms already in existence. The smaller farms were given more new land than the large, so that there was a general tendency towards the levelling up of incomes derived from farming. Under these reforms about 25 million acres were distributed, a total area nearly equal to all the farmland of England and Wales. For the most part it was distributed in quite small pieces, averaging one hectare (2.4 acres) per farm.

Through the land reform legislation, eastern Europe became predominantly a region of peasant farming. Land Reform did not, of course, create the peasant class, for in many sections of Poland and in Bohemia a large proportion of the land was already owned by peasants before 1914. The peasant society depicted, for instance, by Holeček in *Naši* ("Our People") or by Reymont in *Chłopi* ("The Peasants") is clearly a highly evolved rural civilization, the product of many generations. In these countries, Land Reform meant a strengthening of the peasant class as compared with the aristocracy, rather than the creation of a new class.

In the Balkans also a peasant society had come into existence long before the post-war Land Reform, since Serbia and Bulgaria overthrew their landlords when they ejected the Turks. These regions were almost entirely peasant countries before 1914, and had never really experienced feudalism of the Western type.

Only in the Old Kingdom of Roumania, in the territories transferred from Hungary to the Succession States (Croatia, Slovakia, Transylvania) and in Bessarabia, did the Land Reform have an essentially revolutionary significance. In Roumania 50 per cent of the land was transferred, so that the bulk of the farm population, who had formerly worked as share croppers on the big estates, became independent peasants, gaining thereby an entirely new social status. In Slovakia and Croatia about a quarter of the land was redistributed, and large numbers of farm labourers were settled on land which had previously belonged to Hungarian magnates. There, too, the character of rural life radically changed. In these countries, where a measure of Land Reform has already been carried out, "the land for the peasant" is no longer a revolutionary policy. It will be necessary, no doubt, to pass legislation expropriating the remainder of the landlord class, but it must not be imagined that the liquidation of their estates will bring about a far-reaching change, since the amount of land to be redistributed is no longer large, and in most of these countries would not provide a remedy for over-population.

In Hungary, however, where big estates still dominate the life of the countryside, the position is different. The landowners are intensely hostile to any peasant movement, and implacably

opposed to any proposal for Land Reform, however moderate. The aristocracy and gentry represent the backbone of Hungarian Fascism and are undoubtedly responsible for the political alignment of Hungary to-day.

In Hungary, "the land for the peasant" is therefore a highly explosive policy with a revolutionary significance. Hungary's "three million beggars" live in appalling conditions, in filthy one-roomed houses, on the verge of starvation. Typhus, tuberculosis and diseases of malnutrition prevail, owing to the poverty of their diet. This poverty is not due to over-population, since Hungary alone of the agrarian countries of Europe is not over-populated (according to the usual definition of the term), but to the low level of wages paid by the big farms, and to chronic under-employment. The big Hungarian estates, with their appearance of technical efficiency, are only able to exist on a basis of cheap casual labour, unprotected by any labour organization or minimum wage legislation.

Fortunately there are unmistakable signs of embryonic movements in Hungary aiming at peasant liberation. Nazi propaganda has tried to win them by the promise of land reform after the War. Until Hungary entered the War, the inarticulate misery of the peasants was exploited with some success by the Arrow Cross movement, which tried to convert the peasants to a land reform programme on a nationalist, anti-Semitic platform. Now that the Hungarian landowners have ranged themselves unequivocally with the Nazis, however, the Hungarian peasants understand that liberation will not come from that side, and the Arrow Cross is discredited. The Hungarian peasantry have still to find the leaders for their social revolution; but the defeat of the Axis, the discrediting of the class which has identified itself with it, and growing economic distress, may well bring about a political upheaval which will result in the elimination of the landed aristocracy. In this situation much will depend on the attitude of Hungary's neighbours, as well as on that of the greater Allies. Without the requisite changes in Hungary, it is difficult to predict a secure development of a common peasant policy in this part of Europe; for the present Hungarian ruling class is likely to aim at the domination of the Danubian basin, and exert what influence it can to oppose policies designed to raise the peasants' standard of living.

THE FUTURE TASK OF THE PEASANT PARTIES

Although "the land for the peasant" must be the basis of policy, it is not claimed that peasant ownership is enough, in itself, to guarantee a good standard of living, or even a standard just above the subsistence level, for the farm population. The last post-war legislation for Land Reform did not bring prosperity to the peasants, nor did it really initiate a period of peasant rule; and in spite of their success in getting rid of the landlords, none of the peasant parties succeeded in holding power for long. Only the Czechoslovak Agrarian Party succeeded in remaining in power till 1938, in collaboration with other political parties. With this exception, dictatorships put an end to the democratic régimes, in most cases identified with the peasant parties, in every country in south-eastern Europe. The process began with Hungary in 1918, and was continued in Bulgaria (1923), Poland (1926), Yugoslavia (1929) and Roumania (1931-33).

This general collapse of the democratic forces inside the peasant countries, after an initial success, was not for the most part due to the failure of the peasant parties themselves, but rather to the disastrous economic position of agriculture in the whole of the post-war period. Some blame may perhaps attach to the peasant parties for their failure to produce a more practical economic policy. In the period immediately after the last war they placed excessive emphasis on political factors, and neglected the economic basis on which the peasants' prosperity depended. It was not until after the world crisis began that they seriously considered the economic side; and by then it was too late and events were largely out of their control. Yet even if they had given more attention to economic policy, it is difficult to see how they could have warded off the effects of the world crisis when other countries, far more advanced economically, failed to do so.

To-day there are two kinds of economic problems which confront the peasant countries. The first is the internal problem, i.e., the problem of building up a new peasant society. The experience of the last twenty years has shown that it is not enough simply to transfer the ownership of land from large to small owners; it is necessary to create much stronger forms of collaboration in production, to plan the development of industries and the conversion of farming to new methods.

For this region of Europe the main line of advance must be the development of new types of intensive farming, and the future of peasant farming will largely depend on the extent to which peasant farmers can turn over from extensive grain growing to the production of live-stock, live-stock products, and fruit and vegetables. It was in the countries where intensification followed Land Reform that the peasantry really benefited most from the sub-division of the big estates. In Czechoslovakia, the division of large estates meant that the quantity and quality of live-stock improved, milk-production increased, and even corn yields rose, because more live-stock meant more manure. In Roumania, where there was no intensification, the standard of farming was reduced by the Land Reform, because the peasants continued to grow corn, as they had done before under the old estate system, and rather more inefficiently. That is a danger which must be guarded against by direct efforts on the part of the State to convert farming to new and more intensive types of production.

Such a policy will imply a many-sided effort on the part of the Government to interfere in farming practice, and it will be essential to find new methods of doing this. It is easy enough to lay down principles of economic planning, but much more difficult to find the right political framework to carry them into practice, since it is only too likely that Government interference from above will arouse resistance and opposition from some of the peasants themselves. Ante Radić said that the first aim of the peasant movement was to break down the peasant's fear; so long as scientific progress and compulsion appear to come together, from above, from "Progressives" who want to "bring civilization" to the villages, the peasant will continue to fear "Science" and distrust the State. It will therefore be the task of the peasant movements to create afresh the peasants' confidence in their own power to use the achievements of modern science, and the machinery of government, in their own interest. New incentives to social construction must be found, through village communities or through regional councils, to give the peasants themselves the power to remodel the farming system. The actual forms of collaboration will vary from country to country, according to local tradition; some may choose a form of village collective, others a more co-operative type of organization. But

everywhere it will be essential to find a way of transforming the structure of farming from the purely individualistic form to new social types of organization. That will be the main task of the peasant parties so far as internal affairs are concerned, and that will be both the form and the content of peasant democracy.

The second problem which confronts the peasant countries is the external problem, i.e. the question of the place of these countries as agricultural producers, and exporters, in the European economic structure and in the world market. In the past these countries have been the victims of the fluctuations of the world market and of the policy of autarchy which resulted from them. To ward off the effect of the slump in agricultural production from their own peasant producers, the countries of western Europe in 1930-32 all imposed high tariffs on imports of food, finally cutting down their imports to nothing. It was the price slump, coupled with the contraction of the market, which really brought the peasant countries of eastern Europe to ruin, since it prevented them from balancing their trade and made it impossible for them to buy the industrial raw materials and manufactures on which they depended to maintain industrial employment and the standard of living of the peasants themselves.

After this war the problem will arise again. It will not be abolished by the conversion of farming to other branches of production, since that will be a long process; for many years to come these countries will need to find markets for their surpluses of grain and feeding stuffs. Nor will it be abolished by the improvement in methods of farming. On the contrary, the need for stable market conditions will be still greater, since if grain yields increase by from 50 per cent to 100 per cent, as they might well do, the surpluses for sale will be larger, even if the consumption of food in the internal market increases. Consequently the representatives of the countries concerned must unite to press their case, in plans for post-war reconstruction, for a guaranteed market and for price stability in the framework of a general scheme.

There are many ways in which these things could be achieved. One would be the creation of a preferential tariff system inside Europe. Another would be a customs union, which would necessarily include the chief European exporting and chief importing countries. Still another way would be the creation of an inter-

State grain purchasing commission which would buy up the chief surpluses from the countries in the area and distribute them among the different European importing countries.

Which of the ways suggested is the most practicable will depend on the general character of the post-war economic settlement, and it will not be within the power of these countries to enforce any particular method of solution. But what the representatives of the peasant communities of central and south-eastern Europe do assert is the need for creating some form of security in the world market, as the main basis for peasant society. Without it, all plans to build up new institutions will inevitably fail.

There is, therefore, a double task: one, to plan a new society at home; the other, to convince friends and allies abroad that the peasant countries need a reconstruction policy which will take account of their needs. Will the peasant movements be equal to this task? To-day they have been destroyed or forced underground throughout Europe, and many of their leaders killed. But resistance continues. In Poland the Peasant Party carries on its underground work. In Yugoslavia, peasant armies have organized and continue their resistance. In Bulgaria and Roumania the Agrarian and Peasant Parties are the only serious opponents of pro-Nazi régimes. All over Europe, peasant hoarding is becoming a major factor in breaking down the Axis food supplies. In part this resistance is a blind reaction to uncertainty, in part a planned and political activity. The peasant's "No" has always been a strong factor in history. It will be the work of the peasant parties to make the peasant's "Yes" a factor in shaping the future.

VI. THE CO-OPERATIVE SYSTEM

Co-operation is a technique, not a solution of the problems of agriculture. The principle of co-operative associations, whatever their special sphere and function, is that a number of individuals, without foregoing their rights as owners of property, form an association on a voluntary basis in order to enable them to perform a particular economic function in a better way. Co-

operators share the risks and the profits of their common undertaking in proportion to the effort which they put into it. Thus no part of the profit goes to middlemen or officials, the employees of the association merely receiving their salaries.

So obvious are the advantages of co-operation to the producer that one finds it applied in the peasant countries of south-eastern Europe, as elsewhere, long before the first co-operative society was formally and legally registered. Chr. Wakarelski reports¹ that Bulgarians in Thrace used to plough the field of one peasant with oxen from five or six holdings, as the heavy wooden plough (*pullug*) could not be drawn by the oxen of one farmer alone. The other holdings in the group were then ploughed in turn.

Before describing current types of agricultural co-operatives in south-eastern Europe, and indicating the much greater use which should be made of this technique, a word of caution is required. The name, and some aspects of the co-operative system, can be misused; it has been misused in the past, and it is now misused by the Nazi occupier in many countries. In Hungary, too, there existed before the War a great number of agricultural co-operatives, mainly credit societies and co-operative stores. But they were peasant co-operatives in appearance only; in reality they were capitalist enterprises conducted by the great co-operative centres, and the profits benefited the officials of the organizations and those who financed them, not the peasant members.

The co-operative machinery has also been misused in other ways. Government loans were sometimes granted, not in response to genuine needs or from commercial considerations, but with a view to the substantial number of votes which a co-operative society could guarantee at election time. Again, where Governments were interested in creating a peasant "middle class" as a support, in opposition to the social revolutionary tendencies of the poorer peasants, co-operative societies became organizations serving mainly the well-to-do peasant. Credit facilities were extended to this category to an extent justified neither by its economic strength nor by its value to the community. Co-operative societies, wishing to please the Govern-

¹ "Geschichtliches und Soziologisches aus dem Leben unseres Dorfes," a chapter in "Die sozialökonomische Struktur der bulgarischen Landwirtschaft" (ed. J. St. Molloff).

ment on whose financial support they depended, elected peasants with good connections among higher civil servants to their executive committees. The credit co-operative became the most common type, while technical advice and other functions, such as the organization of marketing or the improvement of agricultural technique, were neglected.

Future co-operatives in this area can learn much from Danish prototypes, which owe their outstanding success to their concern with improving the technical level of each member's activities, providing not only the capital but also the expert skill to put credit to the best use. For not only the mismanagement of a central co-operative organization, or political pressure on the officials of such societies, such as the Nazis exert to-day, may endanger the value of the co-operative system. The success or failure of a co-operative society depends, to a large extent, on the capacities of its members. The productivity of a group of poor peasants who have formed a producers' co-operative will probably always be higher than that of the same number of single individuals; but the difference will not be so great as to compensate adequately for the economic and social disadvantages from which most of the peasants in south-eastern Europe suffer.

The co-operative system is therefore nothing but a means; it can be used for good, or bad, ends. Provided it has a democratic administration, efficient management and a reasonable minimum standard of living at its base, the co-operative system has almost unlimited potential applications to a peasant economy, all of which can help towards the goal of social and economic security for the peasant in this part of the world.

Although each of the countries with which we are concerned has a "co-operative" movement in name, in some cases the name is deceptive in other respects besides those already mentioned. For there are so-called "co-operative" organizations which do not display the essential characteristic of immunity from State control.

The problem is admittedly difficult. On the one hand, co-operation between peasants economically weak will not succeed unless there is some collaboration, or help in the form of credits, on the part of the central authorities; on the other hand, such a relationship between weak and strong has tended to develop, in the past, into State domination of the co-operative movement.

Such State domination removes, in turn, the greatest inducement to the individual farmer to adopt co-operation. In countries where a large proportion of the farming is "subsistence farming," even if at a level barely adequate for subsistence, the peasant resents interference from outside. For he has met it chiefly in two forms: from the State, which demands taxes, and from the trader or usurer, on whom the peasant depends for such cash as he can realize. The tax collector is an inevitable, but never a welcome, representative of the State, and the extortions of usurers have naturally only intensified the peasant's general mistrust of the outside world. The co-operative society, if organized in small local units, managed and directed by the peasants themselves, opens the way for participation by the peasants in an economic unit stronger than that of the family, without creating mistrust and resentment. But when as in Roumania, the State compels the co-operative societies to assume the function of the tax collector, or, as with the young co-operative movement in Greece, the societies can enforce compulsory labour service by their members (e.g. on irrigation schemes), the farmers' attitude may be adversely affected.

In Czechoslovakia the strength of the co-operative movement had a solid basis and was practically independent of the State, although on good terms with the central authorities and enjoying their support. The National Grain Monopoly was largely managed by co-operators. Of the seats on the Board, 40 per cent were held by agricultural co-operative societies and 20 per cent by the strong industrial consumers' movement.

The Czechoslovak movement dates from the third quarter of the nineteenth century. From the outset it was closely linked with the struggle for national independence and for this reason did not seek or receive support from the Austro-Hungarian régime. It is particularly interesting to note that the strongest and most independent co-operative movement of the whole area was connected with a movement for political independence, was composed of members with a relatively high standard of living, and arose in a relatively industrialized milieu.

The Polish and the Yugoslav movements, like the Czechoslovak, were associated with the struggle for national liberation. The first Slovenian co-operatives were founded before 1871, and by 1914 every village participated in them. When

liberation had been achieved, however, the political and economic conditions in these two countries were somewhat less favourable to the full development of co-operative societies than in Czechoslovakia.

In Poland the societies were organized mainly in two unions. One was based on self-help and its scope of activity included crafts and trade. Land was bought up from big landowners with the accumulated capital and distributed to peasants, with credit and other facilities. Centred as it was in western Poland, a nationalist aim had been, before 1914, the counteracting of the germanization of the territory. The other organization was much preoccupied with social service, confined its activities to agriculture, and was State-supported. In the depression, the former also applied for State loans, and through State pressure the two were forced to merge in 1934, with resulting limitations on internal freedom and initiative.

The Yugoslav movement has, with few exceptions, experienced neither the benefits nor the dangers of State aid. The local units have resisted all Government attempts at unification. Co-operation was particularly hard hit by the depression, which coincided with the League's imposition of sanctions on Italy, one of Yugoslavia's best customers. Nevertheless only about 6 per cent of the co-operative banks applied for special State support during the depression, as compared with 63 per cent of the private banks, a fact testifying to the movement's success.

In Bulgaria, Hungary, Roumania and Greece, the co-operative movements have been State-controlled, with varying degrees of independence in certain spheres. In Bulgaria the movement hinges on the Agricultural Bank, whose directors are nominated by the Government; it is the chief source of credit for all societies. On the other hand, the local agricultural societies are federated in the Union of Agricultural Societies, an unofficial, elected body. In 1934, when the independence of the Union, and indeed of all co-operative societies, was nearly destroyed by Government action, the Union's Committee being ejected from office by the police and Government nominees substituted, the situation was saved by the steadiness of the co-operative movement leaders and by the vigorous protests of local societies. The Government withdrew.

The Hungarian movement has been strongly centralized and

economically conservative, designed as it is to maintain the fundamental structure of the present rural economy, with its large estates and many landless labourers. The movement was indeed constructed from the top downwards, central organizations being created first and local societies founded later.

In Roumania the State attempted to expand the co-operative movement much more rapidly than its own vitality warranted. This fact, and the inappropriate delegation to the societies of tax-collecting functions, already mentioned, left little room for initiative from below. State control was too close.

Similar conditions prevailed in the younger co-operative movement of Greece. Societies have been of two types: compulsory and voluntary. Credit societies and agricultural insurance societies, although formed on a voluntary basis, are all strictly controlled by the Agricultural Bank.

In view of the economic situation of the peasants in this part of Europe, it is not surprising that in all seven countries the co-operative movement began with the foundation of credit societies. Neither State nor private banks had provided adequate credit of the low-interest, long-term type required by agriculture, and the granting of credit has indeed remained one of the most important functions of each movement throughout its development. It is not easy, however, to determine from the name of a society whether it provides credit facilities, because many societies mainly devoted to other functions also provide credit under certain circumstances. The figures quoted in Table H refer only to societies whose concern with credit is explicit in their name, and the percentages therefore probably err on the side of under-estimation.

TABLE H
PROPORTION OF CREDIT SOCIETIES AMONG ALL CO-OPERATIVE SOCIETIES

<i>Country</i>	%
Poland	68
Czechoslovakia	53
Hungary	31
Roumania	73
Yugoslavia	46
Bulgaria	58
Greece	69

Thus in all countries except Hungary, credit societies represent from about one half to three-quarters of all co-operative societies. Since the size of individual societies varies greatly,

these percentages give only a general indication of the trend. Nevertheless it is pertinent to consider whether that trend should be encouraged after the War. It is true that through their local ramifications such societies are well placed for estimating the ability and trustworthiness of the individual farmer. At the same time the economic risks entailed in providing credits often proved too much for the co-operatives before the War, and the far-reaching changes advocated for agricultural production and technique in the reconstruction period (see Chapter VII) would certainly be beyond the scope of local and voluntary effort.

It is difficult to express the importance of the whole co-operative movement in each country in terms of membership, for membership of one society frequently does not exclude membership in several others. Bearing this limitation in mind, Table I may yet serve as a rough index to the prevalence of co-operation in different parts of our area.

TABLE I
CO-OPERATIVE SOCIETY MEMBERSHIPS PER 100 AGRICULTURISTS (1936-38)

<i>Country</i>	<i>No.</i>
Poland	16
Czechoslovakia	49
Hungary	29
Roumania	8
Yugoslavia	15
Bulgaria	18

The comparatively small number given for Bulgaria may be explained by the fact that in this case there is known to be almost no overlapping in co-operative society memberships. The societies are of a "mixed" type, and it is legally stipulated that there should be only one society in each village.

Co-operative societies are of many types, and the provision of credit is only one of a great variety of activities. In most countries in the area some societies supply agricultural requirements; some are trading societies, even enjoying a monopoly of export and import trade; others are wholesale societies or dairy associations. The connection between co-operation and Land Reform has already been referred to in Chapter V.

Societies dealing with commercial crops, such as the one which ran a co-operative sugar factory in Bulgaria, and those engaged in local development schemes (designed, for instance, to increase the supply of water and electricity) deservespecial mention.

The health co-operatives of Yugoslavia represent a unique form of co-operative effort. The movement began in Serbia, stimulated by the extremely primitive conditions in many Serbian villages. The first society of this type was founded in 1921, but by 1934 the Union of Health Co-operative Societies was composed of 114 societies, with a membership of 44,933 families, or 270,000 persons. The primary object was to provide a resident doctor and dispensary; a nurse or midwife was sometimes added. A number of these societies constructed a "Health House," with a consulting room and dispensary, the doctor's living quarters, men's and women's wards, a lecture-room, and often public baths. Most of the construction was carried out by the voluntary labour of the societies' members. A Health House often develops into something similar to an educational settlement, with lectures and facilities for recreation.

This Yugoslav experiment shares with the co-operative movement in most of the other countries a deep concern for education. The educational function of the co-operative movement is not, however, limited to the lecture-room and special women's or youth groups. Its most important educational value consists undoubtedly in the control and management of those societies which have vital economic functions. Peasants elected to the executive committees enlarge their horizon by having to deal, in a responsible way, with economic problems not confined to their own holdings, but including the land of all the members of the society. It will be long before the main problems of national economy are fully understood by all the citizens of any State. The co-operative principle, however, enlarges the unit which is understood and managed from that of the family to a larger community. Such an understanding is the indispensable condition of a progressive development of agricultural technique, involving as it does the painful process of breaking with traditions kept almost intact for generations. Many of these traditions are now a serious impediment in the attempt to raise the standard of living and to make adjustments required by world economy. In this sphere the co-operative movement can play a particularly important part in reconstruction.

It is of interest that the Russians, who collectivized the land in accordance with the principles of Communism, have nevertheless found it necessary to combine the technical advantages

of larger units with the personal incentive provided by the individual homestead. Thus Article 7 of the Soviet Constitution of 1936 states, *inter alia*:

"Aside from the basic income from socialized collective farm husbandry, every collective farm household shall have for personal use a plot of land attached to the house and, as personal property, the subsidiary husbandry on the plot, the house, productive livestock, poultry, and small farm tools, according to the statutes of the farming artel."¹

The signatories of the Peasant Programme propose to achieve the same ends, although by methods adapted to different circumstances. The personal incentive is ensured by the private ownership of land, which must be achieved by a radical Land Reform in certain cases. The great advantages to be reaped by communal effort will be attained through voluntary co-operation. Future co-operative societies will be able, through performing technical functions in connection with land improvement, drainage, marketing and other problems, to educate the co-operators to responsible citizenship in the modern democratic peasant State.

VII. AGRICULTURAL TECHNIQUE AND PROGRESS

THE PROBLEM

It is generally agreed that the technique of agriculture should be improved throughout central and south-eastern Europe, and it would obviously be desirable to find a common basis for this improvement. Although the countries concerned present such a diversity of conditions, between and even within their national frontiers, ecological conditions might well be chosen as providing such a basis. Nevertheless certain broad general principles must first be stated:

1. Agriculture should not be considered alone, but always in relation to animal husbandry and forestry, and sometimes to fishing.

2. No effort should be spared to further the simultaneous industrial development of the region, even if with a preference for rural industries, where desired.

¹ S. and B. Webb (ed.), *Soviet Communism*, Vol. I, App. XII (transl. Anna L. Strong).

3. Political considerations should not be allowed to impede an economically sound agricultural programme, planned on strictly scientific lines.

In the large area covered by Poland, Czechoslovakia, Hungary, Roumania, Yugoslavia, Bulgaria and Greece there are an average of some 200 inhabitants per square mile. The territory is largely of an agrarian character, except for the western provinces of Czechoslovakia, Bohemia and Moravia, which are industrialized. These provinces also maintain a high standard of agriculture, equalling Germany in productivity. Most other parts of the area are, by contrast, poor both in agricultural productivity and in industry.

Owing to the development of agricultural technique and farming methods in recent years, however, it is now possible to raise the agricultural productivity in such poor countries, and through this and parallel industrial progress to introduce a new economic era of higher standards of living and real wealth, which will play a great part in the economic and political stability of the region and of Europe in general.

The average yield per acre of the main crops in 1937 is shown in the Appendix, Table VII. The comparative figures given do not, of course, allow for differences in the suitability of certain areas for specific crops, nor for discrepancies in the amount of capital used and other factors; but one may say without hesitation that the apparent discrepancy in the standard of agriculture between these countries and western Europe is real.

In other chapters the cumulative effect of many factors in causing low standards is repeatedly indicated. Thus there is an excessive farm population, yet industrialization has been hampered by lack of capital, of internal purchasing power and of external markets. Emigration afforded partial relief only (except in the case of Greece, up to the last war), and was much reduced in scope after 1920. Even Land Reform has not brought a complete solution, although it has improved the condition of the very poorest peasants. The fertile land of Yugoslavia, Greece, Roumania and Bulgaria is by now fairly equally distributed. In Hungary there is comparatively more industrialization, and the farm population is therefore less dense; nevertheless this advantage is offset because of the prevalence of large estates. There are still a considerable number of large estates in Poland, and to a lesser degree in the eastern provinces of Czechoslovakia. In

these areas, and perhaps also in Roumania, further Land Reform should assist agricultural development.

But meanwhile the most obvious remedy for conditions in these over-populated agrarian areas is the improvement of farming technique in order to obtain higher yields at less cost, and the choice of the right crops.

Before the present war the agricultural parts of the whole region consisted of 141 million acres of arable land; 7 million acres of gardens, vines and fruit orchards; 26 million acres of hay fields; and 44 million acres of pasture. As the pasture is largely of poor quality, most of the food and fodder came from the arable land.

This distribution of crops gave predominance to cereals, in the main wheat, providing very little in the way of animal proteins and vitamins. The whole area is therefore rightly called a "cereal area," and the standard of living is poor. Apart from the fallacy of concentrating on one main crop, the size of holdings makes it imperative that smallholders should both intensify and diversify their products. In any case agriculture to-day requires an extensive use of machinery if economic results are to be obtained.

The whole area under consideration could be divided into three zones. The first comprises most of Poland and is characterized by its poor soil and humidity; the second comprises most of Hungary, some parts of Yugoslavia and Czechoslovakia, a small part of Bulgaria and a considerable part of Roumania; and the third comprises the rest of the Balkan countries. Specific recommendations for each zone would be bound to differ substantially; but as a first step towards a more rationalized agriculture, a reduction of cereal crops in favour of producing fodder for live-stock and growing leguminous plants and fruit is certainly advisable. It would also assist all concerned if an international understanding could determine the main agricultural policy of these countries, based first and foremost on regional considerations, but without losing sight of the international framework.

Once the agrarian programmes are established, the most important step is of course the mode of raising the various crops.

Modern science has found many ways to improve and protect both plants and crops, and to supply them with what is required

during their growth. But if science has made it much easier for the farmer to grow his products, it has simultaneously rendered the task much more complicated and proved that it is unwise to over-stress particular aspects. Some of the most important points, all of them indispensable parts of an improved agricultural technique, are enumerated below, arranged according to the biological cycle of the plants themselves.

SOIL

In the last few decades, soil chemistry has discovered some very important facts about the mechanical and the chemical properties and needs of the soil. Any approach to improved technique should be on the same lines, beginning with the mechanical side of the question.

Tilling the land is one of the oldest occupations of man. As regards ploughing and tilling the soil, the region under consideration shows insufficient signs of progress. Most of the work is done by more or less primitive methods, and in "progressive" areas any modern ideas have usually been copied from the West before testing their application. Since the most striking difference in farming methods between the advanced West and the backward East was in the sphere of soil cultivation, it was thought that by applying Western mechanical devices, Western yields would be obtained. This did not prove to be the case, as the problem is not so simple; admittedly there was an improvement, but not so great as to justify the belief that panaceas had been supplied. Deep ploughing, for instance, may improve the soil's composition, the effects being either mechanical or chemical, or both. It may also conserve water, destroy weeds, or fulfil other functions. But what serves one purpose at one time and place may fail to do so for another, or even prove harmful. Again, by supplying the farmer of this region with machinery, we have not necessarily solved all our main problems. Arguments have been advanced for giving farmers small tractors of 8-10 h.p., but others claim that they might prove uneconomic or scientifically unsound.

Deep ploughing, or any special type of ploughing, is indeed only one of the many tasks of a progressive farmer. Further important aspects of his work concern fertilizers, manure, the addition of lime, and all the complicated work understood in

the term "conservation of the soil": drainage; reclamation; tilling during the growth of the plants; and irrigation.

PLANTS

The life of a plant begins with the seed which is put directly or indirectly into the soil. Sowing and planting may therefore be regarded as the most important part of good farming. The region we are considering is undoubtedly behind many progressive nations with respect to seeds. The first and most important task is therefore the choice of suitable varieties. Much work should be done in that direction and the discoveries of other nations, east and west, could be studied with advantage. In Greece, for example, the varieties of wheat grown were until ten or fifteen years ago of the *Triticum Durum*, a late-maturing type. Through the Greek Institute for Plant Improvement, the Italian cross, *Mentana* of Strambelli's, was introduced. It ripens 6-8 weeks earlier than the indigenous wheat population. As the worst enemies of Greece's crops were the drought and scorching winds from the middle of May to July, the new cross gave excellent results, to an extent never achieved through deep ploughing, fertilization or other measures. *Mentana* shows, incidentally, excellent resistance to a dangerous plant disease.

After sowing come the varied tasks of cultivation, the destruction of insect pests and disease, and harvesting. In this important period the use of machinery can reduce dangers through weather to a minimum. The storing of produce is facilitated by very recent scientific improvements and makes it possible for farmers to await better prices and thus obtain higher returns.

Lastly comes marketing, the disposal of the produce, and the standardization and selection of seeds for the next cultivation period. In sound farming, the question of rotation must also never be forgotten.

LIVE-STOCK

With the exception of very few districts, this region is particularly poor in the production of animal proteins. Their importance from the point of view of the health and wealth of any farming enterprise cannot be sufficiently emphasized. In order to create a balanced and generally profitable form of agricultural

exploitation in these countries, agrarian programmes must be so planned that no possibilities of live-stock development are ignored.

The general tendency in live-stock breeding should be towards stall-rearing, which is necessarily restricted as to the number of animals kept by each farmer, and also towards the propagation of live-stock by the original breeders, of a type other than the nomadic. In most of the countries of the region the nomadic type of live-stock breeding is still prevalent, and it is generally recognized that this type must be curtailed at once and finally eliminated.

Animal husbandry should, as a whole, form the main basis for the production of proteins, wool and skins to meet the country's needs and, wherever profitable, for export. It should also be developed so as to form a supplementary branch of the whole agricultural system, not least through the supply of manure, unless local conditions and general demands render it profitable to develop on individual lines.

Here we cannot ignore, however, a great problem of the region, namely the wastage of animal power. Almost every farmer owns one or two draft animals, whether horses, bullocks or oxen. They are usually badly fed and cared for, and hence produce little power, protein or manure. We should not condemn their owners individually, for the whole problem ought to attract more attention on the part of their respective governments. Many reasons have led to the present uneconomic situation: the smallness of the peasant holdings, the sub-division of farms into tiny pieces of land, lack of co-operation through peasant backwardness or official negligence, occasional deliberate neglect, and so forth.

This was the general picture before war broke out. The land was inadequately tilled, the animals were of a low standard and only half fed; their masters were indeed often undernourished. Then came the War. In some countries the live-stock has declined disastrously. In others the decline may be small or imperceptible, but it is certain that no farms have gone unscathed, for the general condition of the animals is necessarily low because of the lack of foodstuffs, especially of the oil-cakes which came from abroad. There is further the reduction in mechanical cultivation, resulting in more reliance on draft animals and consequent over-working of the live-stock on hand.

The situation to be faced at the end of hostilities will undoubtedly be critical. To replace the live-stock will be a slow and difficult undertaking, and in the case of the draft animals perhaps not always advisable. The same may also apply to herds of goats and buffaloes, whose renewal should not be attempted without due consideration. Since the land will require immediate cultivation in order to produce the crops so urgently needed for the restoration of health and trade, steps should therefore be taken to employ mechanical power in lieu of the missing animal power.

Such substitution in a time of crisis would help to speed the mechanization of agriculture in the region. But the conditions of land ownership, and the land reforms envisaged by Chapter V, do not allow for a large-scale mechanization of agriculture except in a co-operative framework, and no effort should be spared in attaining the maximum degree of co-operative organization.

Among other measures for advancing the live-stock industry are the improvement of breeding and rearing methods, the development of veterinary services, and the application of any practicable new scientific discovery, such as artificial insemination or treatment for sterility. Much could also be done towards producing better and cheaper cheese, butter and other dairy products through the installation of factories, whether co-operative, controlled by the local government or the State, or in private ownership.

FORESTS

Forests are a great potential source of wealth in some countries of the region, yet their exploitation is in an early stage. Timber will be a vital necessity in the first post-war years, and because of its bulk and the remoteness of its sources of supply in many cases, alternative means of transport should be available to relieve the pressure on Europe's strained communications system at a crucial time. Rivers and canals should therefore be fully employed and extended.

Nevertheless the urgency of the need for timber should not be allowed to lead to wanton felling, in disregard of recognized safeguards against deforestation. This would threaten both forests and crops. Restrictive regulations should preferably be drawn up in advance. Besides the protective value of forests to

agriculture, we may mention their contribution to the "tourist" amenities of the countryside (see Chapter VIII). Both local inhabitants and travellers from afar may find health and recreation among wooded hills, and preservation schemes should have this not less in view.

LABOUR

Labour has been dealt with generally in Chapters IV and V, but one of the most important aspects of sound farm management is the distribution of work throughout the year in such a way that both periods of inactivity and rush periods are curtailed as much as possible.

Since mechanization is bound to come to the region in time, all the labour which has been carrying out agricultural work less speedily and efficiently will be superfluous and require diversion to other channels of production. It is hoped that growing local industrial enterprises will absorb some of the surplus. But as total absorption is far from certain, some other means should be found to relieve the situation. The introduction of new crops, demanding more individual labour, is therefore indicated, as are animal husbandry, market gardening and the cultivation of industrial plants. The production of vegetables, animal proteins and fruit will have far-reaching beneficial effects on the health and general welfare of the population, while reducing the dangers inherent in one-crop farming. It is interesting to note that Russian collective and other farmers are allowed to produce, on a small scale, besides the crops prescribed by the Five-Year Plan, other things, such as vegetables, necessary for the maintenance of health (see Chapter VI).

CAPITAL

Perhaps one of the most difficult problems in the post-war period will be that of capital. After one of the costliest and most destructive wars in human history, the needs of convalescent humanity will be legion. Money will be required for food, medicine, housing and communications, as well as for industry, agriculture, commerce and other remunerative enterprises. Yet this fact makes it the more imperative that the peasants should receive their just share of what is available. The past political history of central and south-eastern Europe suggests that a hard struggle may lie ahead before the rural population can expect to receive

the right amount of attention from the State. If the financial means of most countries in the world will be small, those of the countries in this region, and especially in the southern part, will be among the smallest. The situation will therefore call for a most prudent and far-sighted financial policy as regards agriculture. There are many ways of making a little go a long way. One of the most effective is certainly that of agricultural credit on a co-operative basis, for instance, through an agricultural bank such as Greece and Bulgaria possess. The dangers which may arise from a hastily-established body for agrarian credit are admittedly many, but still more harm could be done by the absence of any such facilities. In Greece an agricultural bank was originally established "from above," in Bulgaria, one "from below"; and in spite of certain disadvantages revealed in the similar State control of co-operative credit societies (see Chapter VI), these banks may be considered to have been successful, although in Bulgaria the interest rate has been kept lower than in Greece. Even if the general principles governing agricultural credit are everywhere the same, individual cases may vary a great deal, and discussion and exchanges of information would be bound to prove profitable to all concerned.

Considering the present in the perspective of the past, it is seen that this part of Europe has always been in dire need of capital. Very few instances exist of well-considered and consistent financial support from the main sources of world capital. The rivalry of powers seeking local economic domination has indeed been of little benefit to these countries, and still worse has been the free hand that Germany has recently had in that field; yet it is unlikely that internal sources of capital will suffice for some time to come. It is therefore essential and, one might even say, obligatory, that a region which has always been impoverished by wars for freedom should obtain the assistance necessary, first, to improve its admittedly low standards of living, and secondly, by putting it on a sound financial basis, to safeguard itself from any future attempts at political domination through economic control.

VIII. PROBLEMS OF INDUSTRIALIZATION

Surplus labour on the land, already discussed in the preceding chapters, is recognized as one of the main reasons for the low standard of living in much of the area with which we are concerned. A type of agriculture requiring more labour would substantially improve the standard of living of the individual peasant only if accompanied by an increase in the quantity and quality of agricultural tools and machinery. But if farms were equipped with adequate tools and machinery, with artificial fertilizers and improved seed, more labour would, in turn, become redundant. To break this vicious circle a planned and rapid increase in industrialization is essential.

The extent of pre-war industrialization can be estimated from the percentage of the active population occupied in mining and industry (see Table J).

TABLE J
PERCENTAGE OF THE EMPLOYED POPULATION OCCUPIED IN MINING AND INDUSTRY

<i>Country</i>	<i>Date</i>	<i>%</i>
Poland	1931	16.7
Czechoslovakia	1930	38.2
Hungary	1930	23.9
Roumania	1930	10.0
Yugoslavia	1931	10.5
Bulgaria	1934	9.1
Greece	1928	28.6

From these figures it is clear that three groups can be distinguished. Czechoslovakia, as a result of conditions in her western provinces, Bohemia and Moravia, is in a group by herself: the state of industrialization approaches that in Germany, where 41 per cent of the population engaged in mining and industry at the same period. The second group consists of Hungary and Greece, where about a quarter of the population are thus occupied. The third group consists of Bulgaria, Poland, Roumania and Yugoslavia, where the process of industrialization has only begun.

The statistics for national units are, however, misleading. For while certain parts of Poland and Hungary are as much industrialized as Bohemia and Moravia, other parts of Czechoslovakia and Hungary and also of Greece belong to a vast area resembling, in its stage of industrial development, western Europe at the beginning of the last century. But there is one

important qualification: most of the capital invested in mining and industry in south-eastern Europe has been foreign. Only from 15 to 20 per cent of the capital in Roumanian industry was in Roumanian hands; in Yugoslavia the corresponding figure was 40 per cent. In the long run such a situation tends to jeopardize effective independence, though the process went much farther of course when these countries came under Nazi domination.

Nevertheless the pre-war decade saw a notable increase in the industrial production of the whole area, especially in the textile industry (see Table K).

TABLE K
INDICES OF INDUSTRIAL OUTPUT
(1929=100)

Country	1929	1932	1936	1937	1938
Poland	100·0	62·5	91·7	108·6	117·2
Czechoslovakia	100·0	63·5	80·2	96·3	—
Hungary	100·0	81·9	118·4	129·5	126·5
Roumania	100·0	89·0	130·0	132·0	132·0
Yugoslavia	100·0	82·6	99·5	114·5	128·4
Bulgaria ¹	—	—	—	142·7	155·4
Greece	100·0	100·9	139·1	151·1	165·1

¹ 1934—1935=100

The establishment of new textile factories, especially in Hungary, Roumania and Greece, unfortunately deprived the older textile industries of the area of part of their market. The result was heavy unemployment, for instance in the Lodz district of Poland and in sections of Czechoslovakia.

In terms of the number of workers employed, the most important industry in Poland was the chemical industry; in Czechoslovakia and in Hungary the engineering, iron and metal industries; in Roumania, Yugoslavia, Bulgaria and Greece the textile and clothing industries.

Nazi domination has undoubtedly much altered the pre-war pattern. No detailed information is available, but consumption goods industries have probably declined to a serious extent in favour of war industries. The urgent need for consumption goods after the War will inevitably dictate the first steps of further industrialization. The fact that consumption goods industries are more intensive, from the labour point of view, and demand less capital investment per worker, will be a considerable advantage in the initial stage of the reconstruction period.

But the level attained in these industries in pre-war days in any case failed to solve local economic problems. The surplus labour on the land remained, and the consumption of industrial goods was lower than in any other part of Europe. The value of industrial production per head of the population was in Hungary about 14.5 per cent of that in Germany; in Yugoslavia 7.8 per cent; in Roumania 6.9 per cent; in Greece 5.9 per cent; and in Bulgaria 3.5 per cent. The value of machinery per head was, except in Czechoslovakia, at most 10 per cent of that in the more industrialized countries of Europe, and the number of motor vehicles per square mile perhaps from 5 to 10 per cent.

To industrialize the area is certainly a tremendous task. Moreover the physical organization of both the material and the human components of industry must not be approached without bearing in mind the lessons of the earlier industrialization of western Europe. Investment should be planned, foreign capital controlled, and human relations within industry put on a new basis. The fact that there is no industrial tradition in large parts of the area, and thus no recognized code of behaviour among industrial workers, is a serious drawback, quite apart from the problem of millions of young peasants who are accustomed to a life of under-employment but who must be absorbed by industry. The difficulties may, however, be overcome in a few years if industrialization is carried through in a sufficiently systematic and responsible manner.

Is the area capable, sceptics may ask, of such industrial development? There seems to be no doubt that it is. A change in the type of agriculture from extensive grain-growing to intensive forms, as suggested in Chapter VII, would bring in its train many factories concerned with industrial crops, animal products and agricultural equipment. But there are also latent possibilities for an industrial development quite independent of agriculture. Although the geological formations are not yet fully investigated and a number of natural resources are probably still undiscovered, the resources already known point to potential developments. The wealth of the area is of some importance, even in relation to world output, in, for instance, petroleum, bauxite (the principal ore used for aluminium), chromium, zinc, antimony and sulphur. The export value of bauxite could be greatly increased if local industries undertook the separation

of the ore, instead of allowing it to be exported in a raw state; and as the standard of living of the area begins to rise, the manufacture of aluminium kitchen utensils and other household equipment will find an expanding internal market.

In Czechoslovakia and in Poland, certain parts of which have a great variety of mineral wealth, coal, lignite and iron ore occur in considerable quantities.

Forests cover 22 per cent of the land in Roumania and 31 per cent in Yugoslavia, pointing the way to the production of paper, furniture and artificial silk. A rising standard of living would here, again, provide an internal market. Roumanians, for instance, used an average of 6.3 lb. of paper per head in 1939, while the consumption in Germany was more than ten times that amount.

Such industries will unfortunately only absorb the labour surplus after a number of years, and the immediate problem is to find industrial occupation for millions almost overnight. The obvious solution, in the interests of agriculture itself as well as of industry and rapid labour absorption, would be the development of communications, where required. Railways and roads must be extended. This is especially necessary in the case of Bulgaria, Greece, Roumania, Yugoslavia and eastern Poland, where such railway lines as exist are in general single-tracked. Table L shows the pre-war position with regard to railways.

TABLE L
LENGTH OF RAILWAY PER 100 SQUARE MILES

<i>Country</i>	<i>Miles</i>
Poland	8
Czechoslovakia	16
Hungary	15
Roumania	7
Yugoslavia	6
Bulgaria	5
Greece	3
Germany	19
Great Britain	23

The exact mileage of roads throughout the area cannot be stated precisely, but it is known that new road-beds and improvements are urgently required. Undoubtedly something has been done under Nazi domination, but any new railways and roads constructed under Axis auspices presumably serve stra-

tegic purposes rather than peasant interests. Similar considerations may apply to the reconstruction and expansion of ports and harbours.

With the development of transport, regions of great natural beauty, hardly known to-day, would become accessible to tourists and a hotel industry could be developed. Apart from the capitals, the coast line of Yugoslavia, and of course Greece, "tourism" scarcely exists; yet it is an important potential source of invisible exports. The mere establishment of a few luxury hotels would be far from exhausting possibilities: small places could attract some of Europe's workers and peasants in the holiday seasons, winter and summer. The encouragement of crafts for commercial purposes would further increase the amount of money spent by such tourists in the area, and thus benefit the population. Here, as in other branches of industrialization, western precedent should not be slavishly imitated; co-operative societies have a new field before them in the organization and marketing of home industries.

For all these purposes capital is perhaps less important than organizing capacity and technical experts. Nazi rule has exterminated many of those who would have been able to undertake the task; and we must recognize that even before the War there was a noticeable shortage of experts native to the area. One of the most constructive forms of planning for reconstruction which are open during the War would no doubt be the education and training of young persons who have left their country within the last few years and are now in Great Britain or in the United States. Apart from such refugees, there are large numbers of immigrants to the United States who still speak their mother tongue and who could be trained in technical and social sciences, with a view to assisting in reconstruction when hostilities end.

There are, however, some problems of industrialization which will require foreign capital. Such investment should be controlled in the interests of the whole area. Nevertheless it may fairly be regarded as germane to the interests of capital in Great Britain and the United States to invest in large-scale projects which will raise the local standard of living and open a vast market for consumption goods, the manufacture of which may be beyond the technical capacity of the region itself for years to come. To quote one example, wireless sets (a valuable medium

for educating both the rural population and the young industrial workers) are bound to be imported on a large scale, once they come within the purchasing power of the population (see Table M).

TABLE M

WIRELESS LICENCES PER 1,000 INHABITANTS, 1938

<i>Country</i>	<i>No.</i>
Poland	25
Czechoslovakia	63
Hungary	41
Roumania	8
Yugoslavia	7
Bulgaria	3
Greece	2
Germany	136
United Kingdom	182

But there are other projects, even more important than the supply of wireless sets. Two of outstanding significance are irrigation and draining schemes. Their technical implications for the development of intensive forms of agriculture have been shown in Chapter VII. They would undoubtedly absorb much labour, and although the beneficial results might not materialize for some time, either for the producer or for the creditor countries, standards of living and purchasing power would be found to rise considerably in the long run.

The extensive marshes at the mouth of the Danube could also, were capital available, be used for industrial purposes: they are overgrown with reeds which can be turned into cellulose. Higher up the Danube Valley, the "Iron Gate" hinders shipping. Regulation of the river has been considered for a long period, but no attempt has yet been made to realize the project. Should it be undertaken, one of the largest power stations in Europe could be built at the same time.

Electrification has in any case good prospects in the area. Estimates illustrating the water power position in 1935 are given in Table N:

If the experience of the Tennessee Valley Authority can be used as a guide, such a scheme would change the whole structure of agriculture and industry in the surrounding countries. It is also pleasant to reflect that industrialization based on electric power escapes the accumulation of dirt often brought by coal.

Finally, a word of warning must be given. The task of indus-

TABLE N
 INSTALLED AND ESTIMATED POTENTIAL HYDRAULIC POWER, 1935
 (in million h.p.)

Country	Installed	Potential ¹
Poland	0.1	2.8
Czechoslovakia	0.2	1.3
Hungary	0.03	0.2
Roumania	0.1	6.0
Yugoslavia	0.3	7.5
Bulgaria	0.03	2.2
Greece	—	0.7

¹ at medium flow.

trializing the area is so great and the scope for the technician so extensive that those entrusted with the carrying out of a programme might easily conceive of industrialization as an end in itself. This would be fatal. Only if the drive and energy of the technical engineer is matched by that of the social engineer will industrialization achieve its purpose: that is, the improvement of both the standard of living and the cultural level of the whole community. In planning the location of various industries, therefore, not only raw materials and communications must be considered, but also housing accommodation and other necessities for the workers involved. The growth of factories should be accompanied by a corresponding growth in the social services. The political authorities will have the responsibility of preventing a repetition of the misery produced by the industrial revolution elsewhere. The industrial working class must also seek to ensure, through its own organizations, that the well-being of the whole country remains the central objective, rather than the profit of any one section of the population.

This is not the place to propose a detailed plan of industrialization for a huge area. Only a few of the manifold possibilities have been enumerated. But it is clear that neither geological nor climatic conditions account for the present low standard of living, or restrict the scope of future development. The great problem of the area to-day, that of over-population, can be turned into its greatest wealth. At a time when the declining birth-rate in many industrialized European countries gives rise to justified anxiety, south-eastern Europe need not live in want because of its surplus man-power. If after the present war there is found, in the area itself as well as in the rest of the world, enough political and economic courage, the outstanding problems can be solved.

APPENDIX

TABLE 1

AREA, POPULATION, AND DENSITY OF POPULATION, 1936

Country	Area in sq. miles	Population	Population per sq. m.
Poland	150,013	34,222,000	228
Czechoslovakia	54,236	15,215,107	281
Hungary	35,925	8,991,179	250
Roumania	113,889	19,422,660	171
Yugoslavia	95,551	15,173,608	160
Bulgaria	39,814	6,237,700	157
Greece	50,165	6,933,414	138
TOTAL	539,593	106,195,668	197
Germany	181,696	67,346,000	371
United Kingdom	93,955	47,099,000	501

Source: International Institute of Agriculture (Rome), *International Yearbook of Agricultural Statistics, 1937-38*.

The measurements have been converted into British equivalents.

TABLE 2

OCCUPATIONS, PRE-WAR (in millions)

Country	Date	Agriculture ¹		Mining & Industry		Other Occupations		All Occupations	
		No.	%	No.	%	No.	%	No.	%
Poland	1931	9.8	64.8	2.5	16.7	2.8	18.5	15.1	100.0
Czechoslovakia	1930	2.7	39.7	2.6	38.2	1.5	22.1	6.8	100.0
Hungary	1930	2.0	53.2	0.9	23.9	0.9	23.9	3.8	100.0
Roumania	1930	8.2	78.1	1.1	10.0	1.2	11.9	10.5	100.0
Yugoslavia	1931	5.1	76.1	0.7	10.5	0.9	13.4	6.7	100.0
Bulgaria	1934	2.7	81.8	0.3	9.1	0.3	9.1	3.3	100.0
Greece	1928	1.5	53.6	0.8	28.6	0.5	17.8	2.8	100.0
TOTAL	—	32.0	65.3	8.9	18.2	8.1	16.5	49.0	100.0

¹ Including animal husbandry, forestry, hunting and fishing.

Source: Economic Research Group Memorandum III, "The Problem of Industrial Development in Central and South-Eastern Europe" (London, May, 1943).

Note: All the figures in Table 2 must be regarded as approximations only. In countries where subsistence farming is extensively pursued, women and children work on the land and are then sometimes classified as "occupied in agriculture," sometimes as "dependents," rendering occupational statistics and their comparative treatment very unsatisfactory.

TABLE 3

BIRTH-RATE, DEATH-RATE AND INFANT MORTALITY, 1936

Country	Birth Rate (per 1,000 inhabitants)	Death Rate	Infant Mortality (per 1,000 births)
Poland	26.2	14.2	141
Czechoslovakia	17.4	13.3	124
Hungary	20.0	14.2	137
Roumania	31.5	19.8	175
Yugoslavia	31.5	17.0	137
Bulgaria	25.6	14.1	144
Greece	28.1	14.9	114
Germany	19.0	11.8	66
United Kingdom	14.8	12.1	62

Sources: League of Nations, *Statistical Yearbook, 1937-38*; Polish Ministry of Information, *Concise Statistical Yearbook of Poland: September 1939-June 1941*; and *Wirtschaftszahlen Südosteuropa, 1938*.

TABLE 4
ESTIMATED ANNUAL CONSUMPTION OF THE MAIN FOODSTUFFS PER HEAD OF POPULATION, PRE-WAR
(lbs.)

<i>Foodstuff</i>	<i>Poland</i>	<i>Czecho- slovakia</i>	<i>Hungary</i>	<i>Roumania</i>	<i>Yugoslavia</i>	<i>Bulgaria</i>	<i>Greece</i>	<i>Denmark</i>
Wheat and Rye	392	275	550	245	265	440	340	265
Maize	*	25	*	400	340	*	33	Nil
Potatoes	550	260	220	110	130	35	34	250
Sugar	27	47	26	15	12	12	22	117
Meat (all kinds)	50	63	57	55	44	45	34	124
Milk and Cheese (or Milk equivalent)	260	290	240	140	160	150	155	410
Butter	8	12	4	3	4	3	2	19
Eggs (pieces)	90	169	95	90	45	80	76	115
Animal Fats and Vegetable Oils	13	28	26	22	14	16	33	48
Vegetables and Fruit	145	180	150	135	135	170	130	**
Total Caloric Intake Per Day	2800	2950	3100	3200	3150	2650	2300	3400
Total Protein Intake Per Day (grammes)	76	80	82	80	78	75	70	85
Animal Protein Intake Per Day	26	33	25	24	23	24	22	52

*=negligible.

**=information not available.

Source: Economic Research Group Memorandum I (revised version, April 15, 1943), Table I.

TABLE 5

LAND UTILIZATION, 1936
(in million acres)

Country	Arable Land		Permanent Meadow and Pasture		Wood & Forest		Other Land		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Poland	45·854	47·7	16·002	16·7	20·564	21·4	13·610	14·2	96·030	100·0
Czechoslovakia	14·468	41·7	5·767	16·6	11·334	32·6	3·151	9·1	34·720	100·0
Hungary	13·885	60·4	4·020	17·5	2·721	11·8	2·372	10·3	22·998	100·0
Roumania	34·446	47·2	9·531	13·1	15·933	21·9	12·997	17·8	72·907	100·0
Yugoslavia	18·431	30·1	15·424	25·2	19·076	31·2	8·236	13·5	61·167	100·0
Bulgaria	8·914	35·0	—	—	—	—	—	—	25·488	100·0
Greece	5·070	15·8	—	—	—	—	—	—	32·113	100·0
TOTAL	141·068	40·8	—	—	—	—	—	—	345·423	100·0
Germany	47·970	41·2	21·112	18·2	31·920	27·4	15·310	13·2	116·312	100·0
United Kingdom	12·881	21·7	35·091	59·0	—	—	11·579 ¹	19·3 ¹	59·551	100·0

¹ Including Wood and Forest (not differentiated).Source: International Institute of Agriculture (Rome), *International Yearbook of Agricultural Statistics, 1937-38*. The measurements have been converted into British equivalents.

TABLE 6
AREA UNDER CEREALS, 1936

Country	Acres (000's omitted)	Proportion of	
		Arable land %	Total Area %
Poland	28,690	62.6	29.9
Czechoslovakia	8,700	60.1	25.1
Hungary	10,259	73.9	44.6
Roumania	28,678	83.3	39.3
Yugoslavia	15,273	82.9	25.0
Bulgaria	6,217	69.8	24.4
Greece	3,862	76.1	12.0
TOTAL	101,679	72.1	29.4
Germany	28,722	59.9	24.7
England & Wales	4,057	46.1	10.9

Source: International Institute of Agriculture (Rome), *International Yearbook of Agricultural Statistics, 1937-38*. The measurements have been converted into British equivalents (1 hectare = 2.471 acres).

TABLE 7
AREA, PRODUCTION AND YIELD PER ACRE OF PRINCIPAL CROPS, 1937

Country	WHEAT			RYE		
	Area (000's omitted) (acres)	Production (cwt)	Yield per acre (cwt)	Area (000's omitted) (acres)	Production (cwt)	Yield per acre (cwt)
Poland	4,183	37,908	9.1	14,137	110,952	7.8
Czechoslovakia	2,098	27,460	13.1	2,389	29,217	12.2
Hungary	3,734	38,648	10.4	1,520	12,160	8.0
Roumania	8,777	73,999	8.4	1,082	8,882	8.2
Yugoslavia	5,268	46,197	8.8	628	4,119	6.6
Bulgaria	3,235	34,767	10.7	521	4,692	9.0
Greece	2,118	17,340	8.2	175	1,092	6.2
TOTAL	29,413	276,319	9.4	20,452	171,114	8.4
Germany	4,880	87,905	18.0	10,269	136,121	13.3
United Kingdom	1,836	30,173	16.4	12	140	11.7
		BARLEY			OATS	
Poland	3,044	26,832	8.8	5,668	46,108	8.1
Czechoslovakia	1,658	21,943	13.2	1,920	27,009	14.1
Hungary	1,176	10,960	9.3	586	5,321	9.1
Roumania	3,739	18,050	4.8	1,940	10,092	5.2
Yugoslavia	1,030	7,537	7.3	845	5,861	6.9
Bulgaria	539	6,492	12.0	371	2,883	7.8
Greece	566	4,430	7.8	415	2,787	6.7
TOTAL	11,752	96,244	8.2	11,745	100,061	8.5
Germany	4,235	71,592	16.9	7,030	116,476	16.6
United Kingdom	907	13,148	14.5	2,298	36,928	16.1

TABLE 7 (continued)

AREA, PRODUCTION AND YIELD PER ACRE OF PRINCIPAL CROPS, 1937

Country	MAIZE			POTATOES		
	Area (000's omitted) (acres)	Production (000's omitted) (cwts)	Yield per acre (cwts)	Area (000's omitted) (acres)	Production (000's omitted) (cwts)	Yield per acre (cwts)
Poland	227	2,029	8.9	7,364	791,549	107.5
Czechoslovakia	457	6,754	14.8	1,908	243,296	127.5
Hungary	2,975	54,291	18.2	731	50,369	68.9
Roumania	12,748	93,517	7.3	776	41,456	53.4
Yugoslavia	6,649	105,011	15.8	638	31,884	50.0
Bulgaria	1,685	16,911	10.0	54	2,873	53.2
Greece	652	5,298	8.1	59	3,121	52.9
TOTAL	25,393	283,811	11.2	11,530	1,164,548	101.0
Germany	94	2,389	25.4	7,136	1,088,495	152.5
United Kingdom	—	—	—	717	98,300	137.3

Source: International Institute of Agriculture (Rome), *International Yearbook of Agricultural Statistics, 1937-38*. The measurements have been converted into British equivalents.

TABLE 8

LIVE-STOCK, PRE-WAR
(000's omitted)

Country	Year	Cattle	Fowls	Sheep	Goats	Pigs
Poland	1937	10,569	50,000 ^a	3,182	405	7,691
Czechoslovakia	1937	4,930 ^b	33,575 ^c	642	1,115	3,611
Hungary	1937	1,750	17,880 ^d	1,484	37	2,624
Roumania	1935	4,327	51,387 ^e	11,838	409	2,970
Yugoslavia	1936	4,074 ^f	18,356	9,568 ^g	1,906	3,126
Bulgaria	1926	1,817	9,139	8,740	1,261	1,002
Greece	1936	986	12,067 ^g	8,440	5,514	607
TOTAL	Pre-war	28,453	192,404	43,894	10,647	21,631

^a laying hens in 1931

^b including buffaloes

^c fowls on farms only

^d in 1935

^e in 1934

^f in rural districts only

^g poultry in general

Source: International Institute of Agriculture (Rome), *International Yearbook of Agricultural Statistics, 1937-38*.

TABLE 9
NATURAL RESOURCES AND INDUSTRIAL PRODUCTION, 1936
(000's omitted)
In Tons (British)

Country	Iron Ore	Pig-Iron & Ferro- Alloys	Steel	Coal	Lignite & Brown Coal	Crude Petrol	Cement (Natural & Artificial)
Poland	146.6	574.7	1,126.7	29,271.0	13.8	502.8	829.5
Czechoslovakia	353.3	1,121.8	1,535.0	12,037.3	15,812.9	18.7	964.3
Hungary	98.7	301.0	544.2	813.8	6,991.3	—	275.5
Roumania	48.2	95.4	216.5	288.3	1,646.2	8,537.2	355.2
Yugoslavia	222.4	43.3	98.7 ^a	433.9	3,970.4	—	772.4
Bulgaria	3.9	—	—	100.4	1,550.8	—	122.0
Greece	131.9	—	—	—	104.3	—	268.6
TOTAL	1,005.0	2,136.2	3,521.1	42,944.7	30,089.7	9,058.7	3,587.5
Germany	2,222.9	15,058.2	18,455.9	155,750.0	158,814.6	437.9	8,667.1
United Kingdom	3,810.0	7,719.5	11,782.4	228,400.2	—	—	5,805.6

^a in 1935

Source: *Statistical Yearbook of the League of Nations, 1937-38*. The measurements have been converted into British equivalents.

TABLE 10
IMPORTS BY COUNTRIES OF ORIGIN, 1937
(percentage of total imports)

Importing Country	Countries in same Area	IMPORTS FROM			Total
		Germany	Great Britain	Other Countries	
	%	%	%	%	
Poland	7.4	19.1 ^a	11.9 ^b	61.6	100.0
Czechoslovakia	14.3	15.5	6.4	63.8	100.0
Hungary	23.3	26.2	5.3	45.2	100.0
Roumania	23.9	30.8	10.4	34.9	100.0
Yugoslavia	18.4	32.4	7.8	41.4	100.0
Bulgaria	14.5	54.8	4.7	26.0	100.0
Greece	22.5	27.2	11.0	39.3	100.0

^a including Austria
^b United Kingdom

TABLE 11
EXPORTS BY DESTINATIONS, 1937
(percentage of total exports)

Exporting Country	Same Area	COUNTRIES OF DESTINATION			Total
		Germany	Great Britain	Other Countries	
	%	%	%	%	
Poland	7.8	19.4 ^a	18.5 ^b	55.3	100.0
Czechoslovakia	15.3	13.7	8.6	62.4	100.0
Hungary	12.6	25.5	7.2	54.7	100.0
Roumania	22.3	20.2	8.9	48.6	100.0
Yugoslavia	15.9	21.7	7.4	55.0	100.0
Bulgaria	12.6	43.1	13.8	30.5	100.0
Greece	12.6	31.0	9.7	46.7	100.0

^a including Austria
^b United Kingdom

Sources: Polish Ministry of Information *Concise Statistical Yearbook of Poland, September 1939-June 1941*; and *Wirtschaftszahlen Südosteuropa, 1938*.

TABLE 12
IMPORTS AND EXPORTS IN TERMS OF DOLLARS, 1936
(in million old U.S.A. gold dollars)

Country	Import	Export
Poland	112.4	114.9
Czechoslovakia	184.6	187.5
Hungary	76.4	88.2
Roumania	54.8	94.0
Yugoslavia	54.2	59.5
Bulgaria	22.6	28.1
Greece	65.7	40.1
Germany ¹	1,004.7	1,135.8
United Kingdom	2,313.1	1,295.4

¹ including or excluding certain categories.

Source: *Statistical Yearbook of the League of Nations, 1937-38*.

TABLE 13
IMPORTS AND EXPORTS PER HEAD OF POPULATION, 1936
(in old U.S.A. gold dollars)

Country	Import	Export
Poland	3.28	3.36
Czechoslovakia	12.13	12.32
Hungary	8.50	9.81
Roumania	2.82	4.84
Yugoslavia	3.57	3.92
Bulgaria	3.62	4.50
Greece	9.48	5.78
Germany ¹	14.92	16.87
United Kingdom	49.11	27.50

¹ including or excluding certain categories.

Note: This Table has been obtained from figures given in Tables 1 & 12 above.

SOURCES

The main sources consulted for statistics and other factual material appearing in Chapters IV–VIII are listed below. The unpublished memoranda supplied by the signatories of the Peasant Programme and a number of the publications are based on sources in the languages of the peoples concerned. It is generally recognized, however, that the information available for central and south-eastern Europe is sometimes incomplete and often inconsistent as to the basis of calculation, making comparisons between different areas inexact in detail.

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