

POLITICAL ECONOMY

HUNGARY

ORGANIZATION OF WOOD EXPORT OF SZEKLERLAND

The Hungarian Government is keenly supporting carrying into effect various schemes which serve to quicken up the economic activity of the reannexed parts of Transylvania. Among other things, it has provided for an organization to deal with the problems of wood export in Szeklerland. *This organization not only serves as an official authority to direct and control wood export, but it also furnishes farmers with loans wherever necessary.* The new organization works under the control of the State and will assist the farmers in the exportation of their products — as for instance, the export of Transylvanian pine-wood to Germany — at short intervals, whereby it secures the continuity and practicality of their work. Another important fact is that the new organization grants *payments in advance* on quotas awaiting exportation, whereby the wood-production of Transylvania is able to secure *permanent work for thousands* of Szekler and other workers there.

Országos Széchényi Könyvtár

HUNGARY TO BUILD OCEAN SHIPS

The Hungarian shipping companies have decided to have two larger vessels of 2.300 tons each built, to be employed on the route Budapest-South America. Thus Hungary will be able to transport coffee direct from the Brazils to Budapest. This increase in the number of Hungarian ships will be a great asset for the further development of Hungary's foreign trade.

RUMANIA

THIRTY MILLION PENGŐ "FROZEN" CLAIMS OF TRANSYLVANIAN INDUSTRY IN RUMANIA

At a meeting of the Association of Manufacturers of Transylvania M. Sándor *Böszörményi*, acting manager, declared that the Government had accepted all proposals submitted to them with a view to strengthening and improving the manufacturing industry of Transylvania and were endeavouring to satisfy the special demands of Transylvania as far as possible under present circumstances. *The settlement of claims against Rumania* — dat-

ing from the time of the Rumanian régime- and representing a sum of nearly 30 million pengő — is making very slow progress. Since most of the factories and companies have little or no mobile capital at their disposal, the loss of this sum would confront them with a serious problem. Various proposals were made at the meeting with regard to the clearing of this amount of claims.

DIFFICULTIES OF RUMANIAN WOOD TRANSPORT

In the wood depots of Galatz and Constanza 200.000 m³ of wood are waiting to be transported, but there are no possibilities of transportation abroad. The new frontiers of Transylvania have left the centres of wood exploitation on the Rumanian side, in the forests near the river *Kőrös*. The cities of *Kolozsvár*, *Nagyvárad* and *Bánffyhyunyad* are situated in the neighbourhood of these centres, but the Rumanian Government does not allow the wood to be taken away from here. Thus Rumania's exploitation of wood is faced with the utmost difficulties. Companies possessing only little capital are already winding up one after the other. (Excelsior, Dec. 15, 1940).

HOME CONSUMPTION OF RUMANIAN PETROLEUM

The home consumption of Rumanian petroleum was almost 25% less last September than in the September of the previous year. It was 128.997 tons, as compared with 163.908 in September 1939. This decline is all the more striking in view of the fact that home consumption between 1st January and 1st September 1940 was more than in the corresponding period last year, when it was 1.288.472 tons, as compared with 1.421.740 (an excess of 11%) in the period from 1st January to 1st September 1940.

These figures show that unstable political conditions not only adversely affect Rumania's exports, but are also responsible for a sharp decline in her inland consumption. Unfortunately the Rumanians do not seem able to learn from experience, for they continue in an utterly incomprehensible manner and systematically to spoil political relations with their neighbours, who are honestly desirous of coming to an agreement with them.

SLOVAKIA

DECREASE OF SLOVAK NATIONAL REVENUE

The first attempt of the Slovak National Bank to offer an estimate of the national revenue was awaited with great expectation both by the public opinion of Slovakia and in foreign quarters. Both at home and abroad a reply was eagerly awaited to the question whether the new State has developed its economic

situation since the establishment of its independence, and whether it has been able to raise the standard of life of its population? The latest calculations of the Slovak National Bank however fails to furnish any satisfactory reply to these questions.

It appears from this report that the Slovak national income amounts altogether to 5.564.003.120 Slovak crowns. If this sum is divided by the number of inhabitants (2.700.000), we get a quota of 2.060 crowns per head.

Let us now see what results we get if we compare these figures with previous data. We have reliable data from the year 1931, when the quota per head stood at 2.100 crowns, i. e. 40 crowns more than now, a decrease of nearly 2%.

A study of the distribution of the national income also produces some interesting results. The total of 5.500 millions of national income is divided among the various branches of occupation as follows:

| | |
|--------------------------|-------|
| Agriculture | 46.3% |
| Industry | 34.9% |
| Commerce | 16.7% |
| Capital Income | 2.1% |

These records show that agriculture plays the leading part in the development of the national income. This is all the more surprizing as Slovakia has hitherto been looked upon as an essentially industrial country. The economists of Slovakia, too, have declared that Slovakia is an industrial country dependent on the production of its industry. The truth is however, that Slovakia's industry only contributed 34.9% of the national income. Slovakia's staple branch of production is agriculture; in other words, Slovakia's industry has not yet reached a satisfactory stage of development, although it certainly does possess all the facilities which Nature could possibly provide it with. An inquiry into the causes of this state of affairs lies outside our province.

Records from 1931 show the following distribution of the quotas of the various branches of occupation:

| | |
|--------------------------|-------|
| Agriculture | 43.5% |
| Industry | 35.3% |
| Commerce | 19.4% |
| Capital Income | 1.8% |

A comparison of the records with those quoted above enables us to draw the following conclusions. In the first place, we see that *agriculture has increased in importance*: in 1931 its contribution to the national income was 43.5%, today it is 46.3%;

the contribution of industry, on the other hand, has decreased from 35.3% to 34.9%.

This circumstance may be due to Slovakia being still in a state of de-industrialization; or it may be that the productive capacity of its industry is constantly decreasing. This process, it will be remembered, was started by the Czechs, who, during their régime, purposely destroyed that flourishing industry of the former Hungarian regions which had been created by Hungary many years before. These territories were then reduced to an almost purely agricultural character, a circumstance that had many detrimental effects on their further development. To take only a few of these; — in the first place, this procedure (i. e. the reduction of industrial activity) arrested the development of city life and emphasized the importance of the provinces; life was made more rustic. People came to be guided by obsolete instincts, and for a long time the political life of Slovakia was unable to free itself from the influence of the village vicarages. Life lost all traces of modernism and excitement and became oriental. People's minds came to be governed by the agrarian population of the villages. Cultural life also suffered in consequence of the dissolution of its emporiums in the cities. Let us remember, by way of contrast, that the Third Empire has done more for the development of Germany's industrial and city life than the régime of Wilhelm II. and the Weimar Republic together. The same has happened in Fascist Italy. It shows that industrialization has in both empires produced a high standard of development.

In little Slovakia the reverse of all this seems to be happening. *The worst of it is that the new State is not able to arrest the process of destruction and annihilation commenced by the Czechs.* Its industry is continually decreasing in importance, though at the present stage of development it is — to say the least — almost impossible to lead an independent national life without a national industry.

YUGOSLAVIA

FAVOURABLE PROGRESS IN YUGOSLAV-HUNGARIAN CLEARING TRANSACTIONS.

Official records show that Yugoslavia's trade relations with the States of the Danube Basin and the Balkans have recently undergone an extremely favourable development. The following figures show the exchange of goods in the first ten months of 1939/40; the figures being in millions of dinars:

POLITICAL ECONOMY

| | Exports | | Imports | | Surplus | Deficit |
|---------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | 1940 | 1939 | 1940 | 1939 | 1940 | 1940 |
| Albania | 69.3 | 18.0 | 0.1 | 0.4 | + 69.2 | + 17.9 |
| Bulgaria | 31.3 | 5.0 | 51.1 | 12.7 | — 19.8 | + 2.3 |
| Greece | 100.0 | 106.9 | 75.1 | 39.1 | + 24.9 | + 67.8 |
| Hungary | 363.8 | 226.3 | 195.8 | 146.5 | +166.3 | + 79.8 |
| Rumania | 55.4 | 48.7 | 265.8 | 97.5 | —210.4 | — 48.8 |
| Turkey | 58.7 | 5.2 | 10.2 | 3.2 | + 48.5 | + 2.0 |
| Total: | 678.5 | 410.1 | 599.8 | 289.4 | + 79.5 | +120.7 |

In the past year Yugoslavia sent 12.08% of her exports to the above States, while in 1939 she sent only 9.83% there. As regards her imports, she acquired 12.28% from the Danube and Balkan States, in 1939 only 7.25%. *In the last ten months of the past year the value of Yugoslavia's exports to the above States increased by 268.4 million dinars, — i. e. 65.45% as compared with 1939.* At the same time, her imports from these countries increased by 107.25%. The trade balance of 1940 shows an excess of exports of 78.7 million dinars, in 1939 the excess of exports was 120.7 millions. *Of the States of the Danube Basin it is with Hungary that Yugoslavia maintains the liveliest trade relations.* At the same time, however, her exports to, and imports from, Turkey and Bulgaria have also increased.

THE FINANCIAL SITUATION OF YUGOSLAVIA

Commenting on the financial situation and the raising of taxes, the "Politika" points out that the financial resources of the State are first of all employed for the purposes of national defence. These expenses were covered chiefly from the loan given by the *Narodna Banka*, so that the debts of the State to the *Narodna Banka* have, since the outbreak of the war, now risen by 7.800 millions, which has occasioned the amount of bank notes to be raised by 5.870 million dinars. It would be most unwise however to continue raising the amount of bank notes, because such an operation would involve a weakening of the purchasing power of the dinar.

The financial investments of the State have to be completely reorganized. The "Slovenetz" points out that the state of neutrality demands financial sacrifices almost as high as those demanded by the war. It is wrong to transfer the debts of the State, now accruing from necessary expenses, to the generations to come. It is much better *to raise a national loan at home and to increase the national defence tax.* This has been so in other States too. At the same time, however, dishonesty in tax paying must be eradicated. Investments intended for peace time must be suspended in order to devote the sums thus set free to the pur-

poses of national defence. ("Politika", January 14, 1941; "Novosty", January 15).

YUGOSLAVIA'S JOINT-STOCK COMPANIES

According to the statistics published in "Yugoslavenski Kurir", the entire capital of all the limited liability companies in Yugoslavia was, in 1937. 7.441 million dinars. 1937 this sum increased by 3.92%, in 1938 by 5.08%, in 1939 by 3.45%, and in 1940 by 7.42%. In 1940 the increase of the share capital amounted to 823.5 million dinars. Out of this sum 338.9 millions go to the capital of 84 new companies, 540.6 millions go to the increase, of capital by 54 old companies, while 16 companies have diminished their capital by 56 millions. The State invested 126.9 millions in the foundation of new companies, 200 millions in the raising of capital by old companies, i. e. a total of 326.9 million dinars. *Out of the 84 new companies 54 (66.6%) were founded in Belgrade, 11 (13.4%) at Zagreb and in the area of the Banate of Croatia, while 15 (20%) in other parts of the country.* The newly invested capital was divided as follows: Belgrade 152.2 millions (75.78%), Zagreb and the Banate of Croatia 20.5 millions (9.65%), and the other parts of the country 39.3 millions (18.5%). The largest part of this new capital was invested in the metal and machine industry: 272.6 millions, 100.7 millions in shipping companies, and 99.7 millions in the textile industry. As regards the first, the State had the majority of the shares. ("Obzor, Politika", January 14, 1941).

RAISING OF TAXES IN YUGOSLAVIA

The Government has issued a number of ordinances ordering the raising of taxes, from January 1st, by 25 to 150%. The railway rates were raised by 20%, the purchase taxes by 25 to 150%, other similar taxes from 2.5% to 3%, and „luxury” taxes from 12—20% to 15 to 40%.

The Danubian Review is published monthly. — Editorial Offices and Management: Zrinyi-utca 1, Budapest V. — Responsible for the publication: Dr. ANDREW FALL. — Issued and printed by Sárkány 1756 Ltd. — Responsible for the printing: A. and J. Wessely.

Price Six pence. — Subscription for one year 5 /

BUDAPEST. MUNICIPAL MINERAL BATHS AND SPRINGS

ST. GELLERT MEDICINAL BATHS AND HYDROPATHIC ESTABLISHMENT

Radio-active thermal springs, 47° C. First-rate 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!