

# POLITICAL ECONOMY

## HUNGARY

### HUNGARY'S REQUIREMENTS OF RAW MATERIALS ENSURED EVEN IN EVENT OF LONG WAR

The present international embroilment finds Hungary in a very consolidated state both economically and financially. This is due in large measure to the fact that the people of Hungary have reacted with calmness and composure to the events of the past few weeks. The European war does not threaten to disturb Hungary's economic life seriously; in some respects, indeed, the effects may prove stimulating. Thus, the increased needs of the belligerents and the difficulties attending overseas trade will enable Hungary to market many of her products on favourable terms; it may even be that certain countries which hitherto did their purchasing in other markets will now turn their attention to Hungarian products. It is therefore but natural that in these circumstances Hungary should react with greater composure than many other countries.

Very few European States can say that their economic position is as stable as Hungary's. The country is amply supplied with practically every prime necessity and has considerable reserves of the more important commodities that have to be imported from abroad.

According to the report on the crops lately issued, a record wheat yield of 30.5 million quintals is expected. Other grain crops are also good, and the rest of the agricultural crops are satisfactory. Live stock statistics for 1938 record 1.882.000 horned cattle, 3.110.000 pigs and 1.629.000 sheep. These numbers have of course risen with the restoration of the areas re-incorporated in Hungary. The forest areas of *Subcarpathia* will ensure a supply of timber, the salt mine at *Aknaszlatina* produces an ample quantity of salt for the country's needs, and the increase by leaps and bounds in the volume of raw oil production enables Hungary to cover a very large part of her own needs in that commodity.

Industrial production shows a favourable balance. Statistical reports for 1938 give the following figures: black coal 1.042.080 tons, brown coal 8.305.800 tons, iron ore 297.600 tons and pig iron 334.920 tons. That Hungarian industry is working at an extremely high capacity may be seen from the circumstance that in May 1939 the number of persons employed in factories and handicrafts was 769.000 as compared with 699.000 — also a very high number for Hungary — in the same month last year.

All these figures and circumstances show the elasticity of Hungarian economic life and justify the opinion that even in the event of a long war Hungary's economic resources will prove adequate to cope with the situation.

### RUMANIA

#### HALF RUMANIA'S FOREIGN TRADE CARRIED ON WITH GERMANY

An examination of Rumania's foreign trade figures for the first five months of the present year shows that more than one-third of her exports go to Germany and over half of her imports originate from that country. *The great expansion of Rumania's commercial dealings with Germany is the result of the economic treaty concluded in March.* In the first five months of the current year the value of Rumania's imports from Germany exceeded that of her exports to that country by 2.982.000 marks. The most important of her exports during that period were 2.667.070 quintals of petroleum, 23.920 quintals of meat and lard, 5205 slaughter animals, 2010 quintals of live poultry, 6370 quintals of dead poultry, 47.247.000 eggs, besides horses and a considerable quantity of live and killed game. Quite recently, in terms of the recently concluded agreement a beginning was made with the exportation of fruit to Germany.

#### FOREIGN BUYERS KNOCK UP THE PRICE OF RUMANIAN WHEAT

Bucarest, September 12. — *Swiss, Belgian, Dutch and British* buyers have made their appearance in the Rumanian grain markets and have knocked up the price of wheat. They pay with stable currencies by way of clearing transactions. By 11th September the price of wheat per wagon had risen by 12.000 lei, which makes it an exportable commodity. The present price is 43.000 lei per wagon, as compared with 31.000 formerly. The price of beans has also risen from 80.000 to 110.000 lei per wagon, that of barley from 20.000 to 30.000 lei per wagon.

### YUGOSLAVIA

#### WHAT CROATIAN ECONOMISTS DEMAND

*Belgrade:* The representatives of the *Chambers of Economy in the Banate of Croatia* have summed up their demands in 58 points

It has, for instance, been demanded that in future no new economic measures shall be introduced without the co-operation of the *Croatian*

*Chambers of Economy.* A revision of the assessment and collection of taxes in Croatia has also been demanded. A number of laws that make provision for the centralization of various funds should be repealed. Besides this, an abatement of the indirect taxes and a revision of the system of taxing articles of consumption have been demanded. Taxes on article of consumption should be divided among the various Banates according to a fair assessment key.

In respect of foreign exchange policy the Croats demand the establishment of a central *Foreign Exchange Board* on which representatives of Croatia would have seats. The *National Bank* is asked to open a head establishment in Zagreb and place its moneys at the disposal of Croatia in due proportion to the number of that Banate's inhabitants. State and chartered banking and trade institutions should also open independent branches in Croatia. The Department for the promotion of foreign trade should cease to be the competent factor in questions of that nature affecting Croatia, and its authority should be transferred to an independent institution to be established in Zagreb. Autonomous organs for the control of foreign trade should also be established. In the interests of Croatian economic life the law imposing restrictions on the sale of real estate in the frontier zone should be repealed.

In the sphere of inland commerce it is demanded that no stores (*emporia*) be permitted and that the activity of the retail branches of industrial undertakings be restricted. An embargo on the manufacture of galoshes is purposed to handicap the "*Bata*" concern. The acceleration of the electrification of Croatia is demanded. The provisions of the Manufacturing Industry Act must be made more severe; the licences issued to foreigners to carry on independent mercantile business, and labour permits, should be subjected to revision. The law dealing with public works should be amended in *Croatia's* favour. *Croatia's* demands in the sphere of communications policy have been precisely formulated. They embrace the development of the network of railways in that Banate, an increase of *Croatia's* rolling stock, the effectual subsidising of shipping and the construction of seaports.

---

The Danubian Review is published monthly. — Editorial Offices and Management: Zrinyi-utca 1, Budapest V. — Responsible for the publication: Dr. ANDREW FALL. — Editor for Economics: NICHOLAS UDVARDY. — Issued and printed by Sárkány Ltd. — Responsible for the printing: Dr. A. and J. Wessely.

Price Six pence. — Subscription for one year 5 /