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CZECHOSLAVAK CAPITAL IN INTERWAR YUGOSLAVIA: ECONOMIC INFLUENCE AND INVESTMENTS

Abstract: *This article examines the role and significance of Czechoslovak investments in Yugoslavia during the interwar period. Drawing upon published literature and archival sources, the study analyzes the extent of Czechoslovak capital involvement in various sectors of the Yugoslav economy, including banking, industry, and tourism. It investigates Czechoslovak investments' motivations, geographical distribution, and socio-economic implications for Yugoslavia. The findings reveal that Czechoslovak investments constituted a substantial portion of foreign capital in Yugoslavia, contributing to industrial development, job creation, and modernization. However, they also highlight the complex dynamics of economic integration and foreign influence in interwar Yugoslavia, shedding light on the nuanced relationship between Czechoslovak investors and the Yugoslav economy.*

Keywords: *Czechoslovak investments, interwar period, Yugoslavia, foreign capital, economic development.*

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Introduction

With the reshaping of Europe after the Paris Peace Treaties and the disappearance of old empires, new states sought support from the victorious powers, both politically and economically. For this reason, due to the chronic lack of financial resources necessary for industrialization, there was a significant increase in the participation of capital from France, England, and the United States in the financial markets of Central and Southeastern Europe.¹ However, the majority of money in the initial post-war period came in the form of loans rather than direct investments.² This can be explained by the likely uncertainty of investors regarding the stability of the newly established states, leading to loans instead of investments. Foreign investments also increased with the later stabilization of countries in the region and reduced uncertainty about their future existence. These investments were primarily concentrated in the metallurgical, chemical, energy, glass, forestry, textile industries, and mining. In these areas, foreign capital almost completely dominated domestic capital, with foreign investors owning nearly 80% of the capital in mining and metallurgy in Yugoslavia. However, without foreign investments, it would not have been possible to initiate technologically demanding processes or employ a significant number of workers, which ultimately also contributed to the increase in the standard of living. For these reasons, it is impossible to characterize foreign investments as good or bad.

On the one hand, capital from more developed countries aided the process of industrialization and job creation. On the other hand, these investments created technologically advanced islands surrounded by areas with much lower levels of development, where agriculture and less technologically demanding industrial sectors dominated, lagging significantly behind their Western counterparts. For example, a peasant in Yugoslavia annually produced goods worth only \$140. In contrast, an industrial worker in the same country produced near-

¹ Peter Mathias, Sidney Pollard (ed), *The Cambridge Economic History of the Europe. Volume VIII* (Cambridge: Cambridge University Press, 2008), 892.

² David Turnock, *The Economy of East-Central Europe 1815-1989* (London: Routledge, 2006), 161.

ly 12 times more, with the value of his work being around \$1,740 per year.³ This illustrates the difference between the relatively technologically developed industry dominated by foreign capital and the backward agricultural segment of the economy. The fact that as early as 1931, about 80% of Yugoslavia's population depended on agriculture can explain the low overall productivity and GDP level in Yugoslavia.

In general, during the interwar period, the economic influence of the defeated Central Powers was replaced by that of Western European countries, primarily England and France.⁴ Capital from these two countries followed political interests, with France, in particular, having an interest in establishing a new security system in Central and Southeastern Europe based on the Little Entente and Poland to ensure the security of the Versailles order in Europe. In addition to replacing German influence, the intense penetration of Western European capital also aimed to compensate for the loss of the Russian market after the October Revolution. However, economic influence only partially followed political influence. On the other hand, Great Britain was skeptical of these plans, with persistent fears that unstable and economically weak states would inevitably collapse.

Among these foreign investments, a special place was held by those from Czechoslovakia, which were among the largest overall in the Yugoslav economy.⁵ Concerning the importance and extent of those investments, our research

³ Ivan Berend, *An Economic History of the 20th Century Europe* (Cambridge: Cambridge University Press), 86.

⁴ See also for foreign investments in Yugoslavia in the Interwar period in Tomislav Anić, "Nationalization of the French Capital in Croatia 1945- An Example of the Sodoad Company", *Review of Croatian history*, Vol. 2 No. 1 (2006): 141-152; Tomislav Anić, "Podržavljenje stranog kapitala u Hrvatskoj/Jugoslaviji 1945. – 1946. na primjeru poduzeća Thonet Mundus d.d. u većinskome švicarskom vlasništvu", *Časopis za suvremenu povijest*, Vol. 40, No. 3 (2008): 819-832; Vladimir Cvetković, *Ekonomski odnosi između Jugoslavije i Francuske 1918-1941* (Beograd: Institut za noviju istoriju Srbije, 2006).

⁵ In many cases, this was a re-export of investments, where the capital of Czechoslovak investors was essentially owned by foreign capital. For more on this topic, see Alice Teichova, "Foreign Capital in Interwar Czechoslovakia Revisited", *Estudios Latinoamericanos* 14, no. 2 (1992): 249-263; Alice Teichova, "Direct Foreign Capital Investment in Eastern European Industry between the Two World Wars", *Estudios Latinoamericanos*, 14, no. 2 (1992): 265-274; See also: Smiljana Đurović, "Neki oblici uticaja Čehoslovačke na razvoj industrije u Jugoslaviji nakon 1918, sa posebnim osvrtom na Srbiju," *Istorijski časopis*, XIX-XXX (1982-1983): 536-547.

aims to analyze their role and impact in Yugoslavia during the interwar period, focusing on their extent, sectors of influence, and socio-economic implications. By examining the patterns of Czechoslovak capital involvement in various industries and regions of Yugoslavia, this study provides a comprehensive understanding of the dynamics of foreign investment in the Yugoslav economy during this transformative era.⁶ In our research, we also want to answer several questions: What were the main sectors of the Yugoslav economy targeted by Czechoslovak investments during the interwar period? How significant was the presence of Czechoslovak capital in different regions of Yugoslavia, and what were the socio-economic consequences? To what extent did Czechoslovak investments contribute to industrial development, job creation, and modernization in Yugoslavia? To respond to these questions, we used published literature, unpublished archival sources from the Czech Republic and Serbia, as well as contemporary publications from the Interwar period.

Overview of the Czechoslovak investments in the Yugoslav economy

Czechoslovak investments were among the largest in the entire Yugoslav economy. Economic data suggests that Czechoslovak investment accounted for 9.6% of all foreign investments in the Kingdom of Yugoslavia.⁷ The most significant percentage of the capital from Czechoslovakia was settled in the banking

⁶ See more for economic history of Yugoslavia in the interwar period in: Ivan Becić, *Finansijska politika Kraljevine SHS: 1918-1923* (Beograd: Stubovi kulture, 2003); Ivan Becić, *Ministarstvo finansija Kraljevine Jugoslavije 1918-1941* (Beograd: Institut za savremenu istoriju, 2012); Ivan Becić, "Statistika i karakter spoljne trgovine Kraljevine SHS 1919-1929." *Istorija 20. veka*, 2/2015: 57-72; Boško Mijatović, "Ekonomska politika i konjunktura u Jugoslaviji 1919-1925." *Godišnjak za društvenu istoriju*, III (2013): 99-118; Goran Nikolić, *Kurs dinara i devizna politika Kraljevine Jugoslavije 1918-1941* (Beograd: Stubovi kulture, 2003).

⁷ Data just before the war cannot be accepted without reserves for the entire interwar period. Some authors, such as Zdeněk Sládek, disputed the analysis and starting points of Dimitrijević's research, pointing to the fact that he took data after Anschluss and after joining the Protectorate Czech and Morava. Then, after the arisation and acquisition of shares in the Vienna banks, shares of the Czechoslovak capital fell. Sládek believes that the share capital from the Czechoslovak Republic is closer to the assessment from 1923, i.e., ownership of 1/6 of the capital in Yugoslavia. Zdeněk Sládek, *Malá dohoda* (Praha: Karolinum, 2000), 59.

sector, covering 22.6% of the total foreign capital in that sector. Czechoslovak investments were prominent in the three banks in Zagreb, which also had a significant portion of their shares owned by German and Austrian investors. The exception was the Belgrade affiliate of the Anglo-Prague Bank (official name *Anglo-československá a Pražská úvěrní banka*), which was entirely the property of shareholders from Czechoslovakia. The Czechoslovak share of the First Croatian Crafts Bank equaled 10.7 million dinars of the Bank's total 11 million capital. A similar situation was in the Commercial Bank, where the Czechoslovak citizens owned all of the capital of that Bank (10 million dinars), and in the Yugoslav Bank, where they owned 22.4 million dinars from the total sum of 50 million dinars of capital.⁸ The Croatian National Bank (*Hrvatska narodna banka*) and the Ljubljana Bank (*Ljubljanska banka*) also represented the capital from Czechoslovakia. In those two banks and the Yugoslav Bank (*Jugoslovenska banka*), the majority holder was Merchants Bank from Prague (*Živnostenská banka*). This Bank was also represented in several holding companies and through the Croatian National Bank, controlling its six companies.⁹ According to one report, the Czechoslovak capital was represented in 64 holding companies in Yugoslavia before the Second World War.¹⁰ In some of the companies, the capital of Czechoslovakia equaled 100% ownership as in "Bata," "Nebojša," "Celotvor," Beograd, and others. In others, as in "Dynamit Nobel" Belgrade or "Kontinental" Belgrade, it was half of the ownership or one-third as in the case of "Tvornica like Pokorny" Zagreb, "Dunavsko Shipyard" in Belgrade and "Zorka" Belgrade.¹¹ In addition to those banks that were affiliates of the banks from Czechoslovakia, there was also a bank founded in 1921 by the Czechs who were living in Yugoslavia- the Czechoslovak Bank (*Čehoslovačka banka*) with its center first in Daruvar, an all-Yugoslav Czech center, and from 1929 in Zagreb. Its affiliates were Ilok, Šid, Kovačica, Bjelovar, and Daruvar from 1929.

⁸ Sergije Dimitrijević, *Strani kapital u privredi bivše Jugoslavije* (Beograd: Nolit 1958), 20.

⁹ Prva hrvatsko slavonska industrija šećera Osijek, Osječka ljevaonica željeza i tvornica strojeva, Lanena industrija Osijek, and others.

¹⁰ Arhiv Jugoslavije (further AJ), 16 – 14 - 10. Čehoslovačka imovina u Jugoslaviji, 25. 09. 1945.

¹¹ Slobodan Selinić, *Jugoslovensko-čehoslovački odnosi od 1945-1955*. (Beograd: Institut za noviju istoriju Srbije, 2010), 281.

The capital of Czechoslovakia was also represented in the industries of metals,¹² chemicals,¹³ electricity,¹⁴ food¹⁵ and footwear.¹⁶ Considering the last one, factories from Bata concern completely dominated the Yugoslavian market. In the 1938 Yugoslavian market, they employed around 4.200 workers and produced 7.262.345 pairs of footwear.¹⁷ There was also a significant Czechoslovak presence in the tourism arena, and their citizens owned some essential hotels.¹⁸ Although Sergije Dimitrijević's book is outdated, it remains one of the most valuable works on the role of foreign capital in the economy of the Kingdom of Yugoslavia, and according to him, the capital of Czechoslovakia was presented in almost all of the branches of the Yugoslavian economy. The table below summarizes the representation of the capital from the Czechoslovak Republic in the economy of the Yugoslav state:

¹² Kovina d.d. Maribor; "Kranjska industrijska družba" Ljubljana; "Osječka ljevanonica željeza i tvornica strojeva" Osijek, Jugostroj a.d. Beograd; "Beogradska fabrika mašina i gvozdениh konstrukcija" Beograd.

¹³ "Solvaj" Lukavica, "Prvo jugoslovensko društvo za hemijsku industriju Zorka" Šabac, "Titanit" Zagreb thru "Dynamit Nobel" Bratislava as their major share holder.

¹⁴ "Bosansko dd za elektrinu" Jajce.

¹⁵ "Delnička družba pivarna Union" Ljubljana, "Kreka" Beograd, "Parna pivara Kosovljanin" Jagodina, "Hrvatsko slavonsko dd industrija šećera" Osijek, "Srpsko-češka fabrika šećera" Cuprija, "Cehoslovački narodni mlin" Zagreb, and others.

¹⁶ For Bata Company in Yugoslavia, find more in Milan Balaban, *Podnikání firmy Baťa v Jugoslávii* (Zlín: Univerzita Tomáše Bati, 2018).

¹⁷ M. Balaban, *Podnikani firmy Bata...*

¹⁸ "Dubrovačko hotelsko i kupališno a.d.", "Marijin dvorac", Hotel "Riviera" Dubrovnik, and others. See more on investments in tourism in Milan Balaban, "Czechoslovak tourists in the Yugoslav Adriatic in the interwar period (1918-1939)", *Acta Histriae*, 25, 3 (2017): 747-767.

Table No. 1. Representation of the Czechoslovak capital in Yugoslavia¹⁹

The sector of the economy	Share in the number of enterprises	Dominant share in the enterprise	The amount of share participation in millions of dinars	Action mobilization of domestic capital in millions of dinars	The impact on the entire share capital in millions of dinars	Participation in the overall foreign capital in this branch
Banks	20	5	68.1	1054	1 288.6	22.1%
Insurance	2	2	1.5	0.9	6.5	3.3%
Electric power	1	1	13.2	0.3	13.5	2.0%
Extraction and oil industry	1	1	5.0	-	20	1.4%
Mining and smelter	4	4	8.3	3.6	17.5	0.9%
Heavy and machine industry	8	4	26.6	14.2	61.9	24.4%
Textile industry	6	5	31.8	0.6	40.0	9.4%
Chemical industry	8	4	59.0	29.1	173.8	29.7%
Industry of agricultural products	14	7	100.0	80.4	234.8	35.8%
Forest, wood, and paper industries	3	1	4.3	24.5	58.0	2.8%
Leather and footwear industry	6	6	32.0	1.5	52.5	60.4%

¹⁹ Table compiled from: S. Dimitrijević, *Strani kapital...*, These data are for the end of the 1930s.

Building materials industry	2	2	12.4%	-	27.3	10.4%
Transportation	1	-	0.1	0.9	1.0	0.0%
Trade	11	8	21.4	6.1	31.1	16.1%
Other industries	1	1	4.6	-	4.6	20.0%

As we can notice from this table, the capital of the Czechoslovak Republic was involved in almost every branch of the Yugoslav economy. In some areas, it was significantly represented. We will analyze the Czechoslovak capital's role and representation according to the available data and sources.

Banks and the spreading of capital

The beginning of the Czech expansion into the Balkans and the territories that later entered the new South Slav state can be traced back to the late 19th and the beginning of the 20th century.²⁰ The Czech banks established a solid foundation in the former Yugoslavia during that period. Later, after the end of the First World War and the formation of Czechoslovakia and the Kingdom of Serbs, Croats, and Slovenes, they expanded these pre-established positions; the most critical position on the Yugoslav market was that of the Merchants Bank.²¹ The capital from that Bank was widespread in both the banking sector and the private business. Among others, the most critical affiliates in the banking sector were the Yugoslav Bank in Zagreb and the Ljubljana Bank in Slovenia.

²⁰ For a detailed account on spreading of the Czech capital to the Southeastern Europe see: Ctibor Nečas, *Na prahu české kapitálové expanse* (Brno: Univerzita J. E. Purkyně v Brně, 1987), and from the same autor: *Podnikání českých bank v cizině* (Brno: Masarykova Univerzita v Brně, 1993).

²¹ The Merchants Banka was founded in 1868 to support Czech industry, trade, and craft. Gradually, it became the most substantial bank in the Czech lands, spreading capital and affiliations throughout Austro-Hungary.

However, the Merchants Banka maintained its position throughout the inter-war period in the Yugoslav Bank in Zagreb, while in the late twenties, it left its position in Ljubljana. Its reasons for leaving the strongest financial institutions in Slovenia can be found in its endeavors to maintain a somewhat separate position from the Bank in Prague. This led to a gradual cooling of relations and a weakening and limiting of the mutual financial transactions.²² This decision and gradual separation from the Bank in Ljubljana proved almost clairvoyant since Ljubljanska Banka eventually became nearly immobilized after a series of poor business decisions. After exceptional success during the 1920s and increasing its share of capital from 10 to 80 million crowns in the early 1930s, Ljubljanska Banka endured severe losses due to bad business decisions.

As in the banking sector, the Czech textile industry expanded into the South Slav lands from the end of the 19th century. Two textile companies, *Lanena* d.d. and *Teksta* Maribor, belonged to the concern of the Živnobank through the Yugoslav Bank. This bank gradually became the majority owner of the stocks in both companies.²³ After consolidation in the early 1930s, the rest of the decade saw this factory realize a positive financial balance and become profitable.²⁴ Another investment of the Živnobank in the textile industry in Yugoslavia was the factory *Teksta* in Maribor. This factory was founded in 1923, and from its beginning, the Živnobanka participated by owning shares, and in the second half of the 1930s, owned 20.000 shares of the company. However, the shares became essentially worthless due to the fall in the company's value.²⁵

There were also cases of companies with fifty-fifty ownership of Czechoslovak and Yugoslavian capital, and overall, around one-third of the foreign

²² Jaroslav Horejšek, "Živnostenská banka a Lublaňská úvěrní banka", *Český časopis historický*, 20, (1972), 818.

²³ In the case of Lanena stock company from Osijek, which was founded as a private company of the industrialist Friedman from the city of Osijek in 1901 and later became a stock company in 1926, insolvency and risk borrowing they were led to the takeover of 7 million shares by Živnobanka.

²⁴ Jaroslav Horejšek, *Účast československého kapitálu na budování jugoslávského textilního průmyslu v letech 1918-1938*, 166.

²⁵ In 1923, the equity value was 15 million dinars; Six years later, it had a value of 3 million or five times less; in 1933, the value of the stocks was 2 million dinars. J. Horejšek, *Účast československého kapitálu...*, 167.

investments in the textile industry came from Czechoslovakia.²⁶ One of those cases was the important textile factory of *Jugočeška* from Kranj. This factory, whose full name was the Yugoslav-Czech textile industry, employed over 900 workers from Yugoslavia and workers, engineers, and clerks from Czechoslovakia.²⁷ Several enterprises in the city of Osijek also belonged to the concern of the Živnobank. This was the case because this Bank was the majority owner of the Yugoslav Bank, a former Croatian Bank that changed its name to the Yugoslav Bank in 1920. The Bank was founded in 1909 as the Croatian Landesbank with the participation of the Živnobank and the Bank House Sorger, Weismayer & Cie²⁸ It was, moreover, moved from Osijek to Zagreb in 1922. This change happened under pressure from Prague because the Živnobank wanted an expansion through that Bank, which could not happen in a provincial city like Osijek. The initial capital of 2.5 million crowns gradually increased to 30 million in 1918.²⁹ After the war and the currency change, its capital reached 12 million dinars. The Bank invested capital in timber, sugar, and the milling industry in those early decades. In 1924, 500.000 new shares were issued, and the equity climbed to 100 million dinars. After such substantial expansion in the 1920s, expansion slowed at the beginning of the next decade due to unprofitable investments and the consequences of the economic crisis.

The sugar factory, founded in 1905 with a stock capital of 4 million crowns, was among the Bank's most important enterprises. Later, in 1923, after the war and change of currency, the value of the stocks was 14 million dinars.³⁰ By 1927, the stock capital was raised to 30.8 million dinars, and the individual stock's value rose from 125 to 175 dinars. In 1920, this company also took over most of the sugar factory's stock in Usora (Bosnia). Later, in 1925, additional

²⁶ Jelena Rafailović, John R. Lampe, „Balkan textile industries, 1878-1939,“ in John R. Lampe, Ulf Brunnbauer, *The Routledge Handbook of Balkan and Southeast European History* (London and New York: Routledge 2021), 323.

²⁷ Archiv ministerstva zahraničních věcí (further AMZV), IV sekce, k. 376, č.j. 93529, Pohledávky proti firmě Jugočeška, 04. 08. 1932.

²⁸ Archiv České národní banky (further ACNB), Živnostenská banka (further ZB) 356/1. Zprávy pro ředitelství (further ZPR), 15. 10. 1912.

²⁹ *Československé bursovní papíry 1931-1932*, 135.

³⁰ *Československé bursovní papíry*, 1935, 291.

investments were conducted, leading to increased production. Nevertheless, these investments came at a rather inconvenient moment when the world demand for sugar declined, and in the second half of the 1920s, sugar refineries conducted business at a loss.³¹In addition to the Sugar Factory in Osijek, the Živnobank also owned the Osijek Iron Foundry through the Yugoslav Bank. This iron foundry also had a daughter company in Kamnik, Slovenia, called Titan Stock Company, which produced iron and locksmith products.³² Unfortunately, we could not find the data for the earlier periods, but the shared capital of the factory in Kamnik was 3 million dinars in the year 1939. In the same year, the stock capital of the Iron Foundry in Osijek was 5 million dinars. Both of these enterprises operated positively and were able to pay dividends in the amount of 8%. The Yugoslav Bank owned almost one-quarter of the 33 334 stocks of the Osijek Iron Foundry.³³

The Anglo-Czechoslovak Bank and the Prague Credit Bank³⁴ they had one of their affiliates in Belgrade.³⁵Moreover, through that one, they owned several enterprises in Central Serbia. Among them, the most important ones were two sugar factories in Čuprija and Crvenka and a brewery in Jagodina. The Serb-Czech Sugar factory and refinery in Čuprija was founded by the Prague Credit Bank in 1911 but had just one season of work before the beginning of the Balkan

³¹ *Československé bursovní papíry 1931-1932*, 310.

³² ACNB, ZB, ZPR /356/2.

³³ *Ibid.*

³⁴ This Bank was founded in 1922 to take over the properties of the Anglo-Austrian Bank in Czechoslovakia. All the bank shares belonged to the Anglo-Austrian Bank in London until 1927 when the Czechoslovak interest group took over 75% of the stocks. This group represented the Czechoslovak state (25% of the stocks), Škodovy závody, and Jiri Slicht stock company from Usti n. Labem, Ignatz Petschek and Prince Liechtenstein. Later, the Anglo-Czechoslovak Bank took over the Prague Credit Bank and the Czech Commercial Bank in 1930. *Československé bursovní papíry 1935*, pp. 316. The formation of the new bank reflected the status of the Pragobank branch in Belgrade. It changed its name to the Anglo-Czechoslovak and Prague Credit Bank Belgrade Branch. The initial capital stayed the same as before, which was 10 million dinars. Before 1920, the equity capital was 1 million, and at the end of 1920, it was increased to 10 million. The director remained the same as before the war, Karel Husník from Prague. AJ, f. 65, k. 1499, sl. 2584. Dopsis filijale Praške kreditne banke u Beogradu, 14. 07. 1930.

³⁵ The branch of the Prague Credit Bank in Belgrade was founded in 1910. Its role in establishing several industrial companies, primarily sugar refineries and breweries, ensured that this Bank had an essential position in the capital market in Serbia before and after the First World War. C. Nečas, *Na prahu české kapitalové expanze*, 109.

wars, followed by the First World War. During the war, it was used by the German army. At the end of the conflict and during the retreat of the German soldiers, most of the factory machines and equipment were looted or destroyed. In the post-war years, the factory slowly resumed production but did not reach total capacity. The Sugar Factory in Crvenka was founded in 1920 and, in June of 1920, was taken over by the Prague Credit Bank for 15.5 million dinars.³⁶ The initial capital share of 10 million dinars was increased to 20 million dinars in 1923. Further increase of the capital share of the Bank followed in 1927 when the value was increased from 20 to 45 million dinars.³⁷ Another part of the Anglo-Prague Bank concern was the Brewery of Mihajlo Kosovljanin in Jagodina. This brewery was founded in 1911, and before the First World War, it was taken over by the Prague Credit Bank.³⁸ The German soldiers engaged in it during the war, and production stopped during the war years. A maximum capacity of 120.000 hl of beer was not used, and the production, which amounted to around 28.000 hl before the war, was increased to 65.000 hl in 1923. However, in the following years, due to the opening of the new brewery in Skopje (Macedonia)³⁹ The production decreased to 47.000 hl in 1925. In order to prevent further production decline, in May 1925, the brewery owners in Jagodina bought all of the Skopje brewery stock for 2.960 million dinars in cash and 4 million in stock of the new joint enterprise.⁴⁰ Nevertheless, this measure did not help stop the decline in beer production and sales, and in 1927, only 41.521 hl was sold. The following year was even worse, and 39.535 hl of beer was sold, with only 32.107 hl of beer in 1929. A slight recovery occurred in 1931 when 3.000 hl more beer was sold than in the previous year.

Besides the two biggest banks on the Yugoslav market, where the Živno-bank concentrated its activities in the former Austro-Hungarian territories in

³⁶ *Československé bursovní papíry* 1937, 318.

³⁷ The value of the individual shares was increased from 200 to 450 dinars.

³⁸ *Československé bursovní papíry*, 1932, 360. The Bank paid 350.000 dinars to the brewery to its former owner and then hired him as director. The Pragobank also paid for all the debts and invested additional funds in expanding the production capacity. Equity after the acquisition by the Pragobank amounted to 2 million dinars.

³⁹ The brewery in Skopje was also a part of the Pragobank concern in the Balkans.

⁴⁰ *Československé bursovní papíry* 1932, 361.

the Kingdom of Serbs, Croats, and Slovenes, and the Pragobank (later the Anglo-Prague Bank) in the territories of the former Kingdom of Serbia, the other banks from Czechoslovakia also had minor shares of the market. Before the war, the Prague Bank “Union” already owned a branch in Celje, for which it had asked for a nostrification after the establishment of the inheritance states.⁴¹ In the chaotic postwar period, this request had to wait several months before it was addressed. The other Bank, which had its branch in Slovenia, was the Czech Industrial Bank (*Česká průmyslová banka*) from Prague, which had founded a branch in Ljubljana on the 1st of May 1914 just before the war started. After the war, this branch also went through a validation process, and its working capital in 1923 was 3.750.000 dinars. Later, in 1927, as the central Bank in Prague changed its name to the *Czech Industrial and Commercial Bank*, the branch in Ljubljana also changed its name.⁴² A few years later, in 1931, the affiliate in Ljubljana had significant financial problems and was requesting help from the Czech National Bank, but was refused on the basis that after the nostrification, the branch in Ljubljana became a foreign financial institution. Under the Czechoslovak law, CNB could not make foreign loans.⁴³

Czech capital was also involved in the Central Eskompt and Exchange Bank Zagreb (*Centralna eskomptna i menjačka banka Zagreb*), where the Central Czech Savings Bank (*Ústřední banka českých spořitelén*), Moravian Agrarian and Industrial Bank (*Moravská agrární a průmyslová*) Moreover, The Land

⁴¹ AJ, 65 – 1499 - 2484, Dopis Ministarstvu inostranih dela, 18. 02. 1920.

⁴² AJ, 65 – 1499 - 2484. Dopis ministarstvu trgovine i industrije, 04. 11. 1927.

⁴³ AMZV, IV sekce, k. 210, č.j. 127895. The problem occurred when the branch of the Czech Industrial and Commercial Bank in Ljubljana, as well as the other banks in Yugoslavia during 1931, found itself in the absence of cash due to the regulations of the Yugoslav National Bank, which limited the payments and withdrawals at 200 dinars per day per person. However, as this did not apply to the payments to foreign countries, the upcoming payments completely emptied the strongboxes of the branches in Ljubljana. Therefore, the Bank could not pay the receivables in the amount of 250,000 crowns and, therefore, sought help from the headquarters in Prague. As the Czechoslovak National Bank also had tight restrictions on the amount of money designated to foreign countries, and since after the validation, the branch in Ljubljana was considered a foreign financial institution, this could not be achieved by a simple transfer of money from the headquarters to the branch but had to undergo a complicated process of transferring money abroad. Since the Bank in Ljubljana lacked money, that was a significant problem for them.

Bank (*Pozemková banka*) jointly had 52.500 shares with a nominal value of 5.250.000 dinars. Except for them, several thousand shares were in the ownership of the individual Czech shareholders.⁴⁴ Another important bank whose capital came from Czechoslovakia was one of the largest banks in Zagreb, the Croatian Eskompt Bank (*Hrvatska Eskomptna Banka*). The equity of that Bank reached a value of 100 million dinars after the successful recapitalization in 1922 when 25% of the shares were bought by the Anglo-Austrian Bank, which later that year became the Anglo-Prague Bank. The capital from the Czechoslovak Republic was also involved in this transaction. What was probably even more important was that the Croatian Eskompt Bank had the majority of stocks in The First Dalmatian Folk Bank (*Prva Pučka dalmatinska banka*), the Central Bank in Zagreb (*Centralna banka u Zagrebu*) and the Agrarian and Commercial Bank for Bosnia and Hercegovina (*Agrarna i trgovačka banka za Bosnu i Hercegovinu*).⁴⁵ Through those banks, the capital from the Anglo-Prague Bank was even further involved in complicated financial and equity flows in the banking sector as well as the whole economy of the Kingdom of Serbs, Croats, and Slovenes.⁴⁶

Such a strong position of capital from Czechoslovakia was well observed by the authorities in Prague as well as diplomats in the Embassy in Belgrade. Ambassador Šeba in Belgrade strongly recommended in his letter to the Ministry of Foreign Affairs in Prague that, under all circumstances, such a strong position in the Yugoslav banking system must be preserved. He observed that the Czechoslovak interests were very well defended and protected in Belgrade thanks to the strong position of the Pragobank and the Yugoslav Bank. Nevertheless, strengthening positions in the Zagreb financial market was most impor-

⁴⁴ AMZV, IV sekce, k. 207, č.j. 75664, Hrvatska Eskomptna banka- zvýšení kapitálu, 21. 04. 1923.

⁴⁵ *Ibid.*

⁴⁶ The Croatian Eskompt Bank also had shares and ownership in several industrial plants and commercial enterprises: Danica d.d. za hemičke proizvode (capital ten million dinars), Prva Hrvatska tvornica ulja (3 milion of dinars), Zagrebačka dionička pivara i tvornica Slada, Prva hrvatska tvornica salama, sušenog mesa i masti M. Gavrilović i sinovi in Petrinja, Zagorka akc. spol, Goranin industrija drva, Kutjevo industrija drva, Zagrebačka tvornica parketa i paropila. Except for those industrial and commercial enterprises, CEB also owned the printing house Typografie, which printed the most influential newspapers in Croatia: *Jutarnji List*, *Slovo*, and *Obzor*.

tant because it was currently more significant than the Belgrade financial market.⁴⁷ Better positioning in Zagreb was important because of the hostile attitude of the Croatian elite towards Czechoslovakia because of its official support for Belgrade. He recommended that this could be best achieved if the share of the property of the CEB was to be increased since it had under its control a large part of the financial and industrial markets in Croatia as well as a strong influence on public opinion through its ownership of the biggest printing house, *Typography*.⁴⁸

Besides those banks that were bringing capital from abroad, the Czechoslovak Bank was also founded in Yugoslavia by the Czechs living in Daruvar, the center of the Yugoslav Czech community. The Bank was founded in 1921 with a capital of one million dinars.⁴⁹ The Czechoslovak bank was spreading and growing and, until 1931, increased its capital to 7 million, with 2 million in reserves and 50 million in savings accounts.⁵⁰ During this growing process, the seat of the Bank moved from the small city of Daruvar to the city of Zagreb in 1929. The Czechoslovak Bank took over several other smaller local banks: the Slovak Bank (*Slovačka banka*) in Šid (capital of 500.000 dinars), the Slovak Srem Bank (*Slovačka sremška banka*) in Ilok (capital of 400.000 dinars) and the Kovačica Peasant Bank (capital of 650.000 dinars). With these acquisitions, this Bank became Czechoslovak via its capital and not by name since the added banks were all from the Slovak areas in Vojvodina and founded by local Slovaks.

Industry

The most significant investment in the energy industry from the Czechoslovak capital was *Bosanski DD za electric iz Jajca*, in which there were 13.2 million dinars of the value of the Czechoslovak capital. The total value of that

⁴⁷ AMZV, IV sekce, k. 207, č.j. 75664, Hrvatska Eskomptna banka- zvýšení kapitálu, 21. 04. 1923.

⁴⁸ *Ibid.*

⁴⁹ AMZV, IV sekce, k. 210, č.j. 15543, Založení Československé banky, akc. spol. v Daruvaru, 29. 11. 1921.

⁵⁰ *Ibid.*

company was 13.5 million dinars. However, since this was the enterprise invested in by the Dynamit Nobel from Bratislava, which had international ownership,⁵¹ this company is better understood as a part of the international concern. In the machine industry, several companies were owned mainly by the capital from the Czechoslovak Republic. The most important investments were Danube Shipyard, founded by Škodovy závody just before the war, and one of the companies belonging to the Group of the Živnobank, Osijek Iron Foundry.⁵² This factory was part of the Yugoslav bank portfolio, and through the ownership of that Bank in Zagreb, the part of the large Živnobank complex in Yugoslavia. Except for those investments, the Belgrade Factory of Machines⁵³ and Me-bi⁵⁴ also belonged to the capital of the Czechoslovak Republic.

The chemical industry investment from the Czechoslovak Republic occupied the lion's share of the Yugoslav chemical industry. In the most significant chemical factory in the Kingdom of Yugoslavia, "Solvaj" in Lukavac, out of the total capital amounting to 80 million dinars, 55 came from the Czechoslovak Republic. That majority capital came from the firm "Spolek pro chemickou a hutní výrobu" from Usti nad Labem. Other significant investments from the same company were in the chemical factory "Zorka" in Šabac, where Spolek chemický a hutný výroby owned, together with the indirect investments from Solvaj central in Brussel, 73% of the capital share of 25 million dinars.⁵⁵ The third most important investment was 45% of the ownership in the factory Titanit in Zagreb by the Dynamit Nobel from Bratislava.

The Bata Company dominated the entire leather and footwear industry.⁵⁶

⁵¹ See more about Dynamit Nobel and its ownership structure in A. Teichova, *Mezinárodní kapitál a Československo v letech 1918-1938*, 183-186.

⁵² S. Dimitrijević, *Strani kapital...*, 74.

⁵³ Share capital of 6 million dinars, which was in 100% ownership of the capital from the Czechoslovak Republic.

⁵⁴ It was partly owned by investors from the Czechoslovak Republic, which invested 2.3 million dinars, while the company's overall capital was 7 million.

⁵⁵ S. Dimitrijević, *Strani kapital...*, 96.

⁵⁶ See also on Bata concern in Yugoslavia in Kemal Hrelja, Martin Kaminski, *Borovo, jugoslovenski kombinat obuće* (Slavonski Brod: Historijski institut Slavonije, 1971); Mira Kolar-Dimitrijević, "Tvornica obuće i gume Bata u Borovu i njen utjecaj na ekonomsko-socijalne odnose u jugoslaviji 1931-1946." In *Československo a Jugoslavie od roku 1929 do rozpadu buržoazních společenských politických a ekonomických systému* (Martin, 1981), 479-495.; Ivana Žebec, "Utjecaj českoga

The beginning of the work of this concern can be traced back to the beginning of the 1920s when the export of shoes from Czechoslovakia started to flood the Yugoslav market.⁵⁷ Soon, the shoes from the Bata factory dominated the market and contributed to a cessation of small craft work. After the beginning of the Great Economic Crisis, and with the introduction of protective measures and customs, the Bata concern also opened a factory in Borovo, whose shoe production soon met almost 90% of the needs of the Yugoslav market.⁵⁸ In the factory in Borovo, which followed the same patterns as other Bata factories worldwide, more than 4000 workers were employed by the end of the 1930s. The system already proven in Czechoslovakia of rationalization of production by using modern technical equipment, rational technological processes, and complex exploitation of raw materials brought complete dominance in shoe production in the Kingdom of Yugoslavia. Not only were the shoe factories founded in Yugoslavia, but also the entire network of production companies was gradually established. These companies followed the principles of vertical concentration, and decentralized enterprises could deliver and secure semi-finished products for final treatment. This network provided rubber products (Celotvor Belgrade), processed wood (Celofan Belgrade), cotton and wool (Kotva Belgrade), shoe machines (Majstor Borovo), and factories for shoes and socks (Stolin Vukovar).⁵⁹ Borovo was arranged on the same principles as other Bata factory towns, with the primary model being the city of Zlin.⁶⁰ After the Second World War, as elsewhere in Eastern Europe, factories from the Bata concern were nationalized, facing accusations that the factories had worked for the German and *Ustasha* military machine during the war. Due to this, 19 factory

kapitala na razvoj Vukovara u razdoblju između dva svjetska rata," *Društvena istraživanja*, 17, (2008): 101-124; Dražen Živić (ur.), *Bata-Borovo (1931.-2016.). Povijesno naslijeđe i perspektive* (Zagreb-Vukovar: Institut društvenih znanosti Ivo Pilar, 2019); Lubljanac, Svetlana, „Početak rada fabrike Bata u Kraljevini Jugoslaviji," *Zapisi*, 4 (2015): 168-178.

⁵⁷ Zdeňek Pokluda, Jan Herman, Milan Balaban, *Bata Across Continents* (Zlín: Univerzita Tomáše Bati 2022), 268-269.

⁵⁸ M. Balaban, *Podnikání firmy Baťa...*, 127.

⁵⁹ *Ibid*, 143-152.

⁶⁰ See more in Milan Balaban's "Everyday Life in the Bata Company Town Borovo before the Second World War," in Leda Papastefanaki, Nikos Potamionos (ed), *Labour History in the Semi-periphery*, (Berlin, Boston: De Gruyter Oldenburg, 2020), 201-226.

executives in Borovo were accused, and the entire property of the concern in Yugoslavia was confiscated in February 1946.⁶¹

Table no. 2. The number of workers and annual footwear production in the company Bata, Yugoslav Rubber and Footwear Factory, d.d. during the period 1931-1941⁶²

Year	Number of employees		The overall number of workers	Production
	Borovo factory	Stores		
1931	150	360	510	
1932	800	400	1200	995.710
1933	1.300	540	1840	2.655.703
1934	1.900	950	2850	3.440.380
1935	2.000	1.040	3040	4.105.040
1936	2.600	1.100	3700	6.043.539
1937	2.800	1.240	4.040	6,154.628
1938	3.500	1.330	4.830	7.165,710: (7.262.345 ⁶³)
1939	4.650	1.640	6.290	6.374.212 (6.422.741)
1940	3.550	-	-	4.841.661 (4.839.348)
1941	1338	-	-	2.190.000 (1.082.970? ⁶⁴)

⁶¹ Milan Balaban, Dalibor Savić, "Nacionalizacija čehoslovačke imovine u Federativnoj Narodnoj Republici Jugoslaviji na primjeru firme Bata," *Humanističke studije*, 7 (2020), 41-59.

⁶² M. Balaban, *Podnikani firme Baťa...*, 127.

⁶³ AJ, 17 – 103 - 103, Izvještaj o pregledu Koncerna „Bata“ Borovo, 1945, str. 15. In parentheses are the data obtained from the Bata conglomerate review report from 1945, which somewhat differ from the data provided by historians Kaminski and Hrelja in their book about Borovo from 1971, which were later used by the majority of other authors dealing with this topic

⁶⁴ The statistics introduced for this year by the members of the Commission who compiled the report on the Bata Conglomerate in 1945 for the needs of the new authorities in liberated Yugoslavia significantly differ by more than a million pairs of shoes from the statistics introduced by the authors Kaminski and Hrelja in their 1971 study, which was later cited by the majority of other authors who dealt with the issue of Borovo. The fact that the number of pairs of shoes produced according to the Commission's findings is closer to the truth is supported by the much smaller time gap. However, with unconditional certainty, we cannot determine which data is accurate and which is not (author's note).

The glass market in Yugoslavia was dominated by “The first mechanical factory glass and windows in Pančevo,” pledged in 1932 by the primarily Czechoslovak, Belgian, and French capital. The factory soon began to dominate the Yugoslav market, where its competition was several other factories mainly pledged by the domestic capital and had lower productive capacity. Besides that, production and Yugoslav needs for glass were also covered by imports from abroad, mainly related to more luxurious products. The demand for less luxurious products was satisfied by domestic glass production. Import of glass in Yugoslavia decreased significantly after the launch of these factories since its production covered a significant part of previously imported glass. Thus, imported glass from 1921 to 1932, which was around 10.000 tonnes of glass the value ranged from 52 million Yugoslav dinars in 1921 to 106 million in 1924,⁶⁵ Declined to 41 million in 1931 and later in 1933 to 846 tonnes valued at about 12.1 million. Reductions in imports were strongly influenced by the economic crises but probably even more by domestic glass factories like the one in Pančevo, which soon after opening started to dominate the Yugoslav market.

In the transport industry, one company with capital from Czechoslovakia broke through on the Yugoslav market. The Czechoslovak Society for International Freight Traffic initially wanted to establish its branch in Novi Sad in 1921. However, the Ministry refused to register their branches under the name *Čechoslavija* because the entire capital investment came from the Czechoslovak Republic, and all the employees were citizens of the Czechoslovak Republic.⁶⁶ After reorganization and hiring the nationals of the Kingdom of Serbs, Croats, and Slovenes, who then made up 2/3 of the employees in the branch in Novi Sad, the company obtained a license to operate.⁶⁷ In a similar case of the *Czechoslovak Society for the Trade with the East*, which wanted to open its affiliates in Split, the authorities refused for several years to give them a permit to work on the basis that the entire capital of the company came from the Czechoslovak Republic, and it was not employing domestic workers.⁶⁸

⁶⁵ The import of glass and glass products in 1924 had the most immense value for the entire interwar period.

⁶⁶ AJ, 65 – 1499 - 2484, Rešenje Ministarstva trgovine i industrije, 27. 01. 1922.

⁶⁷ AJ, 65 – 1499 - 2484, Rešenje Ministarstva trgovine i industrije, 22. 09. 1922.

⁶⁸ AJ, 65 – 1499 - 2484. Pokrajinska vlada za Dalmaciju, odjeljenje trgovine i industrije. 12. 05. 1921.

The following table illustrates some of the investments from the Czechoslovak capital in Yugoslav joint-stock companies:

Table No. 3. Representation of Czechoslovak capital in joint-stock companies in Yugoslavia⁶⁹

Name of the joint-stock company	Total capital in dinars	Domestic participation in the capital in dinars	Czechoslovak Participant	Czechoslovak participation in the capital in dinars	Other foreign capital in dinars	Basic data about enterprise
Bankarsko društvo a.d. Beograd	60.000.000	1.147.000	Union Bank Prague	2.399.600	Belgium: 23.296.800 Swiss: 3.199.000	Established in 1923. The basic share value is 200 dinars
Akcionarsko društvo za preradu kukuruza, Pančevo	11,620,000	4,850,000	Dajč Arpad, Bratislava	10,000	USA: 6,700,000	Established in 1930. Individual share value 1,000 dinars
Bata-Jugoslovenska tvornica obuče Borovo	40.000.000		Jan Antonin Baťa	7.100.000	Luxemburg: 10.000.000 Dutch: 20.000.000 Swiss: 2.900.000	Founded in 1931
Bosansko dioničarsko društvo za elektrinu - Jajce	13.500.000	514.400	Dynamit Nobel Bratislava	12.955.600		Established in 1897, with a nominal share value of 400 dinars
S.H. Gutman-Belišće	10.000.000	7.898.000	Alfred Ducka, Belišće	1.060.000	Hungarian: 1.000.000	Established in 1918. The basic share value is 200 dinars

⁶⁹ Table based on author calculations: AJ, f. 16, k. 14, sl. 10. Čehoslovačka imovina u Jugoslaviji, 25. 09. 1945. This table includes only the most significant companies with Czechoslovak capital.

Name of the joint-stock company	Total capital in dinars	Domestic participation in the capital in dinars	Czechoslovak Participant	Czechoslovak participation in the capital in dinars	Other foreign capital in dinars	Basic data about enterprise
A.D. Dynamit Nobel - Beograd	5.000.000		Dynamit Nobel Bratislava	2.500.000	Austrian: 2.500.000	The original capital of the company amounted to 1,000,000 dinars. The capital was increased after a joint investment by Dynamit Nobel from Bratislava and its sister company Dynamit Nobel from Vienna.
Drava A.D. Preduzeće za proizvodnju žigica-Osijek	11.250.000	950.000	Unknown Czechoslovak citizens	1.296.600	Swedish: 8.614.350 Hungarian: 350.000	Established in 1909. Share value 50 dinars
Dunavska Banka Beograd	35.000.000	32.400.000	Jozef Pfajfer Andreas Toible	2.584.000		Bank established in 1897, with a nominal share value of 100 dinars.
Evropsko akcionarsko društvo za osiguranje robe i putničkog kapitala	3.000.000	2.084.000	Evropská akc. společnost Praha	300.000	German: 386.500 Hungarian: 229.500	Established in 1922, with a nominal share value of 375 dinars.
„Zorka“ Prvo jugoslovensko društvo za hemijsku industriju-Beograd	25.000.000	10.891.900	Spolek pro chemickou a hutni výrobu	7.258 100	Swiss: 7.650.000	Founded in 1920
Jugostroj a.d. Beograd	2.000.000	1.200.000	Miroslav Mraz František Hejduk	400.000 400.000		Founded in 1938

Kreka A.D. za proizvodnju špiritusa-Beograd	5.000.000	125.000	M. Fischer a synové	4.875.000		Founded in 1938
Ljubljanska kreditna banka	30.000.000	23.100.000	Various private individuals	1.801.700	Unknown data	Founded in 1900
Nebojša A.D. Beograd	10.000.000		T. & A. Baťa Zlín	10.000.000		Founded in 1939
Osječka levaonica željeza i tvornica strojeva	5.100.000	3.413.500	Various banks and individuals	1.586.500		Founded in 1912
Parna pivara i fabrika slada i kvasca M. Kosovljanina-Jagovina	12.000.000	6.662.200	Various Czechoslovak owners	5.337.800		Founded in 1852. In 1912, it transformed into a joint stock company

Tourism

Before World War I, some Czechs were already involved in building or purchasing properties and establishing hotels and other facilities along the Adriatic coast.⁷⁰ However, after the war and amidst changing political landscapes, citizens of the newly formed Czechoslovakia began to flock back to the Adriatic coast,⁷¹ greatly expanding their ownership of various establishments there. The

⁷⁰ Borut Klabjan, *Češi a Slovinci na Jadranu: vztahy s Terstem a severním Jadranem v letech 1848–1948* (Praha, Filozofická fakulta Univerzity Karlovy, 2014), 34.

⁷¹ See also on Czechoslovak tourists in Yugoslavia in the interwar period in: Igor Tchoukarine, „The sea connects; it does not divide’: Czech tourism on the interwar Adriatic,” *Journal of Tourism History*, Volume 6, Issue 2-3 (2014): 139-157; Igor Tchoukarine, „Climate Therapy and the Making of a Slavik Riviera on the Yugoslav Coast,” *Austrian History Yearbook*, 54 (2023): 31-46; Felix Jeschke, „A Shakespearean Prophecy Fulfilled? Slav Solidarity and the Colonial Gaze in Czech Tourism on the Eastern Adriatic (1890s–1930s),” *Austrian History Yearbook*, 54 (2023): 1-14;; Jiří Šoukal, Silvie Vančurová, „Cestování Čechů na jihoslovanské pobřeží ve dvacátých letech 20. století,” *Historická sociologie*, 2 (2014): 63–78.

coast's untouched, raw, and picturesque nature and lack of tourist infrastructure spurred many Czechoslovak citizens to invest in accommodation facilities. From north to south along the coast, numerous hotels, pensions, and sanatoriums were owned and operated by Czechs. For instance, on the island of Krk, Jozef Strnad opened the "Prague" pension in Malinska, while "Hotel Baška" was reopened and expanded. Similarly, in towns like Kraljevica and Crikvenica, hotels and sanatoriums bearing Czech names flourished. Notable establishments included the "Praha" hotel owned by Faninká Langmanova and the "Božena Němcova" sanatorium owned by the Vesna Society from Brno.⁷²

On the island of Rab, Albert Machar from Brno spearheaded the opening of the "Palace Hotel Praha," one of the largest hotels on the Adriatic coast, alongside "Hotel Bristol." Further south, near Split and Dubrovnik, prominent Czech figures such as Doctor Šoulavý and František Šiller owned sizable pensions and hotels.⁷³ The most significant Czechoslovak investment on the southern coast was the Kupari complex, just kilometers from Dubrovnik, boasting 188 rooms, two beaches, and semi-state ownership.⁷⁴ This enterprise needed first to go into the process of nostrification. To conclude this, "*Dubrovnik Spa and Hotel Company*" (Dubrovačko kupališno I hotels ko društvo) needed to re-register into *Dubrovnik Spa and Hotel joint stock company* and to offer the Yugoslav public part of its shares through an open call in order to be able to validate its enterprise in Kupari, near Dubrovnik.⁷⁵ The Yugoslav authorities approved that nostrification and welcomed this enterprise into the south of the Adriatic.⁷⁶

Additionally, several sanatoriums catering to Czechoslovak citizens were established along the coast, providing specialized care for children and civil

⁷² M. Balaban, „Czechoslovak tourists on Yugoslav Adriatic...“, 751.

⁷³ Slovansky Jadran, 15. 05. 1933, 36.

⁷⁴ Jan Štemberk, *Fenomén cestovního ruchu: možnosti a limity cestovního ruchu v meziválečném Československu*. (Praha, Pelhřimov, Nová tiskárna ve spolupráci s Vysokou školou obchodní v Praze, 2009), 254-255.

⁷⁵ AJ, 65 – 1499 – 2484, Dopis Ministarstvu trgovine i industrije, 10. 07. 1920.

⁷⁶ AJ, 65 – 1499 - 2484. Memorandum Pokrajinske vlade za Dalmaciju, 25. 03. 1921. The authorities in Dalmatia welcomed this nostrification and investment with the words: "There is no fear from the Czech capital, and this enterprise can just contribute to the development of tourism in Dalmatia".

servants. While some, like the “Moj mir” sanatorium in Crikvenica, offered excellent conditions, others, such as those in Split and on the island of Vis, fell short in hygiene and comfort.⁷⁷ Despite the luxurious amenities offered by the Kupari complex, its high prices often limited its full capacity utilization, attracting primarily the upper echelons of society. Nevertheless, the involvement of the Czechoslovak state capital in such resorts symbolized a significant investment in the Adriatic tourism industry by the Czechoslovakia of that time.⁷⁸

Conclusion

The intertwined history of Czechoslovak property and investments in Interwar Yugoslavia unveils a narrative rich in economic significance, cultural exchange, and diplomatic intricacies. Spanning from the late 19th century to the brink of World War II, this period witnessed the burgeoning presence of the Czechoslovak capital on Yugoslav soil, marking a pivotal chapter in the economic evolution of both nations. The inflow of Czechoslovak capital into Yugoslavia mirrored the aspirations of Czech merchants, industrialists, and bankers to expand their economic footprint beyond national borders. Various factors propelled this transnational endeavor, including economic potential, strategic partnerships, and cultural affinities. Following the devastation of World War I, Czechoslovak investments continued to flow into South Slavic territories, positioning Czechoslovakia as one of the primary sources of foreign capital in the Kingdom of Yugoslavia.

The strategic allocation of Czechoslovak investments across various sectors underscored the multifaceted nature of economic engagement. Notably, the Czechoslovak capital influenced vital industries such as banking, chemicals, food processing, glass production, and footwear. This diversified portfolio of investments played a pivotal role in accelerating Yugoslavia’s industrialization process, addressing chronic capital shortages, and fostering economic modernization. Institutions like Živnobank and Anglo-Prague Bank emerged as prom-

⁷⁷ AMZV, PZ-Belehrad, 1925, 223.

⁷⁸ M. Balaban, „Czechoslovak tourists on Yugoslav Adriatic...“, 752-753.

inent stakeholders in the banking sector, wielding significant influence over financial markets and industrial ventures. Their strategic alliances and ownership stakes in Yugoslav enterprises underscored the intricate interplay between foreign investors and domestic economic interests.

Similarly, in industries such as chemicals and footwear, Czechoslovak companies like Spolek pro chemickou a hutní výrobu and Bata Company spearheaded transformative initiatives, revolutionizing production techniques and market dynamics. The establishment of industrial complexes, exemplified by the Bata footwear factory in Borovo, epitomized the transformative potential of Czechoslovak investments. By leveraging advanced technologies, innovative management practices, and skilled labor, these enterprises propelled industrial output, generated employment opportunities, and fostered socio-economic development in local communities.

Furthermore, tourism emerged as a vital arena for Czechoslovak economic engagement, underscoring the convergence of economic interests and cultural exchange. Czechoslovak tourists, drawn by the allure of the Adriatic coast, played a pivotal role in shaping Yugoslavia's nascent tourism industry. Their patronage of hotels, guesthouses, and sanatoriums bolstered economic revenues and fostered cross-cultural dialogue and mutual understanding between the two nations.

However, the legacy of Czechoslovak investments was not devoid of challenges and complexities. The onset of the Great Depression and subsequent protectionist measures posed formidable obstacles, necessitating adaptive strategies and diplomatic negotiations. Moreover, the post-World War II nationalization of industrial assets underscored the shifting political landscape. Future research endeavors could delve into the enduring legacies of Czechoslovak economic ventures in Yugoslavia, particularly their ramifications for post-war economic reconstruction and diplomatic relations. Comparative analyses juxtaposing the experiences of Czechoslovak investors with those of other foreign stakeholders could yield valuable insights into the broader dynamics of foreign capital inflows in interwar Yugoslavia.

In conclusion, the story of Czechoslovak property and investments in Interwar Yugoslavia is a testament to the intricate web of economic interdepend-

encies, cultural exchange, and geopolitical realities that characterized the era. By unraveling this historical tapestry, we gain profound insights into the enduring legacy of foreign capital on socio-economic structures, cultural landscapes, and diplomatic relations in Yugoslavia and the broader European context. As we navigate the complexities of the past, we are reminded of the transformative power of economic engagement and the enduring bonds forged through shared enterprise and mutual prosperity.

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ČEŠKI KAPITAL U MEĐURATNOJ JUGOSLAVIJI:
EKONOMSKI UTICAJ I INVESTICIJE

Apstrakt: *Ovaj članak istražuje ulogu i značaj čeških investicija u Jugoslaviji tokom međuratnog perioda. Oslanjajući se na objavljenu literaturu i arhivske izvore, studija analizira obim učešća češkog kapitala u različitim sektorima jugoslovenske ekonomije, uključujući bankarstvo, industriju i turizam. Istražuje motive čeških investicija, njihovu geografsku raspodelu i socio-ekonomske posledice za Jugoslaviju. Nalazi pokazuju da su češke investicije činile značajan deo stranog kapitala u Jugoslaviji, doprinoseći industrijskom razvoju, stvaranju radnih mesta i modernizaciji. Međutim, takođe osvetljavaju složenu dinamiku ekonomske integracije i stranog uticaja u međuratnoj Jugoslaviji, pružajući uvid u nijansirani odnos između čeških investitora i jugoslovenske ekonomije.*

Ključne riječi: *češke investicije, međuratni period, Jugoslavija, strani kapital, ekonomski razvoj.*