

POLITICAL ECONOMY

BULGARIA

NEW ECONOMIC BILLS SUBMITTED TO BULGARIAN SOBRANJE

The Bulgarian Minister for Commerce, M. Zahariev, has submitted to the Sobranje the following Bills:

1. *Bill relating to the superannuation allowances of miners working in private mines.* The Bill provides for an improvement of the conditions governing the granting of superannuation allowances and increases the amount of such allowances too. A reduction is to be made also of the reversionary period. The Bill further provides for an improvement in the conditions governing the superannuation allowances of miners working in the State mines.

2. A second Bill provides for *the establishment of a fund of 200.000.000 leva for the purpose of carrying out research work respecting the country's national economy and of studying the question of the improvement of the technical installations of mines.*

3. *Bill relating to the insurance of employees engaged in private enterprise (intellectual workers),* provision being made for the unification of the insurance of such employees and the general social insurance system.

4. *Finally, a Bill providing for the compulsory accident and disablement insurance of merchants and tradesmen.*

The Minister of Finance has submitted a Bill providing for assistance to be granted to growers of sugarcane (saccharine grass), the Bill abolishing restrictions on the sale of molasses, the object in view being to encourage farmers to grow sugarcane and thereby to relieve the difficulties in evidence in respect of the country's sugar supply.

The Minister for Agriculture has also submitted two Bills. The first deals with the question of the equipment of farming establishments, determining the methods of the procural, selection and proper utilization of the equipment and installations and regulating the question of the importation of agricultural machinery, the distribution of which is to be placed under the control of the agricultural department. In terms of the Bill *loans not bearing interest may be granted to farmers for the purchase of the more costly agricultural equipment (threshing machines, tractors, locomobiles),* provision being at the same

time made for the far-reaching support of agrarian co-operative societies too.

The other Bill has for its object the furtherance of the production of wheat, rye and potatoes, the method to be adopted for that purpose being the granting of loans not bearing interest to farmers contending with financial difficulties to enable them to purchase seeds.

PLANS FOR THE 1943 ORGANIZATION OF BULGARIAN AGRICULTURE

With M. Chr. *Petrov*, Bulgarian Minister for Agriculture, in the chair, the official leaders of Bulgarian agriculture have been sitting for days discussing the plans for the organization of Bulgarian agriculture in the year 1943. The main consideration influencing the drafters of these plans was the increased demand for agrarian produce now in evidence, other moments taken into account being the possibilities of marketing on favourable terms and the necessity of providing for the best quantitative and qualitative results being achieved by Bulgarian agrarian production. The chief principles followed in drafting the scheme were the following: — the supply of spring seeds, an increase in the quantity of artificial fertilizers used, provision for the supply of operating materials for agricultural machinery, which are to be kept under supervision, the selection and control of seeds, the production of improved seeds, and a rational development of the production of fodder plants and potatoes, as also of animal breeding. Among the plans to be carried into effect this year particular importance attaches to *the carrying out of the autumn field-work on the basis of a pre-arranged scheme*. During the discussions the members of the commission agreed to distribute the available agrarian labour rationally as required and to enhance the efficiency of that labour. *The object underlying and inspiring the whole scheme is to be able by directing production to raise the standard of life of the agrarian classes in general and of the agricultural labourers in particular.*

BULGARIAN PUBLIC ACCOUNTS FOR THE YEAR 1942.

The amount of revenue obtained last year by the Bulgarian Treasury shows a considerable advance as compared with the previous year. Whereas the receipts for the year 1941 aggregated altogether 18.203 million leva, the public revenue advanced last year to the amount of 23.910 million leva, — that being *an increase of 31.3%*. The receipts of the State Railways show an increase of 26.1%. While the aggregate amount of revenue figures at 30.953 million leva (including extra-budgetary receipts amounting to 2.200 million leva) in the public accounts for the year 1942, the aggregate expenditure shown amounted to 31.323

million leva, — a shortage of 370 million leva. Despite the deficit shown in the public accounts the Bulgarian Treasury never suffered from a shortage of ready money, its account with the Bulgarian National Bank showing that on December 31st., 1942, it still had 6218 million leva to its credit.

The most important items of revenue in 1942 were the following: — direct taxes, 3374 million leva (against 2430 million leva in 1941); receipts of the public administration, 3921 million leva; extraordinary receipts, 5490 million leva. In nine of the twelve months of the year the monthly receipts showed a material increase, — particularly in the month of July, when the receipts amounted to 3767 million leva as against 2503 in the previous year. In the case of the State Railways it was only in the months of July and December that the monthly receipts did not exceed those of the corresponding months of the previous year.

SEA, LAKE AND RIVER FISHING IN BULGARIA

The 1942 production of sea, lake and river fishing in Bulgaria was 4.000.000 kilogrammes in excess of that recorded for the year 1941. The Ministry for Agriculture is doing all in its power to encourage fishing; and no effort is being spared to assist Bulgarian fishers. Measures have been taken, for instance, to enable the fishers to procure topboots, while cotton thread has been placed at their disposal to enable them to make fishing tackle, some 100.000 kilogrammes of hemp having also been provided for making nets.

HUNGARY

MINISTER GEZA BORNEMISZA DISCUSSES IMPORTANT QUESTIONS OF TRANSITIONAL ECONOMY

At a meeting of the Association of Hungarian Engineers and Architects held on April 12th, M. Géza Bornemisza, Minister for Industry, delivered an address on "The Role of Hungarian Industry in the Economy of the Transition Period".

"The questions to be investigated" — said the Minister — "are how to safeguard our nation after the war against the danger of unemployment, and what are the works we shall be able to carry into execution in the years immediately following the end of the war? As a consequence of the war conditions, during the past few years there has been a material increase in Hungary too in the number of clerks, officials and workers employed in the manufacturing industry. It is estimated that the number of clerks and officials released after the end of the war will be roughly 15—16.000, and that of the workers released roughly 120—150.000. It will hardly be possible to re-divert

this surplus labour to agriculture. Nor would it indeed be judicious forcibly to re-settle in agricultural pursuits those who have acquired a certain preliminary training in industrial work. *The further inevitable industrialization of our country will of necessity involve an urgent demand for the co-operation of this well-trained host of workers;* while on the other hand such a mass of workers might bring about an injurious plethora of labour in agriculture, at the same time impeding for a considerable period the up-to-date mechanization of our agriculture.

Consequently, *we may and must continue to ensure the employment of this mass of workers, for the most part at least, in industry.*

"We need not expect any further set-back to ensue immediately after the war *in our consumption goods industry*, seeing that the raw materials will certainly continue to be accessible. *After the war there is bound to be a general consumption-goods-fever all over the world.* The situation is considerably more complicated *in the case of the capital goods industries*, — if only because *after the suspension of war orders a material set-back will undoubtedly ensue in this field.* The principal task facing us in the industrial phase of our transition period economy will be the taking of circumspect measures to as far as possible counteract the effects of this set-back. One of the factors employing our capital goods industry will be industry itself, which will have to proceed without delay to renew and modernize its mechanical equipment. The amount required to carry out the works that have had to be postponed — according to the Economic Research Institute — will be *roughly 1000 million pengő.* This enormous volume of work will not however be exclusively to the benefit of Hungarian industry. That industry will however be able to undertake almost the whole of the work of modernizing our agricultural installations.

"In order to provide for an adequate employment of our capital goods industry we must, therefore, endeavour to find new possibilities. *In our endeavour to create new opportunities of work we must naturally investigate, not only the question of employment, but also the question whether such employment benefits our national economy. What we want is not unproductive "emergency" work, or works which are not particularly calculated to contribute towards repairing as rapidly as possible the destruction of capital caused by the war.* The groups of industry operating intensively which take first rank from the social standpoint are on the whole the same as those the employment of which in the transition period economy is of prime economic importance. Nor is the situation of the branches of industry with the best claim to employment unfavourable in respect of the supply of raw materials either."

The Minister then dealt with the problems of communica-

tions and transport, of the utilization of energy and of housing. The total length of new railway lines the construction of which was economically desirable was not more than 2—300 kilometres; not all the lines in question were urgently needed. *On the other hand, there could be no postponement of the work of modernizing the railway buildings and re-constructing the rolling stock.* As a means of providing employment, great importance would attach to the construction of the Budapest rapid transit railway too. There was much to be done to improve our network of public highways, — particularly in the re-incorporated territories. The work of constructing artificial waterways would provide an opportunity for the utilization of a new Hungarian invention of paramount importance — the so-called "Asboth boats". After the war there would be a considerable upswing in navigation.

In respect of *the supply of cheap energy* Hungary is at a disadvantage as compared with the industrial States of Europe. After the war it will no longer be possible to postpone the supply to industry of cheap energy; and there can be no up-to-date solution of this problem except by a large-scale development of the whole network of energy-sources. From the point of view of the transition period economy it is an advantage that the machinery and installations can be manufactured almost exclusively from Hungarian materials. Already in the transition period we must without fail begin *the work of gradually satisfying the housing needs of the country.* Efforts must be made to relieve the shortage of housing as far as possible already in the transition period. In respect of *organization* the first task to be accomplished will be to create the central organ calculated to ensure rational procedure by a general survey of the national economy of the country. The work of securing that procedure and of harmonizing the machinery must be entrusted to an organ comprising an adequate representation of all branches of occupation. It will be the business of the Government to organize a *Transition Economy Council* of the kind and to direct its activity.

"The success of the transition period economy" — said the Minister in conclusion — "will depend primarily upon the behaviour of the nation. The decisive moment will be whether the nation is able to *preserve its spiritual unity* at the most critical junctures, and whether every class of Hungarian society is capable of appreciating that they all share a common destiny. This applies to all classes alike, — to the industrial working classes too. I am convinced that by the aid of such spiritual harmony the nation will be able to triumph over all difficulties even amid the vicissitudes of the war and of the period that follows it."

The Minister was loudly and cordially applauded.

SLOVAKIA

INCREASE OF PASSIVITY OF SLOVAKIA'S FOREIGN TRADE BALANCE

According to a report published in the "*Südost-Economist*", the total value of Slovakia's foreign trade in 1942 aggregated 7200 million crowns; the exports representing a value of 3300 and the imports a value of 3900 million crowns. *Thus, the excess of imports shown by Slovakia's foreign trade balance for 1942 represented a value of 600 million crowns — almost double the excess of imports (309 million crowns) recorded for 1941.* The upward tendency of the foreign trade figures is to be attributed very largely to the advance in the prices of both imports and exports. Slovakia has concluded with the foreign States of most importance to her from the point of view of her foreign trade standstill agreements relating to the prices of import and export articles, the result being that in respect of a certain quota of her foreign trade the increase in value was due to an increase in volume. In 1941 the value of the imports showed an advance of 21.5% on that recorded for the previous year; while the value recorded for 1942 showed an increase of 12.6% as against the previous year. The advance in the value of the exports was one of 0.2% in 1941 and in 1942 of 3.7% as compared with the figures for the previous years. So far as the distribution of Slovakia's trade between the several States in concerned, we find that 70% represented trade with Germany, 7.7% trade with Italy, 5.5% trade with Hungary and 4.2% trade with Switzerland. The remaining 12.6% was distributed among the other States trading with Slovakia.

THE ROLE OF THE CZECHO-MORAVIAN PROTECTORATE IN SLOVAKIA'S FOREIGN TRADE

In its latest issue the "*Südost-Economist*" writes as follows of the commercial (trade) connections between Slovakia and the Czech-Moravian Protectorate: — "The quota claimed by the Protectorate in recent years in the foreign trade of Slovakia was as follows: — in 1939 it represented 49.9% of the total volume of the imports and figured at the amount of 776.000.000 Slovak crowns, while it claimed 51.2% of the total volume of the exports, figuring at the amount of 1,126.000.000 Slovak crowns: in 1940 the quota of the Protectorate was 35.4% of the total volume of the imports and 43.5% of the total volume of the exports, figuring at the amounts of 1013 and 1382 million crowns respectively: in 1941 that quota was 31.1% of the total volume of the imports and 43.2% of the total volume of the exports, figuring at the amounts of 1087 and 1375 million crowns respectively. The quota falling to the share of Germany without

the Protectorate has declined to 42.8% of the total volume of exports from and 28.8% of the total volume of imports to Slovakia respectively. *Whereas in the years in question Slovakia's export trade to the Protectorate showed an upward tendency, there was a quantitative set-back in the quota of imports to Slovakia claimed by the Protectorate; in 1942 there ensued a change, the value of Slovak imports from the Protectorate having in the first half of the year increased by 63%, there being on the other hand a decline of 2% in the value of exports from Slovakia.* There was no material change in this situation in the second half of 1942 either. The advance in the value of Slovak imports from the Protectorate is to be attributed to some extent to the rise of prices. In the composition of the exports from the Protectorate, relatively speaking, the leading role is played by manufactured goods. Slovakia figures as the principal market for the sale of the products of many of the manufacturing undertakings of the Protectorate; 54% of the exports of the electric industry, for instance, 88% of the exports of the paper industry and 49% of the exports of the office furniture industry of the Protectorate finding their way to Slovakia.

LAST YEAR'S ACTIVITY OF SLOVAK POST OFFICE SAVINGS BANK

According to the official statement showing the turn-over of the Slovak Post Office Savings Bank, last year the cash turn-over amounted to 18.880 million crowns — 39.1% of the aggregate turn-over. The turn-over of the cheque department amounted to 48.248 million crowns. The sums remitted by draft amounted altogether to 29.367 million crowns. The number of cheque accounts administered at the end of December last by the Slovak Post Office Savings Bank was 6084. The stock of deposits entrusted to the custody of the Bank amounted at the end of the year to 63.351.000 crowns. During the course of the year that stock increased by 13.324.000 crowns. At the end of the year the average of deposits per savings-bank book was 719 crowns. The number of such books in circulation at that period was 87.585.

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