

POLITICAL ECONOMY

CROATIA

CROATIA'S ECONOMIC RECONSTRUCTION

With her territorial growth Croatia, which stretches from the Danube to the Adriatic and from the Drave to the Drina, is confronted with new economic tasks. (Her present area is 115.000 sq. kilometres, as compared with her former area of 66.383; her population, which numbered 4.000.000 while she was one of Yugoslavia's Banats, is now 7.000.000.) In spite of her unexploited resources of raw materials and the industries already existing, the country, which has been divided into 21 administrative units (counties), remains largely agrarian in character, seeing that *about 83 per cent of its inhabitants are supported by agriculture, forestry and fishing, while only 7.5 per cent. are employed in industry, 3 per cent in commerce and 6 per cent in other branches of economy.*

This distribution of the various branches of economy arises from the agricultural structure of the country. One-third of Croatia's territory, about 4.000.000 hectares of land, is covered with forests, 4.000.000 hectares are wheat-, barley-, oats-, rye- and maize-producing areas; on 3.000.000 hectares other produce is grown, 1.800.000 hectares are pastures. 890.000 hectares are meadow-lands, 100.000 are orchards, 77.000 are vegetable gardens and 99.000 are vineyards. The number of fruit trees is particularly large: there are 14.000.000 plum-trees, 2.500.000 apple-trees, 1.600.000 pear-trees and 1.100.000 walnut-trees in present-day Croatia. According to the latest reports her stock of animals embraces 600.000 horses, 2.000.000 head of horned cattle, 1.300.000 pigs and 3.000.000 sheep.

In these circumstances it is only natural that the greater part of the programme of reconstruction should deal with the development of agriculture. Croatia's first task is to make agriculture more productive. Although there are a number of model farms, as well as an extensive network of co-operative societies, in the country, it is nevertheless seen to be necessary to improve the average yield per acre by means of agricultural machines and implements and the selection of a better quality of seed-grain. A plan has been made to reclaim barren and swampy land and to regulate the rivers in order to prevent their inundating large areas every year.

In the course of the work of reconstruction an important task will have to be performed in the way of improving communications and transport. Besides the draining of swamps and the regulating of rivers, the building of a road between Zagreb and Zimony, with another branching off from it in the direction of *Spalato—Serajevo—Dobrovnik*, is to be undertaken, as is also the construction of a branch-road from Zimony to Eszék connecting up with the high-road leading from Zagreb towards the German, Italian and Hungarian frontiers. For road-building 4.000.000.000 dinars have been appropriated, 400.000.000 of which have already been issued.

CROATIA'S COAL SUPPLIES

Before the first Great War there was one privately owned brown-coal mine in Croatia which on an average produced 212.329 tons a year. The greater part of the coal required by Croatia then was supplied by Hungary. During the Yugoslav era Croatia obtained her coal from the brown-coal mines in Slovenia. The railway engines in Croatia were heated with brown coal obtained from the rich deposits in the Slovene mine at Trifail. Now that Slovenia has been divided between Germany and Italy, the new State of Croatia cannot expect the Slovene mines to supply her needs. Seeing, however, *that the Kingdom of Croatia includes Bosnia and Hercegovina, regions rich in coal*, the Bosnian mines, if properly exploited, will be able to cover the country's needs. Most of the mines in Bosnia belong to the State. In 1940 those State mines produced altogether 1.324.000 tons of coal valued at 163.500.000 dinars. In order of importance the capacity of the biggest mines is as follows.

<i>Kreka</i>	332.000 tons
<i>Kakanj</i>	312.000 tons
<i>Zenica</i>	287.000 tons
<i>Breza</i>	183.000 tons
<i>Mostar</i>	122.000 tons

According to expert opinion, production in these mines may be increased to the point of self-sufficiency. In spite of this Croatia will experience difficulties in connection with her coal supplies owing to the circumstance that almost all of the mines lie near narrow-gauge railways.

There are also a few privately owned coal mines in Croatia which yearly produce on an average 260.000 tons of coal valued at 33.000.000 dinars.

HUNGARY

RECORD BANK DEPOSITS

On 10th June the Central Corporation of Hungarian Banks published an official statement of the sums deposited with its Members in Hungary and with the Post Office Savings Bank, giving the fluctuations of deposits at various periods. According to that statement, *on 30th April of the current year the sum total of the savings and account current deposits in the Hungarian Banks, including the Post Office Savings Bank, was 2.320.000.000 pengő, or almost 300.000.000 more than in 1930 the best post-War so far as deposits were concerned.*

At the end of 1940 the total sum invested in deposits was 2.277.000.000 pengő. At the end of 1938 deposits amounted to 1.748.000.000 pengő, and to 1.964.000.000 at the end of 1939. *This comparison shows an average increase of 15 per cent per annum, which must be considered very great if we remember that this increase of several hundred millions was deposited in years which, according to accepted economic principles, were not favourable to the accumulation of capital in the form of bank deposits.*

That in contrast to almost every other country in Europe such satisfactory signs are noticeable in Hungary, is due *on the one hand to the fact that Hungarian economic life is absolutely sound in all its functions and, on the other, to the unshaken confidence felt in the stability of the Hungarian banks.*

The statement referred to above shows that the distribution of deposits is also very sound. According to this statement, the Post Office Savings Bank handles 173.000.000 pengő in savings deposits and 165.000.000 in account current deposits, the Budapest banks handle 606.000.000 in savings deposits and 899.000.000 in account current deposits, while the sums handled by provincial banks are 348.000.000 in savings deposits and 129.000.000 in account current deposits. *Thus deposits are pretty equally divided between savings deposits and account current deposits, which is a sign of healthy development.*

RUMANIA

RUMANIAN ECONOMIC NEWS

According to a report from the International Press Bureau, Rumania's oil production in the first five months of the current year amounted to about 2.250.000 tons, as compared with 2.550.000 in the same period last year. This is a decrease of 12%. As regards the exportation of oil and oil products, by far the greater quantity was transported by rail and the Danube, very little having been exported to foreign countries by sea.

Exports from January to April totalled 929.958 tons valued at 7.031.500.000 lei, as compared with 1.090.000 tons valued at 6.399.500.000 lei in the same period last year.

The Hungarian Telegraph Bureau reports that as from 20th June for the period of one year the Rumanian State has requisitioned all granaries capable of storing over 2 tons of grain and all buildings suitable for that purpose.

RUMANIA'S EXPORT TRADE BALANCE

According to an official report from Bucharest the export trade of Rumania for the first five months of the current year shows the following aspect as compared with the export trade for the corresponding period of the previous year: —

During the first five months of the current year no wheat whatsoever was exported; whereas in the corresponding period of the previous year 360.000 tons of that commodity were exported. The quantity of maize exported during the said period of this year was 91.640 tons as against 288.835 tons in the previous year. Last year 750.070 tons of barley were exported; this year only 29 tons. This year no oats or rye was exported at all — as against 1631 tons of oats and 50.123 tons of rye during the corresponding period of the previous year.

From the aggregate data published it appears that during the first five months of the current year *the exports of Rumania, including the agrarian products not enumerated above, aggregated 169.464 tons as against 746.767 tons in the previous year. That means that the volume of commodities exported by Rumania in the first five months of the current year was 576.800 tons less than that recorded for the corresponding period of 1940.* Of the volume of agrarian produce exported by Rumania in the first five months of the current year 134.000 tons found their way to Germany — that representing nearly 80% of the total volume of exports. To Italy Rumania exported 13.712 tons, to Sweden 10.319, to Switzerland 2946, to the Czecho-Moravian Protectorate 3252, and to Slovakia 139 tons.

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