

POLITICAL ECONOMY

HUNGARY

GREAT CHANGES IN HUNGARY'S EXPORTS AND IMPORTS CAUSED BY WAR

In consequence of Italy's entering the war and of the French armistice and Germany's war with Britain, *Eastern Europe, including Hungary, is completely isolated from Great Britain and the overseas countries.* We cannot buy from or sell to Britain and America, and all possibilities of transport to those countries have ceased. *This naturally involves a readjustment of the economic arrangements in the countries of Eastern Europe.* So long as this situation lasts, these States cannot do business except with Germany, Russia and Italy, and among themselves. It is possible that economic contacts with the countries occupied by Germany may soon be restored, but it is questionable whether, owing to their changed financial circumstances, they will be able to maintain them to the old extent, or at all.

The most pressing problem in connection with Hungary's agricultural exports is the question of finding a market for our surplus vegetables and fruit. *Formerly, although Germany, Austria and Czecho-Slovakia were the chief consumers of our fruit and vegetables, large quantities of early fruits were exported to Britain, Holland, Belgium and Scandinavia.* The first strawberries, for instance, used to be sent by aeroplane to Britain. This year, of course, these exports have ceased, and almost all out surplus of fruit, valued at 15.600.000 marks, is being sold to Germany. Of what is left Slovakia imports 363 wagonloads and Switzerland 250 wagonloads. Two years ago Poland imported 250 wagonloads of grapes and 500 of melons from Hungary. Last year, because of the war, the greater part of those quotas went to Germany instead of Poland. *No great change is likely to take place in Hungary's wheat exports.* Last year Italy bought 5.500.000 quintals, Germany 2.200.000, Switzerland. 1.100.000, Greece 600.000 und Holland 100.000. These quotas will hardly be affected by the changes due to the war. Germany was the consumer of the greater part of our surplus flour (1.026 quintals last year and 9.459 the year before). In the last few years two-thirds of our rye and barley exports went to Italy and Germany. Of the remainder the bulk was imported by *Holland, Norway and Great Britain, in this order of sequence.* Great Britain's dropping out of the market will therefore not

cause much difference in our grain exports, nor in those of potatoes, of which Italy last year bought 38.970 quintals, Germany 18.647 and Switzerland 36.227.

The maize crop was so poor last year that Hungary was obliged to import. *More important is the change in our exports of poultry (killed), for after Germany our biggest market for that commodity was Great Britain, which bought large quantities of spring chickens, and especially many turkeys in the winter season. The chief buyers of live poultry were Italy and former Austria. Hungary's exports of eggs were divided among former Austria, Italy and Great Britain. Our wool went mostly to Great Britain; feathers to Great Britain and France, Beef and pork found markets chiefly in Germany and Italy, though a considerable quantity of meat, mostly mutton, was exported to France and Great Britain. In the last peace year — 1938 — France imported 21.1% of our mutton surplus. That year most of our lard exports were bought by Great Britain and the U. S. A. Hungarian roll-hams found a large and steady market in Great Britain. In 1938 Germany absorbed 40.7% of our wine exports, Switzerland 32.8%, and as the vintage in France was poor, that country also imported Hungarian wines (7.3%); Belgium's share was 6%, former Czecho-Slovakia's 4.2%, former Austria's 3.5% and Poland's 2.1%. Of Hungary's total exports in 1938, 40.5% went to Germany, 8.5% to Italy, 7.9% to Great Britain, 4.2% to Czecho-Slovakia and 4% to Rumania. On our list of imports Germany figured with 40.9%, Rumania with 10.1%, Italy and Great Britain with 6% each. The United States of America bought commodities, chiefly industrial articles, from Hungary for 12.700.000 pengő, Egypt for 14.400.000 and Palestine for 1.100.000. In recent years the exportation of Hungarian industrial articles (the products of crafts) had made surprising strides, not only in the Balkans, but also in Great Britain, Belgium and Holland.*

There is no question of having to look for markets as long as the war lasts. There is such keen competition to secure all surpluses that it will be more than easy to sell what Great Britain and the western markets used to absorb. It is no cause of anxiety either that because of the disastrous falling off of tourist traffic, — Switzerland one of Hungary's best customers — will not be able to buy so much, and that the same is probably the case in the northern and north-western States owing to their changed circumstances. One result of these changed circumstances is that relations between Hungary and the Balkan States on the one hand and Germany on the other are much closer — in certain fields they are practically exclusive — and that the former must establish more lively contacts with Russia. Russia in any case is of great importance so far as our imports are concerned, for there will be a great need of industrial raw

materials, in particular of those which Hungary and the Balkan States used to obtain from the overseas countries, the colonies and partly from Great Britain. This is a problem more difficult of solution than the question of exports, which so long as the war continues will not present any difficulties.

RUMANIA

RUMANIA'S EXPORT TRADE IN FIRST QUARTER OF 1940

An article published in the Rumanian economic review "*Excelsior*" before the recent occupation of Bessarabia by Russia draws the balance of Rumania's export trade in the first quarter of 1940, on the basis of Ministry of Finance records, as follows:

In the first quarter of 1940 the total quantity of goods exported from Rumania was about 25% less than in the first quarter of the preceding year, but the value of this quantity was more than 40% higher than a year before. This was due to the fact that while in the previous year the value of the goods exported amounted on the average to 295 lei p. quintal, in the first quarter of this year the average value was as high as 600 lei p. q. Similarly, the average value of imported goods amounted to 3.000 lei p. q. in 1939 and rose to 5.330 lei. In other words, the value of exports, rose by 200% p. q., while that of imports shows only a rise of 70%. These facts are to borne in mind when the balance of the country's trade is drawn.

In 1940 Rumania exported 14,287.217 q. to the amount of 8.807,373.000 lei, while in the same year she imported 1,222.503 q. of the total value of 6.614,243.000 lei; in 1939 her exports amounted to 18,970.825 q. in the value of 5.622,180.000 lei, while her imports totalled 2,008.923 q. in the value of 5.973,832.000 lei. The balance of Rumania's export trade for this period, therefore, shows an excess of exports of 2.293,130.000 lei against an excess of imports of 351,652.000 lei in the same period last year, although the country's exports have decreased since last year.

In respect of the weight of the goods exported, Great Britain takes the first place on the list of Rumania's customers, the total weight amounting to 3,850.170 quintals in the value of 2.160,196.000 lei. In the total amount of Rumania's exports Great Britain figures with 26.98% and its total value with 24.53%. (In Rumania's imports, on the other hand, Great Britain stands very much lower: her total imports to Rumania amounted to 31.260 q. in the value of 214,303.000 lei. This represents 3.29% of the total weight of imports and only 2.56% of the total value.) Rumania's trade relations with Great Britain resulted in an excess of exports of 1.945,893.000 lei.

The second place in Rumania's imports — in respect of quantity — was taken by Germany (including the Protectorate):

2,798.000 q. in the value of 3.082,177.000 lei, which is equal to 19.59% of the amount and 35% of the value of Rumania's exports. On the import list Germany stands first: 680.652 q. in the value of 3.996,119.000 lei, shis represents 55.68% of the total weight and 61.05% of the total value of Rumania's imports. Trade relations between Germany and Rumania in the first quarter of this year showed an excess of imports amounting to 913,942.000 lei. —

Rumania's trade relations with Italy show a marked advance. In 1939 Rumania exported to Italy goods of the value of 505 million lei, while in 1940 this amount rose to 1.008 million lei. Her imports from Italy in 1939 amounted to 405 million lei, while in 1940 it reached the figure of 601 millions, that showing an excess of exports amounting to 407 million lei.

In respect of total volume of imports and exports, the list of Rumania's customers may be drawn up as follows:

<i>Germany and the Protectorate:</i>	40 %
<i>Great Britain</i>	16 %
<i>Italy</i>	10 %
<i>Turkey</i>	4.2 %
<i>Egypt</i>	3 %
<i>France</i>	2.8 %
<i>U. S. A.</i>	2.2 %
<i>Palestine</i>	1.8 %
<i>Hungary</i>	1.5 %

YUGOSLAVIA

FIRST YEAR OF "YUGOSLAVENSKI CSELIK"; PRODUCTION: 572.1 MILLION DINARS

A detailed report concerning its work in the first year has been published by the *Yugoslavenski Cselik*. The report deals with the work of 17 months; three months have to be deducted, that being the period spent in taking over various establishments, so that the actual time covered by the report is not more than fourteen months. The work of the *Jugo-cselik* comprised, in the first place, commercial and administrative reorganization, modernization of the equipment of old establishments and the establishment of new plants. The company has suffered considerably from the effect of the present economic situation, mainly in respect of the purchasing of raw materials and equipments. In the standardization of prices the *Jugo-cselik* has played an important part, as it was always the last to raise prices. Thus, for instance, it did not raise coal prices in 1939, and even in the current year there has been but a slight rise in these prices, owing to the raising of workmen's wages. The same happened in the case of iron, where the rise this year amounted to the

negligible sum of 45 paras. The figures of the Jugo-cselik's production in the first year are the following: 589.613 tons of coal, 830.263 tons of iron ore, 1.999 tons of wire, 6.455 tons of foundry products, 3.259 tons of nails, and 2.324 tons of other material. The total value of production was 572.1 million dinars. The company worked, on the average, with 9.536 hands, but at the end of last year 483 more hands were engaged. The average amount of daily wages was 41.86 dinars in the first half of 1939 and 46.36 dinars at the end of the same year. During the first 17 months the company paid out 194.3 million dinars in wages, 26.1 millions in taxes and dues. The active capital amounts to 500 million dinars, while the claims of creditors total 231.9 millions. The balance is thus 758.6 million dinars.

YUGOSLAVIA'S EXPORT TRADE BALANCE

In the first four months of this year Yugoslavia's export trade balance showed a considerable improvement. During this period Yugoslavia's exports represented a value of 2451 million dinars, 1026 millions (67.75%) more, than in the same period of last year. Her imports amounted to 2054 million dinars, i. e. 379 millions (22.62%) more than last year. The excess of exports is 487 million dinars, as against an excess of imports of 160 millions last year. The leading export articles were: wood, food stuffs, live stock and various ores.

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