

POLITICAL ECONOMY

BULGARIA

THE NEW BULGARIAN COMPANY LEGISLATION

The number of Bulgarian joint-stock companies at the end of 1940 was 1426; the total nominal value of the share capital amounting to roughly 5000 million leva. The share capital of 923 of these joint-stock companies — i. e. of two-thirds of the total number — represented sums of 1.000.000 leva or less, that meaning that these 923 companies jointly possessed share capital representing only 7% of the aggregate amount shown above. We see, then, that the bulk of the Bulgarian joint-stock companies were small, financially weak undertakings. In countries possessing very considerable industrial and financial resources the controlled economy is based upon highly concentrated capital, that making the control of the economic life necessary as a consequence of the economic forces behind that capital and of the tasks which it is called upon to fulfil; whereas in Bulgaria the control of the economic life is rather a postulate of foreign policy. As a consequence, that control is not a development of the automatic character of the economic life. It is necessary, however; and therefore, as noted in the Preamble to the Bill for the reformation of Bulgarian company legislation, the law previously in force had to be amended accordingly. The main points of the new company legislation are the following: — 1. *the new law abolishes the anonymity of share holdings and share transfers*; 2. joint-stock companies must possess share capital of not less than 1.5 million leva; as the Preamble to the Bill says, those who participate in the economic life of the country by contributing a certain capital, without being made responsible to the extent of their whole fortune, must be required to pay in at least a corresponding amount of capital; 3. *for the purpose of stabilizing the material position of the joint-stock companies, sums corresponding to 10% of the net profits must be transferred to the reserves until those reserves have risen to an amount equivalent to that of the share capital*; 4. the course of business must be subjected to revision and an extraordinary general meeting convened if so desired by 10% of the shareholders

Minority shareholders are entitled to delegate 1 Member to function as auditor, provided their shares jointly represent one-third of the total share capital. Such delegate cannot be rejected by the General Meeting. The Board of Directors cannot be allotted bonuses unless the joint-stock company in question pays a dividend of at least 3%. These latter measures are designed to serve the interests of the minority shareholders; 5. The composition and rights of the Board of Directors and Committee of Supervision (Auditors) are defined exactly by the law. In this connection a certain role has been assigned to the nationality and place of residence of the Members; 6. in the case of joint-stock companies the Bill ensures Bulgarian nationals the leading role in the management; 7. those joint-stock companies which operate illegally may be dissolved by judgment of a court of law; 8. *the Bill restricts the role played by foreign capital by declaring that joint-stock companies in which any considerable amount of foreign capital is invested must be established with a share capital of at least 3 million leva.* The establishment of such companies is subject to the permission of Government; and such companies must deposit with the State bank a sum in lieu of security corresponding to 25% of the share capital.

CROATIA

IN CROATIA SPECIAL PROVISION IS BEING MADE TO ENSURE THE FOOD SUPPLY OF PUBLIC EMPLOYEES

According to a report from Zagreb, the Croatian Government, acting on instructions given by the Head of the State, M. Ante Pavelić, has issued an Order in Council adjusting for three months in advance the food supply of all State employees. In terms of this Order all State and other public employees are to be exempted from control on the part of the public supply authorities, provision being made for them through the medium of the State employees' co-operative societies. The Croatian Government has decided to supply State and other public employees for three months in advance with articles of food, except those which are perishable, in order to prevent the recurrence of the situation once already arising, when the public employees were left without provisions. The Government is to provide also for the supply of fuel and flour to public employees, to be delivered not later than October 1st. *The Government is in addition to pay public employees a supplementary month's emoluments; while every public employee is*

to receive an advance for the procural of additional supplies to be deducted from the emoluments in equal instalments over a period of 10 months.

RUMANIA

EXPROPRIATION OF UNDERTAKINGS IN RUMANIA

The Hungarian Telegraph Bureau reports from Rome that according to the *Osservatore Romano* the Rumanian Government has expropriated all undertakings and joint-stock companies the share-capital of which is mostly in foreign hands.

SERBIA

SURRENDER OF SURPLUS STOCKS OF WHEAT IN SERBIA

In a broadcast read by him in the studio of the Belgrade radio corporation M. Radovan Vessekinovitch, Serbian Minister for Agriculture, called upon the Serbian people to surrender without delay all surplus stocks of wheat and not to allow themselves to be punished for neglecting to comply with the demand and to have the prescribed quantities taken from them by force.

"By the introduction of a planned economy the Serbian Government" — he said — "has ensured the food supply of the people. We must support ourselves out of our own resources, and must therefore produce. *The agrarian part of the programme for the effectuation of a planned economy has been realized as a result of the far-seeing measures taken by General Milan Neditch.* Though last year was the most unproductive recorded in recent times in Serbia, we nevertheless succeeded in pulling the people through the winter and saving it from starvation both in winter and in spring. This year we already see the first results achieved by the system of planned economy; and the exploitation of the soil has produced a satisfactory yield. Our towns too, with Belgrade at their head, have utilized every inch of ground available for the purpose. This year's crops of wheat and barley are of a satisfactory character. *We shall have an abundant supply of wheat, so that we shall be able to ensure producers, not only the quantities required to supply their personal needs, but also the quantities of seed required by them, while we shall be able to allot larger rations of bread to the members of our armed forces, to the civil*

population generally, to refugees and to the inhabitants of "passive" districts. In terms of an agreement concluded with the High Commissioner of the German army of occupation we have ascertained the volume of the surplus supplies of wheat of the several villages and hundreds remaining available after due account has been taken of the needs of producers. The surplus supplies of wheat thus ascertained to be available" continued the Minister — "must under all circumstances be surrendered" — a warning repeated by him several times during the course of his broadcast.

SLOVAKIA

DISTRIBUTION OF SLOVAKIA'S TIMBER PRODUCTION

In the forestry journal the *President of the Central Slovak Forestry and Timber Bureau* deals with the questions of timber production in Slovakia and, *inter alia*, establishes that last year the total output of pinewood amounted to 2.8 and that of foliaceous timber to 2.5 million cubic metres. Log-timber represented 60% of the total output of pinewood. For the sawing of logs Slovakia has available 29 large, 97 medium-sized and 270 smaller saw-mills. Today the production of plant tissue in Slovakia covers the requirements of the inland cellulose factories, which range from 750—800 cubic metres a year. The annual production of pinewood mining timber in Slovakia is 200.000 cubic metres; one-third of this quantity being marketed in the country and two-thirds exported to foreign countries. The annual production of pinewood beams ranges from 150—200.000 cubic metres; while the production of pinewood firewood represents 5% of the total output of pinewood. The output of foliaceous sawn wood and of foliaceous logs in Slovakia has advanced to 370.000 cubic metres a year, 250.000 cubic metres consisting of beechwood logs, and 100.000 cubic metres of oak logs. The annual output of firewood is 1.5 million cubic metres, 1.000.000 cubic metres being employed for household purposes, 350.000 cubic metres for the production of charcoal and 100.000 cubic metres for wood distillation. The output of pine-bark in Slovakia is 600.000 truckloads a year.

The Danubian Review is published monthly. — Editorial Offices and Management: Zrínyi-utca 1., Budapest V. — Responsible for the publication: Dr. ANDREW FALL. — Issued and printed by Sárkány 22359 Ltd. — Responsible for the printing: A. and J. Wessely. Price 6 d. — Subscription for one year 5 /

BUDAPEST. MUNICIPAL MINERAL BATHS AND SPRINGS

ST. GELLERT MEDICINAL BATHS AND HYDROPATHIC ESTABLISHMENT

Radio-active thermal springs, 47° C. Firstrate hotel with 260 bedrooms. Special prices for full treatment. Effervescent swimming-pool. Medical treatment. Modern equipment.

Address: **Szt. Gellért-tér 1., Budapest, XI.**
Telephone: 268-800.

RUDAS MEDICINAL BATHS AND HYDRO- PATHIC ESTABLISHMENT

Thermal pool and radium baths. Modern hydro-
pathic establishment. Dietetic catering. Special
inclusive terms. Indoors swimming-pool.

Address: **Döbrentei-tér 9. Budapest.**

SZÉCHENYI MEDICINAL BATHS

Sulphuric thermal water, 76° centigrade, springing
from a depth of 1238 metres. Psychotherapy
department with modern equipment.

Address: **Városliget Budapest.**

DRINKING CURES

The **Hungaria**, **Attila** and **Juventus** radio-
active springs in the **Rudas Park**. Splendid
results in cases of kidney, stomach, intestine and
gall troubles, high blood pressure and premature
old age. Ask your doctor!