

# POLITICAL ECONOMY

## BULGARIA

### BULGARIAN MINISTER FOR AGRICULTURE ON AGRICULTURE IN BULGARIA

A short time ago M. D. *Kusev*, Bulgarian Minister for Agriculture saw the journalist Dr. N. *Christov*, and in the course of the interview made the following statements about the situation of agriculture in Bulgaria:

Bulgaria, where 82% of the population lived from agriculture, was the classical home of the small farmer. Only 40.2% of the country was arable land, 9.3% was pasturage, 30% consisted of forests, mountains and untillable areas. The majority of the land farmed by the peasants, mostly divided into very small lots, was their own property, only a very part of it was rented. About 63% of the farms were less than five hectares in extent. These embraced 30% of the entire agricultural area. A further 26% of them were over five and under ten hectares and embraced 37% of the cultivated land, while the remaining 11% were farms over ten hectares in area embraced 33% of the tilled land.

*In Bulgaria the main agricultural product was corn, which was grown on 70% of the arable land. The second place was held by fodder on 18% and the third by industrial plants, such as tobacco, sunflowers, soya beans, sugar-beet, paprika, grapes, etc., on 12%.*

Continuing, the Bulgarian Minister of Agriculture said that agricultural production in Bulgaria was much more intensive than in the adjacent countries, and quoted the following figures in support of that statement: —

#### *Average yield per hectare in quintals*

	Bulgaria	Greece	Rumania	Former Yugoslavia	Turkey
Wheat	11.6	5.9	10.1	11.7	8.2
Barley	13.2	7.7	9.8	9.8	9.7
Maize	10.5	7.3	10.3	13.1	13.2
Tobacco	8.5	6.4	6.9	7.5	7.6

Bulgaria however, was not satisfied with these results. She was working systematically to increase the volume of her crops, on the one hand, by making agricultural production more intensive and, on the other, by reclaiming waste areas. With a

system of drainage and irrigation she intended to improve about 800.000 hectares, and would gain a further 550.000 by clearing certain forests and 500.000 by reclaiming barren, waste areas.

M. Kusev attached very great importance to the parcelling out of land, which was to be done throughout the whole country. He hoped that at its conclusion Bulgaria would gain another 100.000 hectares of arable land. To make agricultural production more intensive, in future a greater quantity of oleaginous plants, fibrous plants and medicinal herbs would be produced, more poultry and animals, especially pigs, reared, and everything would be done to encourage the manufacture of tinned vegetables and fruit. ("Bugarische Wochenschau", Aug. 5.)

## CROATIA

### CROATIA'S AGRICULTURE AND CATTLE-BREEDING

A report from Zagreb states that, although Croatia's frontiers have not yet been definitively fixed, an approximate estimate of agriculture and cattle-breeding in the new independent State may nevertheless be formed. The area of Croatia will be about 115.000 square kilometres and her population almost 7.000.000. *Fourfifths of her inhabitants are engaged in agriculture and forestry. This, however, by no means signifies that Croatia is self-sufficient.* The chief reason why she is not, is that her agricultural land consists mostly of dwarf farms, *which makes the production of a surplus for the markets impossible*, especially as regards bread cereals. A considerable part of the country consists of bare dolomites, and none of the farms in the arable regions produces more than its owner and his family require. It is only in the plains of Slavonie and Syrmia that enough is produced to leave some over for the markets. This quantity, however, is insufficient for the requirements of the whole country so that even with the best possible crops present-day Croatia will be dependent on imports for her bread cereals. Where plants yielding oil are concerned the situation is much better. In Croatia's littoral district there are about 4.750.000 olive-trees, which yield 6000 tons of oil per annum. Of late soya beans have been planted in much larger areas, so that *in normal circumstances Croatia will have enough oil for her own requirements.*

Yugoslavia was very rich in fruit-trees, but only onethird of the 60.000.000 registered are in Croatia: 15.000.000 plum-trees, chiefly in Bosnia, 2.500.000 apple-trees, 1.600.000 pear-trees and 1.300.000 walnut-trees. *With proper attention these trees ought to produce enough fruit to allow an ample margin for exportation.* Croatia has an area of 100.000 hectares of vineyards and tobacco fields, of which the plantations in Bosnia — e. g. at Trebinje — are famous. They produce so much that there

will be plenty left over for exportation. Croatia will also have flax and hemp to export, for she has 13.000 hectares sown with the former and 16.000 with the latter.

Compared with the size of the country and the density of the population, *Croatia's stocks of animals are considerable*. She has at present 1.250.000 pigs, some of which she will be able to export, since the Croats eat mostly mutton. Seeing that 3.500.000 sheep have been counted in Croatia, the population will be amply supplied with meat, and some of it will remain for exportation. The Croat peasants themselves spin and weave the wool to make their own homespuns, so that Croatia will have none to export.

Croatia's stock of horned cattle is large, for it is estimated that she has 2.000.000 head. In 1939 Yugoslavia had 4.225.000 head of cattle, of which 676.000 were slaughtered in the country and 45.000 were exported. In comparison Croatia's stocks are very considerable. They will be an important item in her foreign trade, for a large proportion of Yugoslavia's exports of cattle came from the present Croat areas.

Of particular importance will be Croatia's exports of timber. One of Yugoslavia's major exports was wood, which came chiefly from Croatia and Bosnia, and in future the new State will be able to export this commodity in even greater quantities.

## HUNGARY

### HUNGARIAN ECONOMIC RESEARCH INSTITUTE FORESEES FAVOURABLE ECONOMIC YEAR

The Hungarian Economic Research Institute in August published its report — furnished with exhaustive data — describing the economic situation as it stood at the end of July. The report points out that the economic situation all the world over is being influenced decisively by the increase in the production of war material and that in consequence the production serving the purposes of consumption has necessarily had to be restricted.

There is no means yet of foreseeing what sacrifices of an economic character will have to be made; but there is no doubt that the hostilities have already to some extent affected the economic life. Even prior to Hungary's entering the war the country's economic situation was decisively influenced by the continued armaments activity and the more and more comprehensive extension of the control of economic life. *Other important factors influencing the development of the economic situation are — the constantly increasing difficulties attending the supply of raw materials and the harvest yield, which latter in 1940 was of an unfavourable character and was responsible for*

*difficulties in respect of the supply of food. The 1941 yield promises to be more favourable.*

The situation of agriculture in the economic year 1941—42 will in all probability be better than that recorded for the previous year. As a consequence of the concordant system of prices introduced just before the opening of the current economic year the cash receipts of agriculture would be 21% in excess of those recorded for the economic year 1940—41, even in the event of the volume of produce marketed being the same as in the previous year. But, seeing that on the whole a medium average harvest yield may be expected, we may reckon on the cash receipts of agriculture advancing on an even more considerable scale. We must not however forget that as a consequence of the new adjustment of industrial prices to be expected there will be an advance also in the prices of the materials required for agricultural operations.

Taking our industry as a whole, despite the increasing difficulties attending the supply of raw materials *industrial production developed favourably during recent months too.* This relatively favourable development was rendered possible by the more or less considerable decline ensuing in the output of numerous branches of industry (cotton and rubber industries, certain branches of the chemical industry, etc.) as a result of the shortage of raw materials, having to some extent been counter-balanced by the advance in the output of a few other branches of industry. *There has been a noteworthy increase in the output of the mining industry, of a few branches of our heavy industry, of some branches of the chemical industry, of the paper industry and of one or two branches of the victualling industry of minor importance.* There was a slight improvement in the degree of employment of industrial workers as compared with the previous year. The number of hands employed in the manufacturing industry and in the crafts in the spring of 1941 was only a shade below the peak point reached in the summer of 1940. A moment offering great facilities to Hungarian industry is that the supply of energy may be regarded as ensured, — particularly in the event of the materialisation of the scheme of investments in the colliery industry encouraged by the grant of special premiums.

*There appears to be a possibility also of expanding the field of raw material production in the country, particularly by having recourse to the further expansion of the branches of industry manufacturing substitute articles which depend upon the supply of raw materials obtainable in the country, to the accumulation of waste material, to the exploitation of the mineral (metal) deposits to hand in Transylvania and to the enhancement of the hemp production of Southern Hungary. The prospects in respect of the degree of employment are also of a favourable*

*character. The expansion of the industries manufacturing substitute materials provides work for a large number of hands; while the utilisation of the substitute materials also demands a larger number of workers than that required in the manufacture of the original raw materials.*

An important part of the report of the Economic Research Institute is *that which deals with the investments required.* In our industry many very important investments are today imperatively necessary. Apart from the effectuation of investments long deferred, in numerous branches of industry (though above all in the heavy industry and in the colliery industry) it has become necessary to increase the capacity of production and to expand the output, — partly as a consequence of the requirements incidental to the increase in armaments, partly owing to the fact that the industrial output of the re-incorporated territories is a comparatively slight one. The need for investments is enhanced also by the circumstance that the mining and industrial undertakings in existence in the re-incorporated territories need modernisation and expansion. In connection with the investments there are two problems to be solved. *On the one hand the capital required for the investments must be raised, and on the other the capital goods needed have to be produced.* Although there are undertakings which as a consequence of the decrease of their output and the decline in their stocks of goods are in a position to carry out investments out of the floating capital thus released, only a relatively very small number of undertakings would be able to do so. *In the capital market there is every possibility that our industry will be able once more to secure the capital which it requires in that quarter.*

## RUMANIA

### CHANGES IN RUMANIAN HEAVY INDUSTRY

In Rumania great changes have ensued in industry, — chiefly in the heavy industry. Several big undertakings have been nationalised; while other big undertakings have been taken over by new groups of investors.

The fate of the *Resica Ironworks* — the biggest undertaking in the Rumanian heavy industry — was for months the focus of the interest of the world press. After the first Great War and the consequent collapse of the Austro-Hungarian Monarchy the control of the undertaking which had formerly been in Austrian hands was seized by a "faiseur" of the name of Ausspitz. This man was the uncrowned king of the iron industry of Rumania, besides being the intimate personal and business friend of King Charles of Rumania, to whom he owed the continual increase of his power in the business world too. All the greater

was the surprise when King Charles approved of the arrest of Ausspitz and agreed to the Rumanian authorities instituting the most ruthless investigation into the affairs of Ausspitz and the Resica undertaking. The investigation lasted for years; and *the Resica Works too seemed to be threatened with a complete collapse when there appeared upon the scene the German Hermann Göring concern, which undertook the re-construction of the Resica undertaking.*

The Resica crisis was, however, only the first chapter in the story of the scandals affecting Rumanian industry. *Malaxa too, the patron of the Iron Guard who was Ausspitz's greatest rival, was overtaken by the same fate.* This man, who from being a simple engineer had risen to be an industrial magnate, — who obtained possession in succession of the Rumanian iron and steel works and machine and locomotive factories not belonging to the Resica concern, as well as of the largest munition factory in the country, — was intimately associated with the State and played a leading role also in Rumania's economic policy. When he attempted to usurp a similar role in the internal political world of Rumania too, he found himself confronted with General Antonescu, *who had Malaxa arrested for taking part in an Iron Guard "Putsch" and instituted proceedings against his undertakings as having committed abuses in connection with public contracts.* (Ausspitz was at the same time released and allowed to get away. He is said to be at present in New York).

The fate overtaking the Malaxa Works was the same as that suffered by the Resica undertaking. *The gigantic factories came into the possession of the Rumanian State and were subsequently leased by the Hermann Göring concern.* As for the undertaking previously a joint investment of the Resica and Malaxa concerns, — viz. the *Astra Carriage and Machine Manufacturing Co. Ltd.* —, *the majority of the shares of this third gigantic undertaking were also taken over by the Rumanian State, their affairs being now administered by a Government Commissioner.*

The latest event in the story of nationalisation has been *the increase of the share capital (now in progress) of the Vajdahunyad Ironworks, the new shares issued in connection with this transaction having also been taken over by the Rumanian State.* The German Ferrostahl concern is also interested financially in this undertaking.

The report of the *Bucharest German-Rumanian Chamber of Commerce* published recently serves in an interesting manner to supplement this survey of developments. The data published by the Chamber show that in the first half of the current year *19 new joint-stock companies were established in Rumania with the co-operation of German capital. Some of the new companies are industrial and others are commercial; the spheres of activity*


of the new companies are connected, not so much with the heavy industry as with agricultural industry and agrarian export. With the co-operation of German and Rumanian investors and of Schenker & Co. a joint-stock company (the "Ceremag") has been established primarily for the purpose of leasing and building warehouses and of promoting agrarian export trade. The *Friedrich Czell Co. Ltd.* has been formed by Germans living in Rumania for the canning and exportation of preserved meat; another undertaking with German capital is the *Odol Co. Ltd.*, which recently took over also the Arad branch of a Budapest chemical factory.

A slow process which has however been in progress for several years, is the nationalisation of the oil industry. The undertakings belonging to West European investors are being taken over either by the Rumanian State or by German concerns.

### RUMANIA TO TAKE UP A GERMAN LOAN OF 24,000,000 LEI

It is reported from Bucharest that the Rumanian Government has issued a proclamation relating to the new War Loan. The new loan is called the "redintegration loan" ("imprumut reintegrării") and is to bear interest at the rate of  $4\frac{1}{2}\%$  per annum. The nominal value of the bonds is 5000 lei, the price of issue being 4500 lei. Special "peasant bonds" of the nominal value of 1000 lei are to be issued and are to be redeemable within five years. A special premium is to be given to holders of the "peasant bonds"; every year there are to be fifteen drawings, the prizes offered on each occasion being 2 oxen, 500 ploughs, 500 carts, etc.

Another report from Bucharest informs us that the Prefect of Jassy has issued an ordinance declaring that no one has the right to drag Jews away from their homes or to take up Jews found in the streets; on the other hand, all Jews between the ages of 18 and 60 are required to undertake 15 days' public work. Those who can prove that they have already done such public work, cannot be required to do so any more.



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