

THE ĽUDOVÁ BANKA IN NOVÉ MESTO NAD VÁHOM

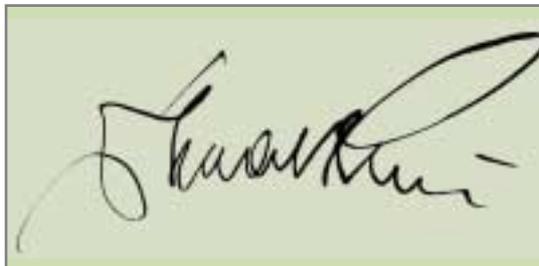
The activity of the Ľudová banka (People's Bank) in Nové Mesto nad Váhom, including its branches at Vrbové and Piešťany, occurred between 1896 and 1920. Its origin was connected with the difficult conditions for the life of Slovak society around the

turn of the 19th and 20th centuries, especially the scandalous procedures for Hungarian elections. The doctor Július Markovič, founder and manager of the bank until his death in 1913, when he was followed by his son Ivan, later a minister in the First Czechoslovak Republic, understood that an essential condition for the general progress of Slovakia was its own banks, which would provide loans at an appropriate rate of interest without discrimination.

„The Slovak people are becoming poorer, declining and becoming indebted. Usury has a strong harvest among them. The usurers, who force people to vote against their convictions in elections, are getting richer and the Slovak people are declining,“ declared Július Markovič at the founding general meeting, „so it is necessary to establish a financial institution in Nové Mesto nad Váhom“. He cooperated with the Catholic and Protestant clergy, craftsmen, small farmers and with the Polish nobleman Alexander Chwalibogowsky, owner of an estate at Částkovce, who became the first chairman of the managing board of the bank. The initial capital of the bank was 60,000 crowns, by 1911 it was increased to one million and by 1920 to 5 million crowns.

It was a typical „our“ bank. Apart from providing cheap financial services, especially using bills, it spread enlightenment by supporting the press, organized provision of advice, contributed to national aims and to charity. Július Botto wrote of its results: „Its effort resulted in Kochanovce, originally an unpropertied village near Trenčín, becoming independent and propertied by buying most of the property of the richer farmers. With the help of this bank, the citizens bought property for 130,000 crowns and divided it between individual farmers. After a few years it was already worth half a million crowns.“

The bank at Nové Mesto also supported industry. At a meeting of Česko-slovenská jednota (Czecho-Slovak



Signature of Július Markovič, founder and director of the Ľudová banka in Nové Mesto nad Váhom

Unity) at Luhačovice before the First World War, Markovič stated the following: „As things are today, the question of industry is, in many ways, a question of our existence or non-existence. Slovakia has 0.45 ha of plough soil for one person, not counting mortgaged

property. This means 50 – 100 crowns of gross income for one person. And as industry grows, so serfdom and slavery decline, while self-confidence and freedom grow. Industry also influences civil character and helps the development of democratic elements“.

A conference of officials in Slovak joint stock and commercial companies, including 85 bank employees, was held at the bank in Nové Mesto in June 1909. It adopted a binding decision setting the aim of establishing an organization of Slovak financiers. For these reasons, the Ľudová banka was the target of attack from the government authorities. In June 1911, the chief official of the district Rákóczy and his secretary Szluca raided the Vrbové branch of the bank, where Ján Cablk, later executive of the small farmers' mutual treasuries, was director from 1906 to 1914, and took away money and account books. Markovič submitted a legal complaint “for an offence against domestic law” and the bank in Nové Mesto sent a five member delegation to the appropriate ministry in Budapest to demand justice. It was later found that the excuse of the official for raiding the bank and confiscating several account books was that “the accounts contain money, which Cablk received from the Czar of Russia to support Slovak students in Czech schools”.

The functionaries of the bank or its branches also included Vajanský, who was related to the Markovič family, Karol Štúr, Lajo Vanovič, Igor Pietor, Elo Šándor, Tomáš Tvarožek and others. The Piešťany branch was the independent Úverná banka (Credit Bank) until 1911. It was associated with the beginning of the banking career of the second governor of the Slovak National Bank Rudolf Kubiš. In January 1910, he was appointed account keeper, as “a diligent and well educated person”.

The activity of the Ľudová banka developed successfully, it had “good roots and excellent functionaries”. We learn from the Slovenský peňažník (Slovak Financier)



from May 1920 that: "The growth of this institution is a very gratifying phenomenon. At the centre of the Váh region, under the management of Dr. Július Markovič of happy memory, it played a leading role in the field of Slovak finance." Its whole net profit for 1919, supplemented to 20 thousand crowns, was devoted to the grant fund of Dr. Markovič.

In 1920, the Ľudová banka merged with the Hospodárska banka (Economic Bank) and Cablk became the

chief director of the Hospodárska banka with capital of 20 million crowns and its headquarters in Bratislava on Korunovačné (now Štúrovo) namestie. He travelled among the Slovaks in America in an effort to attract their capital. The process of merging banks continued. In 1922, the Hospodárska banka merged with the Markovický Slovenská banka, then the largest Slovak financial institution.

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