

POLITICAL ECONOMY

CZECHO-SLOVAKIA

NOTABLE DECREASE IN INDUSTRIAL PRODUCTION AND IRON INDUSTRY

The production of raw iron in April decreased by 104.000 tons (last year's figure was 140.000 tons). The figures of the total production of the first four months of this year show that the production of raw iron was 9.3%, and that of raw steel almost 10%, lower than last year. The production of coal fell from 1,396.000 tons in March to 1,248.000 tons in April (against 1,344.000 tons last year). — The output of brown coal amounted to 1,443.000 tons in April, 1937; in April this year it fell to 1,359.000 tons (from 1,506.000 tons in March). The production of coke decreased by 15.7% as compared with March. The volume of coal exports fell from last year's 177.000 tons to 152.000 tons (in March 178.000 tons); that of brown coal exports fell from last year's 160.000 tons to 145.000 tons (the same in March). — The production of coke fell from 62.000 tons in 1937 to 52.000 tons in April this year (in March it amounted to 70.000 tons).

The volume of the exports of the textile industries during the first four months of this year was 25.5% less than last year, while its value decreased by 5.2% as compared with the first four months of last year. As against the average for 1927—29, the volume of exports shows a decrease of 54.8%, and its value one of 60.5%. — As regards the importation of raw materials in the textile industry, its volume — during the same period — shows a decrease of 38.2%, while its value decreased by 45.8%. This extraordinary decrease in the volume and value of raw materials imported has caused a considerable rise in unemployment.

The export of hosiery, knitted gloves and other knitted articles is fluctuating. While the volume of hosiery exports in the first four months of this year was 33% higher than last year, that of knitted gloves decreased by 25.5%. The same decline is in evidence in respect of leather gloves exports. While the total amount of leather gloves exported in April 1937 was 478.220 pairs, in April this year the total amount sold abroad was only 387.539 pairs. The value of last year's leather glove exports was 9.6 million crowns, while in April this year it fell to 8.1 millions.

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HUNGARY

FINANCIAL AND ECONOMIC PROGRAMME OF
GOVERNMENT

Addressing the House on the introduction of his Cabinet, M. Imrédy, the new Hungarian Premier, announced the realisation of the Government's new 1000 million investment scheme. In the first place, the demands of home defence will have to be taken into consideration, besides which significant sums will be spent on the necessary public works and credit operations. The assessment of taxes will be made more reasonable from a social point of view; in this connection the Government intends to introduce the "jury" system. Excise will be decreased. The farming classes will be enabled to buy more land by the conversion of newly purchased estates into a series of "life leases". The control of banks will be extended over the entire banking system. Should certain conditions make it necessary, the nationalisation of a number of war industries may also be considered. The Government, furthermore, intends to introduce compulsory labour service, whereby the younger generations of the educated classes will come into close contact with the younger generations of labourers and farmers, and will thus be able to acquaint themselves with, and to appreciate, their work and mentality. The system of "chambers" (those of commerce, industry, lawyers etc.) will be extended to cover other professions. The chambers within themselves will be subdivided into four different units; one for the industrial establishments (factories, State works, etc.); one for the leaders of industrial establishments; one for the staff; and one for the manual labourers. Agricultural credit will be made cheaper and more easily available, and the establishment of farmers' co-operative societies will also be promoted. The Government intends to prevent the partition of landed property into abnormally small portions, below a certain minimum. The development of further trade relations with other countries is also an important part of the Government's scheme. The National Bank has already provided for substantial reserves, and it intends to pursue this policy with the utmost care, because the provision of the large supplies of raw materials required under the Government's new investment scheme will not be possible without considerable reserves of foreign exchanges. The State will provide for employment offices, which have hitherto been maintained by private individuals.

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MAJOR PROCTER URGES PERMANENT AIR SERVICE
BETWEEN LONDON AND BUDAPEST

Major Henry Procter, M. P. (Cons.) pleaded in the House of Commons, on May 18, for the urgent establishment of a

direct air service between Great Britain and Hungary, in order to enable British visitors to reach the Hungarian plains in the shortest possible time. This would, at the same time, be a token of true sympathy towards a country which the Treaty of Trianon has forbidden to maintain an air force of its own. This act of courtesy would be highly appreciated by the whole Hungarian nation.

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RUMANIA

TRADE AGREEMENTS BETWEEN GERMANY AND HUNGARY TO MEET CHANGE OF CONDITIONS

The negotiations between the German and Hungarian commissions led, on May 7-th, to the signing of certain agreements necessitated by the recent union of Austria and Germany. It has been agreed that the agreements referring to payments and the exchange of goods, together with a number of other agreements and provisions, shall apply automatically to Austria in the same form as they have hitherto existed between Hungary and Germany, while the extension of the Hungarian-German Trade Agreement as a whole, including tariff regulations, will follow — with certain modifications — after the incorporation of Austria in the German tariff system. Special resolutions have been taken to secure the stability of transit trade between Austria and Hungary during this period of transition.

Semi-official reports in Hungary express the hope that after the reunion of Austria with Germany these agreements — which are described as wholly satisfactory in every respect — will result in a further increase of the steadily improving exchange of goods between Germany and Hungary.

The following figures will serve as an illustration of trade relations between Hungary on the one hand and Germany and Austria on the other. Germany: Imports, 124.7 million pengő. (26.2%); Exports, 141.5 million pengő. (24%). Austria: Imports, 85.3 mil. p. (17.9%); Exports, 99.3 mil. p. (16.9%). Total: Imports, 210 million pengő. (44.1%); Exports, 240.9 mil. p. (40.9%).

These figures far exceed those showing Hungary's trade relations with other countries. Thus, for instance, Italy figures with 12% in Hungary's export trade, while the participation of Great Britain amounts only to 7%, and that of Rumania and Switzerland to 4% each. On the other hand, Hungary's other imports originate from Rumania (9%), Italy (7%), Czecho-Slovakia (6%), and Great Britain (5%). Until 1937 Italy — occupying the second place on our export list — had not purchased one third of the amount purchased from us by Germany and Austria. Rumania's participation is even less, although she occupies the third place on our import list, after Germany and Austria.

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YUGOSLAVIA

PASSIVE FOREIGN TRADE BALANCE IN THE FIRST FOUR MONTHS OF THE YEAR

Compared with last year's figures, the foreign trade balance of Yugoslavia in the first months of the current year shows a remarkable decline. The total volume of Yugoslavia's export trade during this period amounted to 1569.5 million dinars; this, compared to last year's figures (1903.4 millions) means a decrease by 333.8 millions (17.54%). The import trade of the country amounted to 1743.8 million dinars, which is 176 millions (11.16%) more than last year (1568.8 millions). It appears, therefore, that a profit of 334.6 million dinars in 1937 stands against a deficit of 174.3 millions in Yugoslavia's foreign trade balance this year. Among those articles whose export shows the most considerable decrease are wheat, copper, mining products, wood and flax. If we examine the list of Yugoslavia's purchasers it appears that Great Britain was the only country Yugoslavia's exports to which in the first four months of this year show a slight increase. The deficit in relation to Germany is so large that it equals the total deficit incurred in relation to all the other countries. ("Jugoslavenski Lloyd", May 25.)

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