

Pitfalls of the Industrialization of Selected Regions of Central Slovakia in the First Four Decades of the 20th Century*

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The industrialization of an initially rural country is an important phenomenon and can answer the question of the region's economic development in a given period. Industrialization is a factor that affects the entire socio-economic character of the country, such as the construction of cities and transport, and it can also affect agricultural production. All these factors have a retroactive effect on industrial development. Within the economic field, agriculture has traditionally been dominant in the Slovak territory. The mentioned factor started to change in the last third of the 19th century, when representatives in the Kingdom of Hungary tried to develop the industrialization of the originally rural country. Naturally, the process of increased industrialization affected the territory of present-day Slovakia as well.

Key Words *Industrialization; Central Slovakia; Czechoslovak Republic; Economic Crisis; Czech Capital*

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At the turn of the century, Slovakia was a transitional territory significantly behind Western and Central European developed countries but still far from being among the most backward European regions. Slovakia formed the western border of the poorer half of Europe. At that time, it reached 50 % of the average European industrial production per inhabitant. Even though Slovakia was predominantly an agrarian country, it cannot be forgotten that the foundations of Slovak industry were laid during these years. At the end of the 19th century, the Kingdom of Hungary's primary attention was building several branches of light industry, including the textile, paper, food, and leather industries. The modern chemical and electrotechnical industries developed quite successfully.

Regarding the overall production capacity, the heavy industry, represented in Slovakia primarily by traditional mining and metallurgy, grew and modernized. However, the importance of Slovak metallurgy gradually declined from the end of the 19th century. Between 1899 and 1913, Slovakia's share in the entire Greater Hungarian pig iron production decreased from 57 % to 30 % and in steel production from approximately 26 % to 20 %. Under the pressure of competition on world markets and the gradual depletion of

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ore reserves, the former importance of mining ores containing precious and non-ferrous metals, except for antimony and manganese, had also significantly decreased. Nevertheless, iron ore mining increased, and Slovakia was one of the largest producers of magnesite in the world prior to the First World War.¹

In total, about 750 industrial enterprises were operating in Slovakia in 1913, and industry and craft production employed around 200,000 people. The value of industrial production thus represented 18.6 % of the entire Hungarian production. The paper industry held the highest share in production value at 53.7 % and the textile industry at 33.7 %. Only the hardware industry, with the metalworking, woodworking, and leather industries, exceeded 20 %.²

The disintegration of the Austro-Hungarian single customs area, internally linked by traditional economic ties, in 1918 had a profoundly negative impact on the development of all industrial sectors in Slovakia. The loss of traditional outlets and the clash with the more advanced Czech economy in direct economic competition then became the Slovak industry's main problem after Czechoslovakia's establishment.

With the establishment of the Czechoslovak Republic in 1918, two different economic units were united. On the one hand, there were the industrially developed Bohemian lands, and on the other, mainly agrarian-oriented Slovakia. Although industry in Slovakia was among the most developed in the Kingdom of Hungary, it lagged behind Czech industry. In the 1920s, there was significant restructuring of the Slovak industry with minimal state intervention in the running of the economy, which negatively impacted the direct competition with the Czech economy. Many businesses in Slovakia disappeared, and new ones were built only minimally.

Slovak national economist Imrich Karvaš identified the causes of Slovakia's "chronic economic depression" as social and special causes.

Social causes:

- 1) the consequences of the war economy and the transition of companies to peacetime production;
- 2) the consequences of the Czechoslovak monetary adjustment;
- 3) the construction of customs borders with neighbouring countries, which primarily affected Slovakia (industry in Slovakia was built to supply the domestic market of Hungary, while industry in Bohemia and Moravia was built mainly for export).

Special causes:

- 1) structural, which were based directly on the structure of Slovak industry and were present even before the war;
- 2) post-war economic and political – primarily the invasion of Hungarian Bolsheviks, transport difficulties, and the abandonment of state interventions in the economy.

¹ HALLON, Ľudovít: *Industrializácia Slovenska 1918–1938 (Rozvoj alebo úpadok?)*. Bratislava 1995, p.12. In industrial sectors, woodworking and several areas of the building materials industry, glassmaking, metalworking and the printing industry made significant progress thanks to the abundance of raw wood material. Significant development also occurred in the area of railway construction, which represented 89% of the current state in 1915.

² Ibidem, p. 13.

Regarding the latter cause, Karvaš pointed out *that the industrial policy in Slovakia must be carried out in the light of the national economic policy, because only this way will we achieve the harmonious and healthy development of all the economic territories of our state*.³ In addition to the abovementioned, another problem of economic stagnation was higher interest rates in Slovakia and a lack of state commissions for businesses in the east of the republic.⁴

Important factors for further development of industry in Slovakia were the great loss of outlets and, at the same time, various forms of state protection. In the search for new markets, the weaker industry in competition with the more advanced Czech industry naturally got the short end of the stick. Another serious economic issue was the re-routing of the Slovak railway networks in the west-east direction, which resulted in the disappearance of many lines oriented towards Hungary. At the same time, there was a large share of private railway lines in Slovakia, which caused higher tariffs than in Bohemian lands, making the transport of raw materials more expensive. All the mentioned causes also had a direct impact on individual regions of Slovakia in varying degrees.

The following study evaluates the issue of the integration of the Slovak economy into the national economic unit of the newly formed Czechoslovak Republic. It mainly focuses on specific problems of selected areas of central Slovakia. The aim of the study is not to provide a comprehensive view of the issue, which the space assigned for a scientific study does not even allow, but rather to point out specific problems of selected enterprises and regions of central Slovakia, which did not allow for a quick transition of the economy in Slovakia from the Hungarian to the Czechoslovak economic space. It is therefore primarily a matter of looking how the national economic policy impacted the selected regions of Slovakia and specific enterprises that, whether in the northern, central or southern parts of central Slovakia, were established during the existence of the monarchy and found themselves in a completely new economic situation after the establishment of the Czechoslovak Republic. Their further activities naturally also had an impact on the social status of employees in their area of operation. Special emphasis is placed on traditional timber, pulp and paper enterprises, which were among the largest enterprises in the study area. They provided jobs for many employees and were present in almost the entire area of central Slovakia. In terms of time, the study focuses on the period from the beginning of the 20th century to the end of the 1930s, i.e., until the disintegration of the Czechoslovak Republic and the establishment of the Slovak State and the Protectorate of Bohemia and Moravia. The period of the economic situation of the Slovak Republic (1939–1945) is no longer the focus of the study.

The studied issue is relatively well elaborated in both Slovak and Czech historiography, especially at the national level. However, the question of specific industrial enterprises in individual Slovak regions and their economic situation is treated rather partially, mostly as part of monographs, published documents, plant memorials, and studies focusing on the economic history of Czechoslovakia and Slovakia, overall receiving less attention.⁵

³ KARVAŠ, Imrich: *Sjednocení výrobních podmínek v zemích českých a na Slovensku*. Praha 1933, pp. 36–38.

⁴ For more on the integration of Slovakia's economy into the Czechoslovak Republic, see HALLON, L.: *Industrializácia*.

⁵ BASCH, Antonín: *Československé hospodářství v krizi*. Praha 1937; DOLEŽALOVÁ, Antonie: *Rašín, Engliš a ti druzí*. Praha 2007; ENGLIŠ, Karel: *Národní hospodářství*. Praha 1928; FABRICIUS, Miroslav: *Hospodářský vývoj Slovenska do konca predmníchovskej republiky*. Bratislava 1988; FALTUS, Jozef: *Povojnová hospodárska kríza v rokoch 1921–1923 v Československu*. Bratislava 1966; FALTUS, Jozef – PRŮCHA, Václav: *Prehľad hospodárskeho*

After joining the new Czechoslovak Republic, Slovakia faced not only political and administrative problems related to its integration into the new political and territorial entity but also, above all, economic difficulties that affected individual regions of Slovakia shortly after the establishment of the new state as part of the extensive post-war economic crisis. The region of Central Slovakia, where industrial enterprises stopped production to a large extent and many employees lost their jobs, was no exception.

The economic situation of enterprises in Slovakia did not benefit from the artificial increase in the exchange rate of the Czechoslovak crown – the 1922 deflation. The 1922/1923 decline in exports in connection with the crisis and deflation had dire consequences for Slovak industry, as it meant a definitive loss of outlets from the time prior to 1918 and new outlets acquired during the post-war boom. During the economic crisis, the situation of metallurgical and iron companies in the south-eastern region of Central and part of Eastern Slovakia, owned by a Hungarian iron and steel group (Krompachy, Hnúšťa – Likier, Drnava and Zvolen), became a significant issue. The Hungarian group began to limit production in smaller blast furnaces, which accelerated after 1918.

Before the war, there were eight metallurgical enterprises in Slovakia: Likier, Hnúšťa, Drnava, Dobšiná, Chyžná Voda, Stratená, Krompachy, Tisovec. The most important were the furnaces in Likier and Krompachy, which accounted for 72.6 % of Slovakia's production in 1913. Larger production quotas were also in Tisovec, which represented 13.7 % of

vývoja na Slovensku v rokoch 1918–1945. Bratislava 1969; FRIČ, Milan: *Neutešený hospodársky vývoj na Slovensku a Podkarpatskej Rusi*. Bratislava 1932; GERŠLOVÁ, Jana – SEKANINA, Milan: *Lexikon našich hospodárskych dejín*. Praha 2003; HOLEC, Roman – HALLON, Ludovít: *Tatra banka v zrkadle dejín*. Bratislava 2007; HORVÁTH, Štefan – VALACH, Ján: *Peňažníctvo na Slovensku 1918–1945*. Bratislava 1978; KARVAŠ, Imrich: *Sjednocení výrobních podmínek v zemích českých a na Slovensku*. Praha 1933; KOZÁK, Ján: *Československá finanční politika. Nástin vývoje v letech 1918–30*. Praha – Brno 1932; KUBŮ, Eduard – PÁTEK, Jaroslav: *Mýtus a realita hospodářské vyspělosti Československa mezi světovými válkami*. Praha 2000; LACINA, Vlastislav: *Státní hospodářská politika v ekonomickém vývoji první ČSR*. Praha 1994; MYŠKA, Milan: *Problémy a metody hospodářských dějin*, 1. Ostrava 1995; PRŮCHA, Václav: *Hospodářské a sociální dějiny Československa 1918–1992, 1: Období 1918–1945*. Brno 2004; STRHAN, Milan: *Křiza priemyslu na Slovensku 1921–1923*. Bratislava 1960; TEICHOVÁ, Alice: *Mezinárodní kapitál a Československo v letech 1918–1938*. Praha 1994; TEICHOVÁ, Alice – LINDGREN, Hakan – COTTRELL, P. L.: *European industry and banking between the wars : A review of bank – industry relations*. Leicester – London 1992; TIŠLIAR, Pavol: *Mimoriadne sčítanie ľudu na Slovensku z roku 1919 : Príspevok k populačným dejinám Slovenska*. Bratislava 2007; FALTUS, Jozef: Bank – industry relations in inter war Slovakia. In: TEICHOVÁ, Alice – GOURVISH, Terry – POGÁNY, Agnes (edd.): *Universal Banking in the Twentieth Century : Finance, Industry and the State in North and Central Europe*. Vermont 1994, pp. 142–154; HALLON, Ludovít: Podnikateľské aktivity slovenského finančného kapitálu v priemysle v rokoch 1918–1938. *Historické štúdie* 41, 2000, pp. 199–211; IDEM: Príčiny, priebeh a dôsledky štrukturálnych zmien v hospodárstve medzivojnového Slovenska. In: BYSTRICKÝ, Valerián – ZEMKO, Milan (edd.): *Slovensko v Československu 1918–1938*. Bratislava 2004, pp. 274–315; HOLEC, Roman: Ekonomické aspekty vzniku ČSR – ilúzie a realita. In: *Česko-slovenské vzťahy. Slovensko-české vzťahy*. Liberec 1998, pp. 37–47; IDEM: Zápas o martinskú celulózu ako najväčší projekt česko – slovenskej hospodárskej spolupráce pred 1. svetovou vojnou. *Historické štúdie* 35, 1994, pp. 49–72; CHUDJÁK, František: Podnikateľské aktivity Slovenskej banky v rokoch 1919–1929. *Historický časopis* 56, 2008, 1, pp. 43–80; JIRÁSEK, Zdeněk: Základní problémy výzkumu hospodářských dějin Československa po roce 1918. In: *K hospodářským a sociálním dějinám 19. a 20. století*. Opava 1991; SABOL, Miroslav: *Elektrifikácia v hospodárskom a spoločenskom živote Slovenska 1938–1948*. Bratislava 2010; IDEM: *Dejiny dopravy na Slovensku 1938–1948 (1950)*. Bratislava 2015; ĎURČO, Michal: *Cesty a diaľnice na Slovensku v medzivojnovom období*. Bratislava 2020; GAUČÍK, Štefan: *Podnik v osidlach štátu : Podnikateľské elity na príklade Rimamuránsko-šalgotrajánskej železniarskej spoločnosti*. Bratislava 2020. The co-author of the study also deals with the above-mentioned issues of economic development of Slovakia, especially in the years 1939–1945: MIČKO, Peter: *Nemecký kapitál a stredné Slovensko v rokoch 1939–1945*. Banská Bystrica 2006; IDEM: *Hospodárska politika Slovenského štátu*. Krakov 2014; IDEM: *Spolok pre chemickú a hutnú výrobu v dejinách Slovenska*. Bratislava 2023; MIČKO, Peter – HALLON, Ludovít a kol.: *Lesť a tiene hospodárskeho vývoja Slovenska v rokoch 1939–1941*. Krakov 2016; HALLON, Ludovít – MIČKO, Peter a kol.: *Vzostup a pád hospodárskeho vývoja Slovenska 1942–1945*. Bratislava 2019.

the overall Slovak production in 1913. Smelters gradually disappeared after 1918, and the last one in Tisovec stopped production in 1931. The demise of the blast furnaces was contributed to by the decline of large iron companies and a change in the production process, mainly affecting smelters with outdated equipment.⁶

Before 1918, these plants were among the most modern in Hungary compared to large-scale metallurgical plants in Bohemia and Moravia. However, they were lagging technologically. At the same time, in the post-war inflationary period, the indebtedness of the companies increased, and connections with customers in Hungary were disrupted. Due to huge debts, which eventually exceeded the share capital of the companies, the Hungarian group liquidated them and moved all the technical equipment to Hungary. After a mutual agreement, production quotas were ceded to Czechoslovakia's two most significant iron and steel concerns for a severance payment of 10,000 shares of the iron and steel companies.

During the crisis, several foundry plants (Košické Hámre, Hnúšťa), engineering plants (Lučenec, Rimavská Sobota), and paper and wood processing enterprises also disappeared. Production stopped in 32 enterprises in the last quarter of 1922, which laid off 12,510 workers, and production partially stopped in 36 enterprises, which dismissed 1,740 employees.⁷

Central and Eastern Slovak companies were particularly disadvantaged by the loss of outlets. Negative consequences were manifested in three large iron and heavy industry enterprises: Krompachy, Zvolen, and Podbrezová. Two of the mentioned enterprises disappeared: Krompašské železiarne in 1922, the sheet metal factory in Zvolen in 1924, and Podbrezová faced major problems maintaining production. The enterprises in Krompachy and Zvolen were the property of the Rimamuránská company, and the uncertainty in 1921–1923 was why the company wanted to quickly liquidate its production with the least possible losses. This finally happened after the conception of the Czechoslovak iron production cartel in 1922. After the creation of the cartel, efforts to address overproduction began, which primarily affected Slovak production. The decline of the iron industry was further accentuated by the loss of the Polish market, which was especially important for Krompachy.⁸

The enterprise of Podbrezovské železiarne consisted of steel mills, a rolling mill, and a pipe mill in Podbrezová, a water gas welding plant in Piesok, a rolling mill for fine sheet metal in Chvatimech, a rolling mill for rim and string steel in Piesok, a foundry and an enamel plant in Hronec, a blast furnace in Tisovec. An electrolytic plant in Banská Bystrica was further annexed to this enterprise. All the factories were under the administration of the Directorate of State Iron and Steel Works in Podbrezová, which was directly subordinated to the Ministry of Public Works in Prague.⁹ The state-owned iron and steel works in Podbrezová also took over four power plants in Podbrezová, Piesok, Lopej, and Dubová, and the newly built hydroelectric plant in Jasenie started operating in 1926.

The sheet metal factory Union in Zvolen stopped production as early as on 11 September 1922. After the closing of the ironworks, one of the possibilities was to convert the plant into a railway workshop. During an inspection, it was found that the plant would

⁶ KARVAŠ, I.: Sjednocení, p. 62.

⁷ HALLON, L.: Industrializácia, p. 57.

⁸ KARVAŠ, I.: Sjednocení, p. 63.

⁹ *Stredné Slovensko*. Zvolen 1934, p. 146.

have to be reconstructed at a high cost. Thus, the Ministry of Railways did not negotiate the takeover of the Union plant in Zvolen to convert it into a railway workshop. It argued that the need for railway repair shops in Slovakia would be fulfilled by constructing a new carriage house in Trnava, along with a carriage house next to the workshop in Zvolen, and by reconstructing the Vrútky workshops.¹⁰ Eight hundred workers lost their jobs.

An often-mentioned economic problem of Slovakia in the 1920s was exporting machinery from Slovakia to foreign countries. As for removing machines, we cannot perceive it as clearly damaging the industry in Slovakia. The deindustrialization of Slovakia was primarily influenced by the economic interests of business owners. It should be noted that many of the companies were owned by individuals with headquarters in Budapest or Vienna, which clearly indicates their financial priorities and the effort to transfer the technical base to the parent country. With some of its measures, the Czechoslovak Republic made it difficult for businesses owned by Hungarian or German owners to operate. We could summarize the reasons for the removal in the following points:

- 1) discriminatory measures and obstructions by government circles against foreign entrepreneurs;
- 2) problems of foreign trade relations;
- 3) better business prospects outside Czechoslovakia or state subsidies in the parent country;
- 4) after the decrease in sales in the successor states, the machines in Czechoslovakia became redundant;
- 5) in the first months after the war, factories specifically designed for these purposes disappeared;
- 6) businesses in Slovakia faced a worse situation in financing than those in the Bohemian lands countries, with higher interest rates and more difficult access to loans.¹¹

The removal of technical equipment was also carried out to a high extent by companies in individual locations in Slovakia. *Rimamuránsko-Šalgotárjáska železiarska účastinná spoločnosť* (a joint-stock company) was interested in selling machines from the plants in Zvolen and Krompachy. It applied for permission from the Ministry for the Administration of Slovakia because it planned to use the funds obtained to pay off part of its financial obligations to avoid bankruptcy. However, the Ministry took a negative stance on the aforementioned request.¹²

Even factories in the Brezno district did not escape economic difficulties and layoffs. In 1923, the state enamel plant in Hronec stopped its operation for 8–10 weeks due to overcrowding of warehouses and a lack of orders. For this reason, about 500 workers remained unemployed during the planned period. An even higher number of workers,

¹⁰ Štátny archív Banská Bystrica (hereinafter ŠA BB), fund Pohronská župa 1923–1928, box no. 15. Union, sheet metal factory in Zvolen-liquidation. 8 August 1923.

¹¹ HALLON, L.: *Industrializácia*, p. 53.

¹² ŠA BB, fund Pohronská župa 1923–1928, box no. 15. Situation in Krompachy. 13 January 1923. *In principle, the Ministry for the Administration of Slovakia recognizes the right to dismantle machines from factories in Krompachy and Zvolen. However, the current domestic and foreign political situation is not suitable for the Ministry for the Administration of Slovakia to express its approval for dismantling. The meritorious solution of this matter belongs to the relevant ministries. The Ministry for the Administration of Slovakia declares in advance that, for the reasons mentioned, it will continue to take a negative stance, which it will also communicate to the relevant ministries.*

1,000, was laid off by the state ironworks in Podbrezová from 1 February to 1 May 1923. The Ministry of Public Works provided the laid-off workers with alternative work during the construction of the Zvolen-Krupina railway, the regulation of the Hron River, the construction of the hydroelectric plant in Staré Hory, and the building of the Tisovec-Polhora road.¹³ Workers from the state-owned mining and metallurgical plants in Banská Štiavnica (800) and Kremnica (200) were also supposed to work on the mentioned projects. In March 1924, 969 unemployed individuals were registered in the Brezno district, of which 498 workers and 731 household members received support. Indirect works subsequently provided jobs for 44 workers in the Podbrezovské ironworks (*Podbrezovské železiarne*), 30 in the Hronec enamel plant, 124 in the construction of the Jasenie water station, 26 in the construction of the Tisovec – Polhora state road, and 14 during emergency construction work in Brezno.¹⁴

Vacancies in the building of hydroelectric power plants were related to their construction in the territory of Central Slovakia, namely:

- 1) the hydroelectric plant on the Jasenie stream near the village of Jasenie for the State Iron and Steel Works in Podbrezová with an average annual energy production of about 14 million kWh and with a total construction cost of 30 million Kč (*korún česko-slovenských*, Czechoslovak crown);
- 2) the hydropower station at shaft No. 4 in Kremnica for the State Mines in Kremnica with an average annual energy production of 5 million kWh with a construction cost of 5 million Kč;
- 3) the hydropower plants on the Starohorský stream – the first level Motyčky – Dolný Jelenec valley with an annual energy production of 3 million kWh, the second level Dolný Jelenec – Staré Hory with an annual production of 4.4 million kWh, the costs for both water levels amounted to 35 million Kč and they were built between 1923 and 1926.

The unemployment situation was critical in Banská Štiavnica and its surroundings. Mining plants did not hire new employees; other enterprises stopped production or survived only with difficulty. The state mines and silver smelter in Banská Štiavnica, taken over from the Hungarian government after the war, were in deplorable technical condition and showed a deficit of 30 million Kč per year. In 1923, restrictive measures and greater mechanization of production were introduced, which resulted in the dismissal of 600 workers from the original number of 1,350.¹⁵ Thus, 620 recipients of unemployment benefits were registered in the city.¹⁶ The economic situation in Banská Štiavnica did not improve even after the economic crisis ended. At the end of 1924, the consequences of the crisis were profound, and economic recovery was not possible without help of the state.

¹³ Ibidem. Dismissal of workshop employees in Hronec and Podbrezová state ironworks.

¹⁴ Ibidem, box no. 42. Situation report on Brezno District, March 1924.

¹⁵ Stredné Slovensko, p. 134. Handlová, which had the largest coal mine in Slovakia with 2,000 employees, was one of the mining towns in the region of Central Slovakia. The mining boom in Handlová began in 1913 with the construction of the Prievidza – Handlová railway line, and the traffic situation was further improved by the connection from Handlová to Horná Štubňa completed in 1931. An important mining plant was the Antimony Mining and Metallurgical Plant in Banská Bystrica (*Antimónové banské a hutnícke závody*). The company had antimony mines in Čučma near Rožňava, Spišská Baňa near Mníšek nad Hnilcom, large antimony deposits in the valleys of Vajsková and Dúbrava.

¹⁶ ŠA BB, fund Pohronská župa 1923–1928, box no. 6. Banská Štiavnica – situation report from January 1923.

In 1924, Banská Štiavnica tried to maintain the Office of Tobacco Sales in the city. The tradition of the sales office had existed in the city even during the Austro-Hungarian Monarchy, and Banská Štiavnica did not want to relinquish it. The central directorate of tobacco management in Prague planned the construction of new buildings and warehouses for tobacco in Zvolen. Banská Štiavnica was also interested in having the Tobacco Sales Office located near the tobacco factory in the city. For this purpose, it requested the Ministry of Railways to convert the Hronská Breznica – Banská Štiavnica narrow-gauge railway into a normal-gauge railway. The warehouses and buildings in the city were also considered an advantage of the location, allowing funds to be saved for constructing new buildings.¹⁷ The district chief addressed the stated reasons to the prefect of Pohronská County, which were to be forwarded to the ministries in Prague for consideration.

The First Workshop for Knitted, Woven, and Scarf Goods, a joint-stock company, also experienced problems with its existence. The company, founded in 1893, worked on a larger scale until 1921. Gradually, however, difficulties arose with exports to Hungary, where good trade and transport relations were progressively interrupted. The insolvency of customers in Slovakia and Subcarpathian Ruthenia compounded the losses of Hungarian outlets. The factors mentioned above caused the company a loss of almost half a million in 1922. Companies from the Bohemian lands gradually emerged as strong competitors, with weaker Slovak textile plants unable to compete. About 200 workers were left without work, and only 40–45 worked in the plant. In addition, another 120 female workers lost their jobs at the branch in Banská Hodruša. The crisis of the knitting industry hit Slovak companies very hard, and the Banská Štiavnica company lost its essential capital in the amount of 750,000 Kč.¹⁸

The economic situation was no more positive in the Lučenec district. In his January 1926 report, the district chief stated that out of 24 businesses in the district, only seven plants were working. As for individual economic sectors, the situation was unfavourable. The glass industry accepted orders whose price was lower than the production costs. Stopping production would mean even more significant losses for companies.

The magnesite industry was one of the few that adapted relatively well to the new conditions. It was related to large deposits of magnesite in Slovakia (apart from Slovakia, magnesite deposits were found only in Austria, Greece, and Russia), which ensured its export abroad, representing up to 75 % of production. During the greatest boom in 1929, the export of magnesite products reached the amount of 22 million Kč. During the crisis in 1933, it was 10 million Kč. Magnesite deposits in the Lučenec district initiated the construction of a modern raw material processing factory in Lovinobaňa. The magnesite of the West Bohemian kaolin and fireclay factories in Lovinobaňa employed up to 400 workers and produced fused magnesite for metallurgical purposes and magnesite stones.

In the textile industry, *Opatovská súkenná továreň* maintained its operation thanks to its incorporation into a significant textile concern with an extensive store, which allowed it to partially keep up with Moravian and Czech plants. In part, it managed to overcome the crisis thanks to state orders. On the contrary, the Galician cloth factory failed to obtain state orders, and in September 1922, it stopped its operation. The cloth factory ceased operations again at the end of 1924 when 300 workers lost their jobs. Intense

¹⁷ Ibidem, box no. 60. Tobacco sales office's temporary location in Banská Štiavnica.

¹⁸ Ibidem, box no. 84.

Polish and German competition shut down relatively well-organized enamel shop stores. Foundries and factories for the production of farm machinery were similarly affected. For this reason, unemployment in the Lučenec district amounted to 3,400 people in January 1923, of which 1,600 unemployed received support.

A similar situation occurred in another southern district of Pohronská County,¹⁹ Rimavská Sobota. Ironworks, blast furnaces, quarries, magnesite factories, and the glass and paper industries had to stop operating, and many craftsmen lost their jobs.²⁰ Unemployment support was paid to 428 men, 30 women, and 806 household members. Nine hundred ninety-eight men did not receive support.

The unflattering economic situation in Pohronská County did not improve much, even in the second half of the 1920s. In 1928, representatives of the Communist Party initiated plans to organize a general strike in the region. The planned strike was to take place on 29 February 1928 at 11 a.m. in all businesses in the districts of Lučenec, Rimavská Sobota, Zvolen, and other businesses, lasting for one hour. The announced strike did not receive much response from the workers, and the district authorities reported mostly peaceful and small meetings. A public meeting organized by the Communist Party and the Social Democratic Party was also held on 11 April 1928 in the largest enterprise of Pohronská County – *Podbrezovské železiarne*. After some disagreements between the two parties, the event's start was finally agreed upon at 1:30 p.m. The awareness of the workers was low, and at 2 p.m. after the end of the shift, most of the workers living in the vicinity left the plant, so only workers from Podbrezová, Brusno, and a small number from Lopej, and Horná Lehota attended the meeting.²¹ In the end, around 300 workers took part in the meeting, but the strike did not result in any concrete agreements to improve the status of the plant's workers.

Due to large reserves of wood raw material, the woodworking and woodworking industries were among the most significant industrial sectors in Central Slovakia. There were 2.8 million m³ of timber in Slovakia and Subcarpathian Ruthenia, and in 1930, there were 429 sawmills in this area. The most modern sawmill was the state sawmill in Štiavnička near Podbrezová built in 1929. It processed wood from the municipalities of Osrblie, Hronec, Sihla, Jasenie, Predajná, and partially from Krám and Dobroč. With an annual cut of 60,000 m³, the sawmill employed 200 workers.²²

According to I. Karvaš, the wood industry was one of the few that had the possibility of development. However, the politics at the time harmed its development: *the big flaw is that the Slovak wood industry did not find full understanding in our commercial and political negotiations; the reason for this is that our agricultural policy is too unilaterally*

¹⁹ Pohronská County was formed from three former counties: Zvolen, Novohrad, Hont and from two parts of former counties: Tekov and Gemersko-malohontská County. It consisted of the following districts: Banská Bystrica, Banská Štiavnica – Belá, Brezno, Hronský Sv. Kríž, Krupina, Levice, Lučenec, Modrý Kameň, Nová Baňa, Rimavská Sobota, Želiezovce, Zvolen, Šahy.

²⁰ As a result of the economic crisis, the factories of the Rimamuránska company, paper mills in Tisovec, and the glassworks in Kokava shut down production; only limited production continued in the Likier-Železník cableway, and lime quarries in Tisovec; the following factories also had limited production: Magnesite Mines Burda-Suchá, Slovak Glassworks in Utekáč, Canning Factory in Rimavská Sobota, State Ironworks in Tisovec. ŠA BB, fund Pohronská župa 1923–1928, box No. 6. Situation report of the district Offices in Lučenec and Rimavská Sobota.

²¹ Ibidem, box no. 188. Situation report of the district Office in Brezno.

²² KVIETOK, Ladislav: *Zemepis Horehronia - vlastivedná štúdia Banskobystrického a Breznianskeho okresu*. Zvolen 1943, p. 113.

*oriented, although forestry and the timber industry in Slovakia are just as important, if not more important, than agricultural production.*²³ (I. Karvaš based his claim on the assumption that customs protection of plant production was done at the expense of mountainous areas – author's note)

The total area of forests in Central Slovakia was 509,481 ha, representing about one third of Slovak forests. The woodland coverage in Central Slovakia ranged from 8 % to 66.2 % (the average in Czechoslovakia was 33 %). The smallest woodland areas were in Štúrovo (Parkan) and Levice, and the largest exceeded 50 % in Brezno, Revúca, Pohorelá, Rožňava, Ratková, Hronský Sv. Kríž, Banská Bystrica, and Zvolen.

In 1924, the economic issue in the wood industry partially improved, with the contribution of state sawmills (Štiavnička and Balog), the company "OFFA" operating at the sawmill in Gašparovo, private sawmills in Brezno (leased by the enterprise Zjednotený hôrny priemysel in Banská Bystrica and employing 68 workers), Polhora, and Coburg, and steam sawmills in Polomka and Červená Skala.

Apart from processing in woodworking enterprises, wood was Slovakia's most important export item. The average export between 1925 and 1931 was 2.2 million tons (4.5 million m³). In 1932, it was only 1 million tons, which was a 54.5 % decrease. There was an overall decline in wood exports from Central European countries, while Northern European countries experienced an increase. Total foreign trade from 1920 to 1931 amounted to 29.5 million Kč, of which 14.5 million Kč was for wood and wood products, i.e., almost half of the exports.²⁴

This fact meant that the largest Slovak pulp mills were located in Central Slovakia, namely in Martin, Žilina, and Ružomberok. These enterprises belonged to the Czech financial capital during the First Czechoslovak Republic. In addition to pulp mills, plenty of raw wood material in Central Slovakia was used by sawmills and timber mills.

Zjednotený hôrny priemysel, a company in Banská Bystrica, was founded, like most Slovak timber companies, based on sufficient timber in the territory of Slovakia. After the company was established in 1918, the approved articles of the association documented that the company's share capital amounted to 3,000,000 Kč. It was divided into 3,000 pieces, each with a denomination of 1,000 Kč. Of these contributions, 2,000,000 Kč were paid at the time of establishment in 1918, and 1,000,000 Kč was to be paid by the end of December 1919.²⁵ From the establishment of the plant in 1918, the main participants were persons of Jewish origin. In 1923, the supervisory committee members were Dr. Adolf Schick from Banská Bystrica, Moritz Kohn from Banská Bystrica, and Fritz Reifer from Geneva.²⁶ The subsequent general assembly on 23 August 1925 recorded the following participants: Isidor Steiner, Guido Reifer, Adolf Rothbart, Isidorová Steinerová, Michal Kún, Dr. Adolf Schick, Juraj Kun, Armin Löwy.²⁷ In the following years, there were only minor changes in the supervisory board.

The difficult conditions of the timber industry in Central Slovakia also affected employees of the *Zjednotený hôrny priemysel* company. In 1925, they tried to raise wages by striking on 5 February at the company's plants in Banská Bystrica and Ľubietová. One hundred

²³ KARVAŠ, I.: Sjednocení, p. 63.

²⁴ Stredné Slovensko, p. 87.

²⁵ ŠA BB, fund Zoznam firiem (hereinafter Zf), inv. no. 474/ 1940, box no. 67–68.

²⁶ Ibidem, inv. no. 179/ 11/ 1923, box no. 67–68.

²⁷ Ibidem, inv. no. 2007/ 1925, box no. 67–68.

workers went on strike in Banská Bystrica and 52 in Lubietová. The District Office in Banská Bystrica reported that the workers remained calm and there were no incidents. The main goal of the protest, which was an increase in wages, was achieved. From 10 February, when work started again, wages were increased by 10 % and for day labourers by 13 % compared to the wages that were valid before the start of the strike. The increased wages were subsequently paid as an “auction mark-up”.²⁸

The extraordinary general assembly on 24 October 1926 had to deal with the issue of new management members for the late Armin Kun from Budapest. Alexander Berzeller and Juraj Kún were elected in his place.²⁹ In 1930, there was a change in the position of chairman of the board of directors when Armin Löwy replaced Isidor Steiner. In the minutes from 25 March 1931, we also meet the company’s goal and focus: *The company’s goal is the purchase of wood stands suitable for felling, as well as logs and other wood materials acquired in the enterprises belonging to this field and those participating in them, as well as the purchase and sale of industrial products belonging to this business sector. However, the company can also include in its business circle such business branches that do not belong to the framework of the wood industry. It can, therefore, also establish companies that do not belong to the wood industry, participate in such companies, and procure shares of such companies.*³⁰

The options for the operation of *Zjednotený hôrny priemysel* were, therefore, comprehensive, and in addition to the wood industry, it could engage in other business activities. The company’s good economic results slowed down significantly during the great economic crisis of the early thirties. In Slovakia, the course of the crisis was more specific than in Western countries. Economic problems started later and also lasted longer. The crisis had a very unfavourable impact on the Slovak wood industry, when many factories closed down or partially stopped production. The culminating point was the year 1933. That year, the company *Zjednotený hôrny priemysel* also achieved its worst results. The business year for the company ended with a very unflattering loss of 731,203.56 Kč. The poor economic results were caused, among other things, by weak exports to the Netherlands, which were caused by intense competition from the Nordic countries. At the same time, there was a trade war with Hungary, which also affected the weak export of wood. The situation slightly improved in 1934, when deliveries to Germany increased, and the business year ended with a profit of 23,780.16 Kč. The entire profit was to be transferred to mitigate the loss from the previous year. However, more rapid production growth did not occur until 1937, when the annual profit amounted to 676,201.04 Kč. The money was used again to pay off the loss from previous years, and 30,000 Kč went to the state defence fund.³¹ We could attribute the significant profit achieved to the short-term pre-war economy and Czechoslovakia’s preparations for the war, which had a significant impact on the Slovak economy as well. Shortly after the establishment of the Slovak Republic (1939–1945), the company was acquired by a German businessman from Hamburg, Wilhelm Ludwig. Important wood processing plants in Central Slovakia also included large paper and cellulose plants that had been operating in the region for a long time.

²⁸ Ibidem, fund Pohronská župa 1923–1928, box no. 75. Workers’s strike in Banská Bystrica District. 10 February 1925.

²⁹ Ibidem, fund Zf, inv. no. 2894 – 23 / 1926, box no. 67–68.

³⁰ Ibidem, inv. no. 1676 – 46/ 1930, box no. 67–68.

³¹ Ibidem, inv. no. 2670/ 1938, box no. 67–68.

The beginnings of the Harmanec paper factory, a joint-stock company, date back to 1826. The factory experienced significant growth between 1892 and 1895. However, its expansion was slowed down by a fire in 1904, which destroyed most of the paper mill, and the plant did not work until 1905. The influence of the owner, the Hüttner family, began to decline after the fire, and in 1906, the paper mill was taken over by the Budapest Domestic Bank (*Hazai Bank*).³² At the time of establishment, the plant's seed capital was set at 3,000,000 korunas. The owners' initial deposit was 1,900,000 korunas. The remaining amount was paid on 24 June 1908. The plant's production activity consisted of paper, various semi-finished products, paper fabrics, the purchase and sale of various types of wood, and the management of steam saws.³³ The majority owner was the Hungarian Domestic Bank.³⁴

After the establishment of Czechoslovakia, most enterprises in Slovakia entered the sphere of interest of the Czech capital. The Harmanec paper factory, acquired in 1924 by the Moravian Agrarian and Industrial Bank of Brno, was no exception. The paper mill had five paper machines and produced all kinds of paper. In 1934, 590 workers worked in the plant. After 1937, more than 20 million Kč was invested in the plant. The factory expanded to include the production of special cellulose, and the company employed more than 900 workers and 70 officials.³⁵

Of course, the board consisted mainly of employees of the mentioned financial institution: František Aschenbrenner – the chief director of the Moravian Agrarian and Industrial Bank of Brno, Kornel Stodola – a member of parliament, Ing. Ján Botto – a member of parliament, Fridolin Vogt – the director of the Bratislava branch of Moravská banka, Juraj Neuman – the chief director, Evžen Škarda – a factory worker, Adolf Ženožička, and Ing. Michal Ursíny.³⁶

During the existence of the First Czechoslovak Republic, the company, like most wood-working plants, went through frequent periods of crisis and overproduction. The first production crisis began in 1922 and lasted throughout 1923. At the end of 1923, new ways of resuming production were being sought, but this was only achieved in April 1924, when a pulp mill, a wood grinding mill, and three paper machines started operating. The unfavourable location of the factory relative to sales centres and the overproduction of paper in Czechoslovakia led the factory to specialize in producing paper imported to a greater extent from abroad. Towards the end of 1924, the situation improved to such an extent that the Harmanec plant could release the Slovak and Hungarian claims of its sister paper factory, a joint-stock company in Slavošovce.³⁷ The factory experienced a deep depression even during the Great Depression of the 1930s and saw a recovery only in the business year of 1936.

The Harmanec paper factory in Harmanec was not the only paper enterprise belonging to the Moravian Bank. The same capital connection also existed at the Slavošovce Paper Factory, a joint stock company.

The Slavošovce paper mill was founded in 1817, and since 1842, it had the first paper machine in the former Hungary in operation. In 1880, it acquired larger dimensions by

³² *Pamätnica k 150 výročiu založenia papierne v Harmanci*. Bratislava 1979, pp. 25, 95.

³³ ŠA BB, fund Zf, inv. no. 294 – 51/ 1920, box no. 225–226.

³⁴ Ibidem, inv. no. 3973/ 1914, box no. 225–226.

³⁵ KVIETOK, L.: Zemepis, p. 114.

³⁶ ŠA BB, fund Zf, inv. no. 98/ 1920, box no. 225–226.

³⁷ Ibidem, inv. no. 1340/ 1924, box no. 225–226.

merging with the pulp mill in Gemerská Hôrka and the paper mill in Masníkovo. After the collapse of Austria-Hungary and the change in economic conditions, in 1923, it came, like the Harmanec paper mill, into the capital sphere of the Moravian Bank in Brno.³⁸ The paper mill produced fine, medium fine, wrapping, and rotary paper. Production in 1929–1933 amounted to 65,000 tons of paper, and 520 employees worked there. In the abovementioned period, the pulp mill in Gemerská Hôrka produced 54,000 tons of pulp and employed 310 people.

A problematic situation arose at the Slavošovce Paper Factory after the Vienna Award decision, which caused significant production problems for the plant. The unfavourable situation was a direct consequence of the decision of the European powers included in the Vienna Award of 2 November 1938. With the annexation of southern Slovakia to Hungary, the Slavošovce paper mill lost its pulp mill in Gemerská Hôrka, located on the ceded territory. For this reason, the operation of the paper mill was very complicated. The import of pulp now had to take place through interstate trade, which required adaptations in transportation. Based on an agreement with the Hungarian railways, in December 1938, the Czechoslovak Republic started passenger transport between Slavošovce and Dobšiná and other railway stations through the territory of Hungary.³⁹

An even more difficult situation arose while acquiring cellulose as the primary raw material of the paper production plant from Gemerská Hôrka. When importing cellulose from a foreign country, the goods were subject to customs duty and sales tax. These items burdened the price of the raw material to such an extent that the production costs exceeded the selling prices of the paper. As a result, the paper mill could not compete, and there was a threat of stopping production. On 24 December 1938, the representatives of the plant requested the Ministry of Economy of the Slovak land to grant an exemption for the duty-free import of cellulose from Gemerská Hôrka to Slavošovce in the amount of 800 wagons per year. The importance of the request mentioned above is also confirmed by its urgency, which was addressed directly to the Presidency of the Government of the Slovak land⁴⁰ on 17 February 1939. A prompt resolution of the difficulties was essential for employment in the region. Due to the supply problems, the paper mill often had to stop production, and people dependent on the factory's operation in an area with a small number of large plants lost their jobs.

The northern part of Central Slovakia also belonged to densely forested areas, which was used by the Žilina pulp mill, established during the Austro-Hungarian Empire in 1906. The original share capital of the company was fixed at 12,000,000 Kč, divided into 60,000 pieces of 200 Kč each. After the creation of the Czechoslovak Republic and the transfer of capital stocks, *Živnostenská banka* (Commercial Bank) became the main shareholder. In addition to the main shareholder, one of the largest Slovak banks – *Slovenská banka* (Slovak Bank) – also had a partial share in the company. In 1921, it owned shares of the pulp mill in Žilina worth 31,600 Kč. After the merger with *Hospodárska Banka* (Economic Bank), it acquired additional shares with a nominal value of 14,800 Kč. Slovak Bank also provided the company with a loan, which was increased to 3.5 million Kč in the middle of 1927. The contact between the Žilina company and Slovak Bank inten-

³⁸ *Národné noviny*, 8 August 1942, p. 10.

³⁹ Slovenský národný archív Bratislava (hereinafter SNA BA), fund Úrad predsedníctva vlády 1939–1945, inv. no. 66, box no. 89.

⁴⁰ *Ibidem*.

sified in 1928 after Matej Murín (the director of the pulp mill) was elected as a member of the board of directors of Slovak Bank.⁴¹

Based on a resolution of the extraordinary general meeting held on 8 January 1931, the share capital was increased by 18,000,000 Kč. This was done by issuing 90,000 stock shares. The capital of the company was then 30,000,000 Kč divided into 150,000 shares of 200 Kč each.⁴² The share capital was again reduced after a decision of the general meeting on 1 July 1935, when its value returned to 12,000,000 Kč.⁴³ Another change occurred on 6 June 1936, when the company's share capital amounted to 9,000,000 Kč and consisted of 45,000 shares of 200 Kč each (after the establishment of the Slovak State on 14 March 1939, 200 Ks⁴⁴).⁴⁵ The company's main production focus was the processing of all types of wood in its own, purpose-built, or leased operations, and in connection with this, the establishment and operation of plants for the processing of all types of wood by mechanical and chemical methods. Primarily, cellulose was to be produced and processed.⁴⁶

Not far from Žilina, the Martin pulp mill was founded in 1903 by *Kronstädter Papierstoff Fabriks A.G.* (Budapest). After Czechoslovakia's establishment and the enterprises' nostrification, the plant was transformed into a joint-stock company in 1923. Based on the request of the Ministry of Trade and the permission of the Ministry of the Interior, the factory was sold to a new company for 13 million Kč. Under the management of *Česká eskomptná banka* (Bohemian Discount Bank) in Prague, a new pulp factory company, *Továrň na celulózu*, a joint-stock company, was established in Martin. The Czech financial institution took over the company's entire share capital in 1936.⁴⁷ The new owner took over the company, which was not sufficiently capitalized. Right from the beginning, the company was burdened by taking over the claims of the Mošovce Manor, which the factory gradually liquidated until the 1930s.

In the 1920s, the company showed considerable profits: 1923/24 – 602 thousand Kč, 1925 – 2 million Kč, 1926 – 2.6 million Kč, 1927 – 1.5 million Kč, 1928 – 2 million Kč, 1929 – 1.3 million Kč. At the beginning of the 1930s, however, the company started showing losses: 1930 – 577 thousand Kč, 1931 – 4.9 million Kč. Regarding the mentioned losses, it should be noted that the company's director, G. Teltsch, did not manage the company during its development, but economic irregularities often appeared in the company's accounts. High prices were paid for the purchase of goods, high company overheads, or disproportionate rewards for employees in the crisis years.

The local administration and the factory's office commented on the company's activities under Director Teltsch's leadership.⁴⁸ The confidential report spoke about the nega-

⁴¹ CHUDJÁK, F.: Podnikateľské aktivity, p. 56.

⁴² This increase in the stock principal was carried out on the basis of the initial balance compiled as of 1 January 1930 in accordance with Act no. 78 on Stabilization Balances, Coll. laws and regulations, of 15 June 1927.

⁴³ The reduction was carried out by rounding the 200 crowns participation interest to 80 Kč. After that, the share capital of the company consisted of 150,000 fully paid shares with a value of 80 Kč per owner.

⁴⁴ Ks = Slovak crown (the Slovak currency after the establishment of the Slovak State).

⁴⁵ Štátny archív Bytča – pobočka Žilina, fund Okresný úrad Žilina 1923–1945, (hereinafter ŠA By – p. Za, fund OÚ ZA 1923–1945) inv. no. D-1767/1944/adm., box no. 506.

⁴⁶ Ibidem. For the participation of Czech financial institutions in the Slovak business sphere, see: HORVÁTH, Š. – VALACH, J.: Peňažníctvo.

⁴⁷ DECKER, Viliam: História výroby papiera a celulózy na Slovensku. In: *Zborník múzea v Antole* 15, Martin 1989, p. 132.

⁴⁸ *The Chief Executive Officer has not proven himself to be a good and realistic businessman, nor is he an expert in*

tive personal qualities of the director and the bad business policy he was leading. Under his leadership, the company suffered a loss as early as in 1921, when the exchange rate loss during the sale of currencies reached more than 4 million Kč. In 1921, a contract was concluded with the Mošovce Manor, from whose forests the company was to use wood. The pulp mill invested 4 million Kč in the joint venture. The beginning of the economic crisis and the impossibility of selling cellulose wood caused a loss of 2 million Kč. The insolvency of the largest customer, the Sacrau paper mill in Breslau, also contributed to the high losses from 1931. Based on the mediation of director Teltsch, the paper mill was supplied with cellulose despite the company's financial difficulties, and the Martin factory thus lost 1.2 million Kč. A poor assessment of trade and world markets resulted in reduced production on 16 March 1930, which increased the production price of goods. When production was reduced, 130 workers lost their jobs.

The production ceasing at the Martin pulp mill in 1932 was dealt with by the Ministry of Finance, which stated that the cause of the company's catastrophic situation was the company's internal organization and management. The economic and marketing crisis of the 1930s did not significantly impact the company's closure because, in 1930, the factory exported 47,942 tons of cellulose, and in 1931, the export increased to 57,185 tons. The Ministry of Finance received requests from the local council to enable the company's existence: 1./ provision of a tariff discount for rail transport of raw materials and finished products, 2./ sales tax refund. To assess out the economic situation of the company and the investments made, the Ministry of Finance sent an audit committee to the pulp mill. According to the audit report, the investments were carried out without well-thought-out projects, and there was no thorough verification of specific calculations. With a delay compared to similar enterprises, the necessary machines were secured, but they did not have time to be put into operation during the economic boom, which increased investment losses. In the end, the audit report stated that the company's operation was not yet possible and that the reopening of the operation, or the fulfilment of the requirements of the Martin municipality, was feasible only after the improvement of the conditions in the world cellulose market. It should also be noted that the Martin pulp mill had a strong competitor in the Nordic countries in world markets. The main problem was the dumping prices of Nordic cellulose.⁴⁹

The plant shutdown at the end of February 1932 thus affected around 500 workers, 40 foremen, and 40 officials, which, after including family members, impacted around 3,000 people. Within the city and district, this was a significant intervention in the social and economic situation of the region.

The not-very-positive situation with sales of products continued in the second half of the 1930s. There was a partial boom for the pulp industry in 1937, especially in its first half. The Martin pulp mill did not take full advantage of this situation, considering that already in 1936, it had agreed to sell a large part of the production for the year 1937. In the

technical management, because he dictated such technical management to the company that damaged the company with his dispositions and investments, and at the same time loans in the amount of 300,000 Kč per year were paid to the chief technical officer. With such management, there can be no question of prosperity, and the prosperity of the company can only come after the removal of the general director and the incompetent technical administration. NA Praha, fund Ministerstvo financí 1918–1949, box no. 209. Resolution of the District Council of the Turčiansky Sv. Martin District on 21 February 1932.

⁴⁹ Ibidem. Temporary restoration of operations in the „Cellulose Factory, a stock company“ in Turčiansky Sv. Martin, 27 November 1932.

end, the loss for the year 1937 amounted to more than 299 thousand Kč, and the loss for 1936 was 548,649 Kč. In 1938, turbulent political changes had a significant impact on economic development. There was a drop in prices and an economic crisis. A severe problem for the pulp mill in Martin, as well as others in Slovakia, was the competition from Scandinavian countries, which significantly “undercut” the prices offered by domestic companies.⁵⁰

There was also a long-standing tradition of the wood industry in the village of Turany, where a steam sawmill was working as early as in the eighties of the nineteenth century. After a short break during the First World War, the sawmill continued to operate after the creation of First Czechoslovakia. The post-war years 1919–1922 marked a boom for the wood industry. This was primarily related to the renewed construction activity. Wood from Slovakia was exported to many European countries, especially Belgium and France. However, it also formed a warehouse for the timber industry of the Bohemian lands. Post-war developments meant the restoration of the Turany plant. In 1918, after the end of the war, the Ružomberok pulp and paper factory leased land of the Turany “Tarn”. It was a joint-stock company founded by merchants, doctors, lawyers, and other Ružomberok shareholders. The new owners sought to take advantage of the growth in the timber industry and began the rapid construction of a sawmill. After completing the sawmill and carpentry workshop, they started production at the end of 1919. The sawmill first worked with three gutters; in 1920, a new one was added, and in later years, there were five gutters in the plant. During this period, the company employed 50–100 workers and mainly produced wood products for the construction of buildings destroyed by the war.

The post-war economy was soon replaced by a crisis and overproduction. The year 1922 was highly unfavourable for the timber industry. Based on poor sales opportunities, employers reduced wages *en masse* and laid off workers. The crisis was fully manifested in the Turany plant. As early as on 9 October 1922, the Regional Trade Union Council for Slovakia and Subcarpathian Ruthenia, based in Ružomberok, notified the Servants’ Office in Turčiansky Sv. Martin: *We inform you that on 30 September 1922, the management of the Turany sawmill dismissed all the workers from their jobs, or if they wanted to work, they could pay a 15% reduced wage.*⁵¹

The situation was resolved on 16 October by the servants’ office. During the negotiations, the parties involved did not reach a common stance. Subsequently, on 17 October, the employees declared a strike. However, as early as on 19 October, the workers and the management found a common solution to the dispute. They agreed to reduce wages by 5 %, effective from 23 October. Stability in the plant lasted only a short time, and as early as in March 1923, the sawmill had 400 wagons of timber in stock, for which it had no outlet.⁵² The situation was not improved even by the beginning of construction growth. Unimproved social conditions naturally initiated a strike on 5 February 1924. An agreement was signed quickly, but on 29 August 1924, the sawmill laid off 60 workers and stopped operations for four years.

In 1928, the plant started working again. After Arnold Weiberger, the management passed to Artur Bednár. The sawmill worked only to a limited extent and functioned seasonally for just a few months a year. For comparison, in 1924, the sawmill employ-

⁵⁰ ŠA BY, fund KS v RK 1876–1949, no. 514/1939, box no. 1208.

⁵¹ Archív Drevina Turany, fund Parná píla Turany, inv. no. 301/1922.

⁵² LACKO, Richard: *100 rokov drevárskej výroby v Turanoch (1887–1987)*. Martin 1987, p. 43.

ed 70 permanent workers; in 1933, only 40 permanent and 65 seasonal workers were employed. The deep economic crisis of the 1930s hit the Turany plant hard again. It caused a wave of strikes and high unemployment. Many people solved the situation by leaving for Canada, the USA, Argentina, or Belgium. The complex situation was resolved in 1936 by the Ružomberok enterprise through the sale of land and the sawmill. The new owner was SOLO – United Joint-Stock Czechoslovak Match and Chemical Factories Prague II (SOLO – *Spojené akciové československé sírkárny a lučební továrny Praha II*). The company employed 64 workers and four officials at the plant. The difficult situation did not improve with the change of ownership. The plant operation was interrupted from 3 November 1936 to 17 January 1937 due to a lack of logs. The sawmill only worked when enough logs were in stock, so operations were often stopped. At the beginning of 1939, the SOLO company began to show high losses, thus it agreed to merge with the Society for Chemical and Metallurgical Production in Prague. However, this was not the last change of ownership, and in 1940, the Turany factory became part of a German company that had built the largest woodworking factory in Slovakia during the war.

Important industrial plants were also located in Ružomberok. In addition to traditional paper and pulp enterprises,⁵³ large Mautner's textile factories operated in the city. Interestingly, despite Slovakia's small percentage share in the national textile industry, Mautner's factories were the largest Czechoslovak enterprise within this industry. In the second half of the thirties, the company employed 2,700 workers in Rybárpole. About 650,000 kg of cotton worth 5 million Kč was processed in the plant monthly, and the wages amounted to 1.8 million Kč. The city of Ružomberok thus represented an important industrial centre of Liptov in the observed period and was also among the most industrialized regions on a national scale.

At the beginning of the 1930s, during the ongoing economic crisis, the rising generation of the Slovak intelligentsia, among whom there were excellent national economists, began to show efforts to revive the Slovak economy. According to the prepared concepts, the economy was to develop based on systematic steps that considered the natural regions and the possibilities of the given area for specific production processes. The regionalist movement⁵⁴ began to move in this direction, the goal of which was economic improvement

⁵³ The Slovak Paper Mill and Ružomberok Pulp and Paper Factory. After the First World War, the Ružomberok Pulp and Paper Factory was taken over by Mautner's textile plants, in 1921 the Žilina Pulp Factory (the equity capital had grown to 12 million Kč at that time), and in 1927 Commercial Bank became the owner. The new owner carried out a complete reconstruction of the plant in the following years with the plan to focus on the production of soft and viscose pulp and on quality and writing papers. Property changes continued to occur and, in 1936, the Ružomberok Pulp and Paper Factory, a joint-stock company, sold the factory in Ružomberok and its sawmills to the company SOLO, thereby ceasing its operation. At the meeting of the board of directors on 18 June 1936, they decided to establish a SOLO branch plant in Ružomberok. The business year 1938 was a loss for the Ružomberok pulp mill. The loss as of 31 December 1938 was 238,884 Kč, and together with the losses of 1937, the company began the next year of 1939 with a loss of 517,773 crown. On 27 August 1939, however, the Ružomberok pulp mill changed its appearance. It became part of the Prague group Spolek pro chemickú a hutnú výrobu (Association for Chemical and Metallurgical Production). HRUBOŇ, Antonín – HRUBOŇ, Anton: *Náš Ružomberok na historických pohľadniciach*. Partizánska Ľupča 2018, p. 143; HOUDEK, Ivan – DECKER, Viliam – SABÓL, Eugen: *Z dejín papierníctva a papiernického priemyslu na Slovensku*. Martin 1955, p. 10; HOCHMUT, Zdenko a kol.: *Ružomberok (historicko-vlastivedná monografia)*. Banská Bystrica 1969, p. 119.

⁵⁴ Regionalism: the main idea of the movement was economic improvement of specific Slovak regions, based on their needs. Regionalism did not deal with the political organization of Slovakia. The primary goal was the completion of infrastructure and industrialization, thereby refuting the opinion spread in the 1920s that Slovakia should focus mainly on agricultural production. Representatives of the regionalist movement were: Milan Hodža, Imrich Karvaš, Peter Zafko, Kornel Stodola and others.

of Slovak regions. Thus, economic problems were to be solved directly on the spot and not from the centre of Prague. For this purpose, the National Economic Institute for Slovakia and Subcarpathian Ruthenia (*Národohospodársky ústav pre Slovensko a Podkarpatskú Rus*, NÁRUS) and regional economic councils were gradually established. During their existence, they developed several proposals for improving Slovakia's economic status within the Czechoslovak economy.⁵⁵

In addition to the efforts for regional management of the economy in Slovakia, the construction of new subsidiaries of Czech concerns contributed to the revival of Slovak industry in the second half of the 1930s. The newly emerging geopolitical situation and the growing influence of Germany led to their construction. As a result of a possible military threat to Czechoslovakia, important businesses began to move further east. In addition to large armaments enterprises in Dubnica and Považská Bystrica, a mineral oil refinery was built in Dubová in Central Slovakia. In the case of the Central Slovak refinery, the focus was primarily on securing necessary chemical products in the centre of the country, since the Bratislava Apollo refinery had a very vulnerable position from a military point of view.

The state mineral oil refinery in Dubová was built by the Ministry of Public Works in Prague as the central administration of state mining and metallurgical plants for processing diesel from the state "mines" in Gbely. The in-house processing of Gbely oil stabilized the properties of oils produced from Gbely raw material. Until then, oil refining at Fant's plants in Pardubice had not shown satisfactory results. The enterprise's capacity was planned to process 6,000 tankers of raw material, each with a capacity of 10,000 kg, per year. Due to the fact that the state "oil mines" in Gbely produced 1,500 tankers of raw material annually, the missing quantity was provided from abroad.

The Ministry of Public Works in Prague dealt with the construction of the state refinery in Dubová and the necessary land expropriation according to Act No. 107 Coll. of 9 May 1923. During the construction of the plant and its technical facilities, as an enterprise critical for the defence of the state, all necessary real estate in three groups was expropriated in three stages.⁵⁶ In addition to purchasing land, a trade license to operate the plant was also necessary. The application for a trade license for the refinery operation was submitted on 2 April 1936. General approval and issuance of the trade-law assessment took place on 25 April 1936. The regulation stated that when building individual buildings, approval for each specific building always had to be requested.⁵⁷

Among the first decisions related to the construction of the refinery was the decision of the Ministry of Railways of the Czechoslovak Republic, which on 8 January 1936, confirmed the construction permit granted for a siding leading from the Zámostie station to the future refinery in Dubová.⁵⁸ The plant started direct industrial production in

⁵⁵ FABRICIUS, Miroslav – SUŠKO, Ladislav: *Jozef Tiso Prejavy a články I. (1913–1938)*. Bratislava 2002, p. 337.

⁵⁶ Letter from the Chief of the District Police Station in Svätý Ondrej nad Hronom dated 13 August 1936: *People from Dubová come here and say that a factory is to be built there, that various people are coming to the village who want to buy construction land for this factory, and that they are also threatening coercion and expropriation. An investigation of the facts and a report are requested.* Štátny archív Banská Bystrica – pobočka Banská Bystrica (hereinafter ŠA BB – p. BB), fund Okresný úrad v Brezne 1923–1945, box no. 98.

⁵⁷ Ibidem. Presidium of the Land Office. 3 July 1937.

⁵⁸ Ibidem, box no. 579. Construction of a rail siding from the Zámostie station to the territory of the state diesel refinery in Dubová.

1939⁵⁹ and was included among several newly built enterprises that contributed to the positive economic direction of the newly formed Slovak State.

Conclusion

The economic development of individual regions of Slovakia was diametrically different from the early 20th century. After the creation of Czechoslovakia, the Slovak part of the republic in the 1920s and 1930s tried more or less successfully to adapt to the new economic and political situation. In the global context of the Czechoslovak economy, an economic boom occurred between 1924 and 1929 after the post-war crisis. For factories in Central Slovakia, the economic recovery did not have a significant impact, and their industrial production only reached the level of 1913. The economic crisis hit the enterprises again at the turn of the 1920s and 1930s, affecting all industries, although not to the same extent. The drop in annual production by 40 % pushed the Czechoslovak economy back to the level of the beginning of the 20th century. The year 1929 already marked a crisis in the production of textiles, glass, ceramics, and building materials, and in 1930, production declined in almost all industrial sectors. During the investment wave in the 1930s, the industrialization process in Slovakia went from the stage of internal qualitative changes to quantitative growth; the gradual turn in the development of industrialization was manifested outwardly by an increase in the overall production potential, the volume of production, and the number of employees in industry. This was a difference from the 1920s, when the increase in quantitative indicators was limited to only some industries, with a decline in other production areas. More significant quantitative growth only in certain directions of the development of industry and infrastructure, and its more pronounced development, depended not only on the economic but also on the geopolitical situation of individual regions of Slovakia.

Individual indicators of economic development within specific economic cycles were manifested in specific areas of Slovakia. Major problems gradually began to affect the regions of Central Slovakia and the enterprises operating in this area. Among others, the engineering enterprises Union Zvolen, Podbrezová ironworks and the enterprise in Krompachy in Eastern Slovakia were also significantly affected. The above-mentioned economic and non-economic problems after the disintegration of the large Hungarian economic area had a negative impact on their further development. Gradually, enterprises closed down and unemployment in the region increased. The issue of unemployment was a major problem and was only partially solved, for example, by the construction of the railway line to Krupina or the construction of the hydroelectric power station in Staré Hory. There was a particularly difficult social situation in the 1920s in the southern regions of Central Slovakia, which suffered from fundamental changes in the direction of infrastructure (their

⁵⁹ With the change in socio-political conditions in Czechoslovakia, property law matters related to the state refinery were gradually resolved. The autonomous Slovak government dealt with the situation shortly after the adoption of the law on the autonomy of Slovakia. On 11 January 1939, the Ministry of Transport and Public Works of the Slovak Land submitted a proposal for the transfer of the state refinery in Dubová to the property of the Slovak Land to the government of the Czecho-Slovak Republic. According to the presented document, the refinery in Dubová belonged to the state mining property of the Slovak Land based on Section 4, Article 1, no. 11 of the Constitutional Act no. 299/1938 on the autonomy of the Slovak Land. The situation was resolved with the establishment of the Slovak Republic (1939–1945), when the directorate of the State Mining and Metallurgical Plants in Bratislava took over the refinery in Dubová effective from 1 March 1939. SNA BA, fund Úrad predsedníctva vlády 1939–1945, inv. no. 66, box no. 89. Proposal by the Slovak government that the state mineral oil refinery in Dubová be recognized as the property of the Slovak State Mining and Metallurgical Plants; State refinery in Dubová, memorandum.

connection to Budapest lost its importance and the railway link between Slovakia and the Bohemian lands was insufficient) and the loss of important outlets in the former Hungarian area. The result was high unemployment and the end of several industrial companies. Primarily metallurgical enterprises in Gemer suffered major problems and ceased their activities. Mining enterprises in the vicinity of Banská Štiavnica were similarly affected. A special chapter of the industrial companies in Central Slovakia was wood-processing enterprises. Large paper and pulp mills were established in Žilina, Martin, Ružomberok, Harmanec, and Slavošovce while they were still part of the Kingdom of Hungary. At that time, there were also efforts to strengthen the Slovak business sphere and to gain positions in the capital sphere with the help of Czech capital. The wood-processing enterprises also had to cope with the changed situation and their activities in the new state were accompanied by property changes. Economic crises and economic booms actively affected production activity. It was the state's efforts to reduce the impact of the Great Depression, the danger from Germany and activities of Slovak national economists associated in the regionalist movement that helped to increase investments in the building of industry in individual regions of Slovakia and the transfer of production capacities of important companies from the Bohemian lands to the 'interior'. These were mainly arms factories in Považská Bystrica and Dubnica and the construction of an important refinery in Dubová, as a backup to the Bratislava Apollo refinery in Central Slovakia.

However, the gradually increasing investments in Slovak industry in the second half of the 1930s were greatly influenced by the change of power relations in Europe. Pressure from Nazi Germany eventually led to the adoption of the Munich Agreement, predetermining the political and, at the same time, economic future of Slovakia, which politically and economically came under the control of its guarantor, Nazi Germany.

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Summary

Pitfalls of the Industrialization of Selected Regions of Central Slovakia in the First Four Decades of the 20th Century

The economic development of individual regions of Slovakia was diametrically different from the early 20th century. After the creation of Czechoslovakia, the Slovak part of the republic in the 1920s and 1930s tried more or less successfully to adapt to the new economic and political situation. In the global context of the Czechoslovak economy, an economic boom occurred between 1924 and 1929 after the post-war crisis. For factories in Central Slovakia, the economic recovery did not have a significant impact, and their industrial production only reached the level of 1913. The economic crisis hit the enterprises again at the turn of the 1920s and 1930s, affecting all industries, although not to the same extent. The drop

in annual production by 40 % pushed the Czechoslovak economy back to the level of the beginning of the 20th century. The year 1929 already marked a crisis in the production of textiles, glass, ceramics, and building materials, and in 1930, production declined in almost all industrial sectors. During the investment wave in the 1930s, the industrialization process in Slovakia went from the stage of internal qualitative changes to quantitative growth. However, the changes in European power relations greatly influenced the gradually increasing investments in Slovak industry in the second half of the 1930s. The pressure of Nazi Germany resulted in the adoption of the Munich Dictate, which predetermined the political and, at the same time, the economic future of Slovakia.