

POLITICAL ECONOMY

BULGARIA

BULGARIA'S FOREIGN TRADE IN 1942.

Bulgaria's foreign trade in 1942 showed a material advance on the trade recorded for the previous year. The aggregate value of imports and exports combined amounted to 26.346.672.000 leva — as against 19.473.136.000 leva in 1941.

The volume of the 1942 imports aggregated 585.518 tons (against 458.751 tons in 1941), the value of the imports being 12.928.574.000 leva. The increase in the value of the imports is to be attributed, partly to the advance in volume, but partly also to the rise in the prices of the goods imported. The average prices of the imports on arrival at the frontier showed an advance of 23.8% on the corresponding prices recorded in 1939. Of the total value of imports 5.869.700.000 leva (as against 3.170.000.000 leva in 1941) represented the value of consumption goods, 4.386.500.000 leva (as against 4.791.000.000 leva in 1941) the value of capital goods, and 2.722.400.000 leva (as against 2.278.000.000 leva in 1941) the value of the raw materials required by industry.

The volume of exports in 1942 aggregated 521.031 tons (as against 459.544 tons in 1941), the value of the exports being 13.416.098.000 leva (as against 9.234,141.000 leva in 1941). The increase in the value of the exports is to be attributed partly to the advance in the volume of goods; but it was due also to the advance in the prices of the goods exported and *partly to the fact that goods of a higher value were included among the exports.*

Bulgaria's foreign trade balance shows an excess of exports in her favour of 498.524.000 leva; while in 1941 there had been an adverse balance (excess of imports) to Bulgaria's debit amounting to 1.004.854.000 leva.

CROATIA'S BREAD-SUPPLY

If we take the density of population in Croatia as 60 persons to the square kilometre and the extent of the land owned by agriculturists as 5.050.582 hectares, and compare these figures with the number of persons (5.600.000) living in Croatia, it becomes manifest that as soon as conditions in Croatia have become consolidated that country will be self-supplying.

STRUGGLE AGAINST INSECTS INJURIOUS
TO AGRICULTURE

The struggle being carried on in Bulgaria against insects injurious to plants is considerably impeded by the great lack of efficacious insecticides. For that reason the Bulgarian Minister for Agriculture has requested the Minister of Education to instruct the school inspectors and head teachers and head masters to place the pupils of the schools at the disposal of the farmers for the purpose of exterminating the insects — in the absence of the requisite chemicals — by hand. In the latest Bulgarian report on the crops reference is made already to the circumstance that preparations have been made in part to cope with the damage to orchards by insects, and that in places where no adequate quantities of insecticides are available the assistance of the school-children — and, where necessary, of the local inhabitants generally — is being recruited.

CROATIA

ORGANIZATION OF BULGARIA'S MERCHANT FLEET

A Bulgarian sea navigation company in which the State is very considerably interested, has been formed for the purpose of carrying on Bulgaria's sea-borne trade. The object of this company is to provide, by the formation of a merchant fleet, for the carrying on of Bulgaria's sea-borne trade by means of a national mercantile marine. The Bulgarian Government and the economic circles of the country were induced to take this decision by the fact that a very considerable part of the country's trade is carried on by sea. *In 1939, the last year of peace, for instance, of the total volume of trade of 554.000 tons 247.000 tons were exported from Bulgaria by sea-routes. In the same way, a large proportion of Bulgaria's import trade is also carried on by sea; in 1939, for instance, out of a total volume of 389.000 tons of imports 129.000 tons reached Bulgaria by sea-routes, 196.000 tons having been conveyed on the Danube and 64.000 tons by rail.* By the establishment of a national mercantile fleet the Bulgarian Government and the economic circles of the country desire to ensure Bulgarian economy the advantages accruing from the seaborne trade shown to be of so considerable a volume.

HUNGARY

HUNGARY'S TRADE WITH HER SOUTHERN AND EASTERN NEIGHBOURS

Hungary's foreign trade *has during recent years shown a considerable development* both of exports and of imports. During the past ten years the value of her exports *has almost quadrupled, advancing from 334.5 million pengő in 1932 to 1143 million pengő in 1942.* During the same period the value of her imports almost trebled — *increasing from 329 million pengő in 1932 to 923 million pengő in 1942.* During the said period there was a material change in respect of the distribution by countries of her exports. Her *exports to Germany*, for instance, which prior to the annexation of Austria (the "Anschluß") in 1938 *had represented 27% of her total export trade and together with exports to Austria (18.3%) aggregated a quota of 45.7%, last year (1942) represented already a proportion of 55% (exports to the German Empire),* apart from the quota of 4.4% representing exports to the Czech-Moravian Protectorate. *The figures of her import trade also reflect the predominance of Germany, the quotas recorded for 1942 being 52% (Germany proper) and 3% (the Czech-Moravian Protectorate) respectively.* The second in importance of Hungary's customers is *Italy.* It is no mere accident that the next places on the list (following Italy) were originally the industrial States of Western Europe, *our southern and eastern neighbours having then been relegated practically to the last places on the list.* However, there have recently been signs of a certain development in Hungary's trade with these countries.

The participation of former Yugoslavia in Hungary's export trade, which in 1936 was 2% only, advanced to 4.4% in 1940. The quota represented by Hungary's imports from Yugoslavia, which in 1936 had been 4.4%, advanced in 1939 to 4.8% and in 1940 to 5.5%. It is evident, therefore, that the trade with that country showed a rising tendency. The States that have succeeded Yugoslavia, *Serbia and Croatia*, on the other hand, in 1941 supplied only 0.3% of Hungary's imports; last year there was a slight advance in the quota of these countries — to 0.7%. This is naturally comprehensible in view of the transitional conditions prevailing in those countries and of the difficulties incidental to the search after the most satisfactory adjustment of economic relations. Similar figures are in evidence on the exports side. Rumania in 1936 figured on the exports side with a quota of 4.8%; in the following years her quota was 4.3%, 4.4%, 2.8%, 2% and — in the last two years — 0.1% respectively. On the imports side the quota claimed by Rumania shows the following development as from the year 1936, — 13.4%, 9.8%,

9.8%, 5.9%, 3.9%, 0.6%, only advancing again last year — to 1.6%. *The decrease in Hungary's trade with Rumania is to be attributed only partly to the re-incorporation of Northern Transylvania, the large-scale decline being due to other causes not of an economic character.* Bulgaria's quota is even smaller than those of her immediate neighbours. On the imports side — again as from 1936 — her quota showed the following development, — 0.7%, 0.5%, 0.8%, 0.9%, 1.5%, 0.9%, 1.4%. It was therefore only during the war that *the volume of Hungary's imports from Bulgaria began to show an increase — and that on a practically insignificant scale;* as from 1940, however, the tendency of the trade with this country again began to decline. Bulgaria's quota of Hungary's exports represented (as from 1936) the following proportions, — 0.4%, 0.4%, 1.0%, 0.3%, 1.1%, 1.9% and 2% respectively. The tendency of Hungary's export trade to Bulgaria, therefore, would appear to be a *rising one;* but, particularly in the war years, it has been of a very *fluctuating* character. Special mention is due to the figure relating to the young State of *Slovakia*, which of course relate only to the last three years. 1940 was the first year of Slovakia's existence as an independent State. *In that year Slovakia claimed a quota of Hungary's imports of 3.3%, her quota being in the following years 3.1% and 3.2% respectively.* Hungary's principal imports from *Slovakia* are *wood and timber.* Hungarian exports to *Slovakia* in the three years in question represented 2.6%, 2.2% and 3% respectively of Hungary's total export trade. The principal goods exported from Hungary to *Slovakia* are *wine, fruit and industrial goods* (manufactured goods).

RUMANIA

FLAX, HEMP AND COTTON BUREAU ESTABLISHED IN RUMANIA

In order to further and assist the production of flax, hemp and cotton and for the purpose of collecting the production and distributing it among the factories engaged in the manufacture of those products, as also of controlling imports and exports, by Edict published in the Official Gazette *the authorities have established a flax, hemp and cotton bureau.*

SLOVAKIA

THE NEW SLOVAK-ITALIAN QUOTA-AGREEMENT

The economic negotiations between Slovakia and Italy have resulted in the conclusion of a quota agreement. According to a report published in the "*Grenzbote*", of the Slovak import

quota representing a value of 400 million crowns, last year only the quotas of textiles and textile raw materials (representing a total value of 300 million crowns) were utilized to the full, and in consequence the object of the negotiations just completed was to place trade between Slovakia and Italy on a sounder basis (more in keeping with realities) more exactly corresponding to the actual needs of the two countries. In order to attain this object the quotas of the several categories of goods have been reduced. As a consequence — according to the report published in the "*Grenzbote*" — *the volume of the aggregate trade between Italy and Slovakia is to be reduced from 800 to 600—700 million crowns.* During the negotiations, exports too played an important role; and — once more according to the "*Grenzbote*" — the negotiations relating to prices led to a raising of the price of cellulose, while the increase in the price of Slovak sawn timber has been fixed in proportion to the latest German supplement.

SITUATION OF MANUFACTURING INDUSTRY IN EASTERN SLOVAKIA

Since 1938 there has been a constant increase in the number of persons employed in the mining industry, which today employs 13.000 workers — that being an advance of 50% over the number recorded for 1938. Of the number of workers employed one-third are employed in Eastern Slovakia. The output of iron ore in Eastern Slovakia is slightly less than in the previous year. The production of manganite shows an increase of 15%. The Batizfalva artificial thread factory is working at full capacity. The Késmárk cotton and flax products factory has to contend with difficulties in respect of the procural of raw materials, though it has at its disposal 200 wagonloads of inland flax. There are several large linen factories in working in Eastern Slovakia; the largest is that at Szécső, which employs 100 hands. The Prakfalva iron foundry has increased its share capital by 100%; it shows a favourable degree of employment and in doing a brisk foreign trade. With favourable marketing possibilities available, the operations of the lime-kilns are of a satisfactory character. The brick factories have been able to dispose of their products on favourable terms. The Eperjes factory manufacturing calendars for advertising purposes is provided with raw materials. Owing to a shortage of raw phosphates the chemical works producing artificial fertilisers are only able to exploit 40% of their capacity. The potato-starch factories are only able to utilise a small percentage of their capacity; one of these factories has begun to manufacture wheat-glue for the use of shoemakers. The Eperjes chickory (coffee-substitute) factory,

which was established in 1940, has modernized its plant and shows favourable results on its operations. The output of the breweries in Eastern Slovakia is also on a normal level. The number of factories in Eastern Slovakia engaged in the manufacture of "brinza" (a kind of cream-cheese) has been reduced from 11 to 7; the quota of the annual production of these factories is some 250.000 kilogrammes. The Töketerebes sugar refinery has closed its season with satisfactory results.

THE DEVELOPMENT OF SLOVAK PRODUCTION IN THE YEAR 1942.

The "*Grenzbote*" publishes a report dealing with the situation of production in Slovakia; in illustration of that situation the paper *inter alia* establishes that, as compared with the previous year, there was a considerable advance in the Treasury receipts accruing to the State in connection with production. The yield of the earned income tax, for instance, increased during that year by 25% and that of the investment income tax by 15%. The big joint-stock companies in 1942 paid under the head of taxes 75% more than in the previous year. Another moment which, according to the opinion of the "*Grenzbote*", points to an enhancement of production, is that the freight traffic of the Slovak railways shows a rising tendency. *The volume of the inland freight traffic advanced from 549.000 truckloads in 1941 to 567.000 truckloads in 1942, the aggregate goods traffic of the railways having increased during the same period only from 736.000 to 737.000 truckloads, — a circumstance due to the volume of Slovakia's foreign trade having last year shown a declining tendency.* The output of the Slovak mining industry in 1942 also maintained on the whole the level recorded for the previous year, shiftings in the volume of the output of varying importance being in evidence only in certain branches of that industry. The outlay on investments in communications advanced from 550 million crowns in 1941 to 600 million crowns in 1942. In the last two years the value of private investments rose almost to 2000 million crowns; the bulk of the investments were effected for the purpose of modernizing the production of the manufacturing industry.

SERBIA

CO-OPERATIVE SOCIETIES IN SERBIA

In the period between the two Great Wars — according to the co-operative statistics — the number of co-operative societies functioning in Serbia was roughly 5400. However, the bulk of these co-operative societies existed on paper only

and were not actually engaged in any economic activity. The co-operative societies are members of 14 co-operative unions: but these 14 unions, which in respect of economic activity formed separate units, were only in part economic organs. The great majority of the co-operative societies — altogether some 2500 — were the organs of village farmers, their activity being distributed according to the respective branches among 6 central co-operative unions, — credit, animal-breeding, apiary, industrial, agricultural, and forestry unions. Owing to the specific conditions prevailing in Serbia, the co-operative societies were established, not only for agricultural, but also for cultural, hygienic and social purposes. In addition to credit and purchase and sale co-operative societies we find in Old Serbia, for instance, societies for providing medical treatment. The work of the cultural co-operative societies was based upon the national divergences. In this way the co-operative system served in economic respects to counterbalance the disadvantages resulting from the splitting up of the small holdings, to make up the deficiencies of animal-breeding in hygienic respects, and culturally to foster national self-consciousness.

All this many-sided activity might have proved extremely beneficial, had the whole co-operative system not been permeated with politics. After the collapse of Yugoslavia there was not much sense in all the political quidnuncism. The new totalitarian Serbian Government was unable — alike from political and from economic considerations — to tolerate the establishment of co-operative societies on this basis. The chief reason why it objected economically to such a procedure was that the Serbia which was starving and improverished sadly needed a systematic economy organized under a strong central direction; while politically, in the precarious situation in which Serbia found herself, the more or less irresponsible conduct of the co-operative societies might easily have proved fatal. *In the May of the present year a measure was introduced by Government suspending the autonomy of the co-operative societies; under the new Order in Council the heads of the co-operative unions have been appointed by Government: and these persons are responsible to Government for the work of the co-operative societies and for seeing that those societies carry on their business in harmony with the comprehensive scheme drafted by Government.* By these means the older Serbian co-operative societies are being organically dovetailed into the new systematic economy of the country.

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