

# POLITICAL ECONOMY

## HUNGARY

### THE NATIONAL BANK OF HUNGARY'S REPORT ON THE NOTES IN CIRCULATION

According to a report issued on 7th February by the National Bank of Hungary, the value of the banknotes in circulation was 25.400.000 pengő less than on 31st January. *Bills falling due exceeded the bills presented by 15.800.000 pengő.* Gold stocks had increased by 100.000 pengő. Small money had decreased by 600.000. The amortization paid on the national debt was 300.000 pengő. Clearing claims had increased by 2.500.000 pengő. In accordance with the statutes of the Bank, 256.000 pengő of the profits established by the general meeting had been added to the reserve fund.

### CONSIDERABLE TRAFFIC INCREASE ON HUNGARIAN STATE RAILWAYS

The Management of the Hungarian State Railways has just issued its traffic and financial report for the budgetary year 1938—1939. Considerable changes in the network of railways have been made since the restoration of part of Upper Hungary and Ruthenia. The total length of the permanent way in the previous year was 7822 kilometres. After the restoration of part of Upper Hungary and Ruthenia that length increased to 9349 kilometres on 30th June 1939. The increase was therefore 1502 kilometres. (19%)

*In the business year 1938—1939 passenger and goods traffic increased considerably, the former by 19.21%, the latter by 15.5%. The total weight of the goods transported was 2.137.419 tons, — 7.85% more than in the previous year.*

Passenger traffic showed the following figures: the number of passengers taking tickets was 90.100.715 — 17% more than the year before. The number of cheap express excursion trains was 38 from Budapest to country stations, 42 from the latter to Budapest, there having been also 31 cross-country cheap express excursion trains.

The balance-sheet shows the following figures: passenger traffic, 88.762.524; luggage, 1.229.536; goods traffic 181.371.547; other receipts 21.975.444 — in all 293.339.051 — pengő. The aggregate receipts were 13.26% more than in the previous year. The expenditure totalled 319.188.490 pengő.

## HUNGARIAN ALUMINIUM MANUFACTURE: GREAT PROSPECTS

Practically without exception all the reports submitted to the Ministry for Industry give a *favourable account of the state of Hungary's industries*. The various industrial undertakings are working at full capacity, a process interrupted sporadically by a shortage of raw materials and fuel. But in this respect, too, a certain improvement is noticeable.

A great advance has been made as regards the supply of raw materials for our industries. This is due to the establishment of new factories, above all of the Felsőgalla aluminium factory, which began work in January. *Our foreign trade negotiations have ensured our being able to import a sufficient quantity of raw aluminium*, so that for this year Hungarian economic life will very probably be fully supplied with that commodity.

In many respects the production of aluminium is of *great importance*. An adequate supply of this light metal will make it possible to use it for the manufacture of many articles that hitherto Hungarian industry has been obliged to make of other metals. *In the near future a change in this direction will begin to take place*. The experiments conducted with a view to using aluminium on an extensive scale have been successful.

## RUMANIA

### INCREASE OF RUMANIAN EXPORTS TO GERMANY DECLINE OF EXPORTS TO GREAT BRITAIN AND HUNGARY

The last report issued by the Rumanian Board of Foreign Trade gives the figures of Rumania's foreign trade from 1st to 17th February inclusive. According to these figures during that period Rumania exported goods to the value of 1258 million lei, while her exports in the first fortnight of January totalled 1474 millions. *Since last year exports have increased considerably. In 1939 the value of Rumania's exports was 875 and 1260 million lei in January and February respectively.*

*The first country on Rumania's export list is Germany.* That State bought goods to the value of 356 million lei in the first fortnight of February, as against 239 million in the same period last year. Great Britain follows with 250 millions, a decrease as compared with the same period last year, when Rumania exported to Great Britain goods of the value of 299 million lei. *Exports to Italy have increased considerably.* They totalled 150 million lei in those seventeen days as compared with 77 million last year. Exports to Hungary have fallen. Last year's 47 million lei has shrunk to 14 millions this year.

## SLOVAKIA

## FINANCIAL TROUBLES IN SLOVAKIA

According to the statistics issued by the National Bank of Slovakia — as reported in the "Slovak" — Germany and the Czecho-Moravian Protectorate owe large sums in lieu of clearing debts to Slovakia. An article on the subject by Dr. Kreicsovcics was published in the "Politika" towards the end of January. The writer established the fact that *Slovakia's clearing claims against the Czecho-Moravian Protectorate and Germany amounted to 508.985.000 and 254.576.000 Slovak crowns respectively.* This meant that Slovakia was unable to obtain the equivalent for her exports to the Protectorate and Germany, which represent 38.4% of her total exports. The Protectorate already owed Slovakia twice as much as Germany did, For the present — said Dr. Kreicsovcics — there seemed to be no way of liquidating these clearing debts. The equilibrium of Slovakia's balance of payments depended on the solution of this problem. The difficulties were enhanced by the circumstance that *from an economic point of view neither Germany nor the Czecho-Moravian Protectorate was a country complementing Slovakia.* What Slovakia required was also needed by the other two countries, so that a liquidation of those clearing debts was practically impossible.

## CUTS IN POZSONY'S SOCIAL WORK BUDGET

Public opinion in Pozsony has learned with anxiety that the sums appropriated in the municipal budget for social work have been greatly reduced. The estimates for this year's budget total 7.949.100 Slovak crowns, — 1.397.000 less than last year and 1.546.394 less than in 1938. The fact is commented on in "Hírek" as follows: — *"However necessary the items may be, that does not alter the circumstance that the taxpaying capacity of the ratepayers has diminished to a greater extent than the reductions in the budget."*

## SHORTAGE OF RICE IN SLOVAKIA NO PROVISION MADE FOR FURTHER SUPPLIES

On August 18, 1939, "Slovak", the Government's official organ, said that the existing supply of rice was enough to provide the whole market; this had been facilitated, in the first place, by the *Italo-Slovak* trade agreement. At the same time, the *Germano-Slovak* clearing agreement also secured the importation of a certain quantity of rice from Germany into Slovakia. However, the situation has changed remarkably since last autumn. On February 21st, 1940, the "Slovak" published an article under the heading "Do We Need Rice?" in which the public was called

upon to be most economical in the consumption of rice, as this would mean a considerable financial saving to the country. The consumption of rice is to be replaced by that of barley-rice, where by it is hoped that the Slovak State will be able to save 23 million crowns of expenditure.

## YUGOSLAVIA

### PLACE OF CROATIAN BANATE IN ECONOMIC LIFE OF YUGOSLAVIA

"The economic basis of the Croat problem", a book which was recently published, has now appeared in its revised edition. The work is based on the principles of M. Maček, leader of the Croat people, and its statistical data are intended to illustrate the fact that the Banate of Croatia is the most valuable part of Yugoslavia from an economic point of view. This statement is borne out by the following figures

	Slovenia	Croatia	Other Provinces
<i>Area</i>	7%	23%	70%
<i>Population</i>	8%	27%	65%
<i>Agriculture (Proper)</i>	8%	28%	64%
<i>Cattle-breeding</i>	9%	30%	61%
<i>Industry</i>	14%	27%	59%
<i>Banking (credit)</i>	8%	47%	45%

Naturally, these data refer to the newly established Banate of Croatia, which includes also Dalmatia and several districts of Bosnia and Herzegovina. The cattle-breeding of the Banate is highly developed, and the Croatian cattle are of the highest quality. In pig-breeding Croatia follows immediately after the Voivodina. In the field of agriculture proper, Croatia specialises mainly in cereals and potatoes, but it also possesses considerable mountainous and wooded areas.

The provinces Lica and Dalmatia (in the Banate of Croatia) are mostly passive. The hilly region of "Zagorye" — the "Semmering of Croatia" — between Zagreb and Varajdin is a fertile and densely populated area, but also rather passive on the whole. In banking (credit) the Banate of Croatia, indeed, plays a leading part. It will suffice to note, for instance, that 40% of the private banks of Yugoslavia are to be found in Zagreb.

Croatia is also first in respect of railway traffic.

	Goods Traffic	Passenger Traffic
<i>Zagreb</i>	31%	24%
<i>Lably</i>	22%	22%
<i>Szabadka (Subotica)</i>	16%	17%
<i>Beograd</i>	16%	22%
<i>Sarajevo</i>	15%	16%

The reason why the Banate of Croatia plays a leading part in respect of railway traffic is that Italy and Germany have for many years been Yugoslavia's best customers, so that most of the goods pass through Croatia and Slovenia. The high percentage of Croatia's passenger traffic is due to the large number of tourists visiting the country, especially those on their way to the Adriatic watering places, seventy-five percent of whom pass through Zagreb and travel on Croatian railway lines. Apart from this, maritime commerce and the importation and exportation of goods by sea also swell the figures of Croatian traffic. Yugoslavia's most important ports and leading shipping companies are in the Croatian Banate. The Yugoslav merchant fleet, which in 1921, did not total more than 125.000 tons, today aggregates more than 600.000 tons. The Yugoslav shipping company possesses 169 steamers.)

The industry of the Banate of Croatia is developing continually; at present there are 900 industrial establishments in the Banate, and the number of workers employed is more than 120.000. It is not very probable that we may expect a further increase of industrial activity in the present condition, as the Croatian industrial establishments — like all the others in the country — are faced with the problem of shortage in raw materials. An improvement in the present situation — as we may read in this book — will result in the springing up of new industries and the increase of export activity in Croatia.

#### YUGOSLAVIA'S LIVE STOCK EXPORTS LAST YEAR — 800.000 ANIMALS

According to a report published in the Belgrade daily "Vreme", Yugoslavia's exports of live stock and meat last year showed a marked increase as compared with the records for the previous year. The record for the year are as follows: horned cattle, 35.253, calves 9.670, pigs 298.439, sheep and goats 360.212, fresh meat 20.050 tons, meat goods 3.438 tons, pork fat 8.259 tons.

The paper also quotes some remarkable statistical data concerning the number of domestic animals. Thus at the end of the year 1938 the country had 17.2 head of cattle, 17.9 pigs, 41 sheep and 7.6 goats per square kilometre. In relation to the population the figures are as follows: 281 cattle, 22 pigs, 654 sheep and 132 goats per 1000 inhabitants. The figures for the year 1939 have not been published yet.

The paper also reports that, in order to encourage the exploitation of export facilities, the cattle-breeders demand the reduction of home consumption and the prohibition of the slaughter of young animals, such as calves, sucking pigs and lambs.

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