

Summary

CUSTOMS WAR BETWEEN SERBIA AND AUSTRO-HUNGARY (1906-1911) AND THE ROLE OF KOSTA STOJANOVIĆ

The customs war between Serbia and Austro-Hungary, lasted during the period from 1906 to 1911 and it reflected on the economic, political and social life of Serbia. Till the customs war in 1906 Austro-Hungary completely controlled the trade of Serbia and had a monopoly over Serbian loans, traffic, tariffs for navigation the Danube and the Sava and all this disabled Serbia to keep trade links with other European countries. Over three decades after Serbia had gained international independence on the Berlin congress in 1878, its international economic position depended exclusively on the possibility to export agricultural goods in the neighboring Austro-Hungary monarchy. Finally, during the period of the customs war Serbian industry experienced a great development. Almost a half or all the factories that were founded before the World War I, were established after 1906.

Kosta Stojanović was one of the strategist of Serbian victory in the customs war with Austro-Hungary, which lasted from 1906 till 1911. Stojanović became a minister on April 30, 1906 just when the customs war began, when the Austro-Hungary blocked economic exchange with Serbia and imposed sanctions. Even in 1902 Kosta Stojanović published a debate on the export and import of Serbia, where he showed, using mathematical methods, proportions of losses in macroeconomy. When taking the function of a minister, he clearly showed that the customs war did not worry him and that there was an alternative and a better solution for the existing situation. His attitude was confirmed by the fact Austro-Hungary is not a consumer, but only a mediator in the export of goods from Serbia to other markets.

Kosta Stojanović suggested new better legal solutions, initiated the foundation of the network of trade agents in Serbia. He practically initiated to search new markets in Bulgaria Romania, Greece, Italy and Egypt. He quadrupled the number of companies in Serbia, restructured the agriculture and made the export grow even more despite the custom blockage by Austro-Hungary. Serbia became a master over its economy and especially it managed its export. Stojanović put the issuing of concessions under legal procedure, stabilized the National Bank and prevented the financial crash of Serbia. He harshly objected to every attempt of irrational indebt and thus began clashes between him and Nikola Pašić over important national questions, the budgeted treatment and international questions.