

POLITICAL ECONOMY

HUNGARY

FAVOURABLE REPORT ON ECONOMIC SITUATION OF HUNGARY IN 1938 BY THE BRITISH LEGATION IN BUDAPEST

The British Board of Trade recently published the report of the British Commercial Secretary in Budapest on the economic situation of Hungary in 1938. The crisis in European politics — the report says — has had the same detrimental effects on economic life in Hungary as in the other States of the Continent; nevertheless, Hungary's industrial production shows an upswing in almost every branch in the second half of 1938: the output of manufacturing industries as well as that of the chemical industry has increased, and the purchasing power of both the urban and the country population has advanced. There was a remarkable increase in the consumption and production of bauxite, petrol, gas, electric power, food, sugar, milk and beer. The condition of agriculture was favourable, owing mainly to the tendency of price fixing. The export trade in wheat, pigs, poultry, raw and manufactured meat and eggs has risen remarkably.

Országos Széchényi Könyvtár

The balance of the foreign trade of 1938 shows an excess of exports of 103.7 millions. The Government has displayed lively activity in the field of social reforms. The 1938—39. Budget shows a surplus. The Anglo-Hungarian clearing agreement was observed by Hungary with the utmost exactness and loyalty. Trade relations between Great Britain and Hungary have remained more or less the same as before.

The report stresses strongly the economic, financial and political importance of the territories recently re-incorporated in Hungary. It points out that these territories solve one of Hungary's most difficult problems, viz. that of wood-supply; moreover, that rich iron, antimony and manganese mines in those areas have caused a considerable decrease in the country's imports in various articles. The highly important railway lines of the re-incorporated territories have increased the Hungarian railway system by 15%. The return of the Kassa-Beregszász railway line is of great economic, military and financial importance; it had facilitated the most lively traffic between Czechoslovakia and Rumania, and it was the main "railway artery" of the Little Entente.

ROMANIA

DISTRIBUTION OF RUMANIA'S FOREIGN TRADE IN FIRST QUARTER OF 1939.

The following is an extract from the Rumanian economic weekly "Excelsior" (June 3rd): —

"The chief item on the list of our foreign trade is *Germany*, especially so far as our imports are concerned. Our trade relations with Germany are illustrated by the following figures, compared with the figures for the first months of last year (values quoted in millions):

Imports:		
	1938	1939
January	566	595
February	552	506
March	707	986
Total:	1.825	2.187

Exports:		
	1938	1939
January	367	504
February	360	433
March	603	552
Total:	1.330	1.489

Itt appears, therefore, that our imports from Germany have risen from 1825 millions to 2.187 millions, and exports from 1.330 to 1.489 millions. In the first quarter of 1938 Germany supplied 35% of our imports and took 25% of our exports, while in the same period of 1939 Germany figures with a still higher percentage: 44.8% of our imports, while her share in our exports to Germany was caused by a corresponding increase in our German exports was caused by a corresponding increase in our exports to Great Britain.

Great Britain figures with 9.5% in our imports and 5% in our exports during the first quarter of 1938. In 1939 our imports from Britain fell to 7.6%, while our exports to Britain rose to 23%. The figures of Anglo-Rumanian trade are as follows (in millions):

Imports:		
	1938	1939
January	111	101
February	212	119
March	177	152
Total:	500	372

Exports:

	1938	1939
January	61	484
February	96	446
March	78	372
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Total:	235	1.302

While our imports from Great Britain fell from 500 to 372, our exports to Britain rose from 235 to 1.302 millions.

Italy. Our imports from Italy rose from 183 millions to 405 millions, and our exports from 381 to 505 millions. That is, in 1938 Italy took 3.6% of our imports and supplied 8% of our imports, while this year she figures with 8.3% in our imports and 8.8% in our exports.

France. Our exports to France in 1938 amounted to 230 million lei, and in 1939 to 214 millions, while our imports from France fell from last year's 455 millions to 162 millions this year. In 1938 France figured with 8.7% of our total imports and 4.4% of our total exports, while this year she represents 3.3% of our imports and 4.2% of our exports. We hope that the Franco-Rumanian trade agreement of May last will contribute towards the enlivenment of our trade relations with France.

There was a slight decrease in our trade relations with Belgium, while our relations with the U. S. A. have remained unaltered since last year."

NO FARMERS DAY IN THE BANATE

The Hungarian Agricultural Society of Transylvania would like to arrange a Farmers Day in the Banate, but, although it had already fixed two different dates, it has so far been unable to receive the permission of the authorities. The Farmers Day was to be held at Kolozsvár (Cluj).

SLOVAKIA

INVESTORS WANTED IN SLOVAKIA

The Slovak weekly "Budovatel" complains of the scarcity of investors in Slovakia. At least 20.000 investors would be needed, it says, to secure the balance of the economic life of Slovakia and to raise it to the standard necessary in an independent State. Among other things the paper says:

"Slovakia is a wealthy country, but her wealth is not of a character to be divided among the people. The meadows and lands of Slovakia are not exploited sufficiently. The wood of the Slovak forests is being treated like rubbish. And the

population, while it has gold "growing" around it, lives in poverty. Investors are wanted: people of imagination able to contrive various schemes, make plans, build roads and canals and factories, run hotels and attract the attention of foreign tourists. If we are unable to attract these tourists to come to us and give work and bread to our people, then the people of Slovakia will again have to seek its livelihood somewhere else outside the country".

REORGANIZATION OF COOPERATIVE SYSTEM IN SLOVAKIA

The Slovak Government has allowed the German cooperative societies to establish a new central organ of control, as they were formerly under the control of the head organisation in Brünn. The Slovak Government is now beginning to reorganize the entire cooperative system; it has been decided that the system shall be divided into three groups: agricultural, industrial and employment groups. The Magyar minority in Slovakia is doing everything to enable its cooperative societies to continue with the utmost vigour and activity their recent movement, namely that they, too, should have an independent central organ of control, which would at the same time conduct and represent the Magyar cooperative societies in Slovakia.

YUGOSLAVIA

M. VOJIN DYURICHITCH, YUGOSLAV MINISTER OF FINANCE, ON YUGOSLAVIA'S FINANCIAL SITUATION

The work of drafting the Budget and the finance bill is now in progress; in this connection the Minister of Finance has given instructions to all State offices and local governments with regard to the drafting of their budgets for next year. At the same time the Minister gave a description of Yugoslavia's financial situation; among other things, he declared that. "At the beginning of 1939 our economic life was largely under the influence of the nervousness caused by the crisis in international politics. The unfavourable effect of this critical situation on our economic prosperity was in evidence both in our foreign trade balance and in our exchange trade and money market. Our trade balance in the first third of this year showed an excess of imports of 160 million dinars. The unfavourable development of our foreign trade may be seen from the fact that the volume of our exports has decreased this year by 18%, and their value by 3.5%, while the volume of our imports has decreased by only 2.8%, and their value by only 3.9%. Parallel with this decrease of our foreign trade there is a decrease in the customs

receipts as well as in the inland revenue of the State. The total number of wagon-loads has also become smaller, in respect of both our foreign and our home traffic. The increase in saving deposits records between March 1938 and March 1939 was one fourth of that recorded between March 1937 and March 1938. Though the barest yield will be much smaller than last year, it will be a good deal more difficult to market it, owing partly to the high prices at home and partly to the fact that — according to the report of the International Agricultural Institute — the wheat supplies available are twice as large as last year."

At the end of his statement the Minister warned the State and local government offices to be as moderate as possible in their expenditure; his most embarrassing problem, he said, was how to secure the continually increasing expenses of home defence without endangering the stability of the currency.

GERMANY TO EXPORT RAILWAY SIGNAL APPARATUSES OF VALUE OF 700 MILLION DINARS

The Yugoslav State Railways have placed an order with German firms — within the framework of the 200 million mark German goods credit — for the importation of various railway signal apparatuses.

YUGOSLAVIA FORCED TO IMPORT 1300 WAGON-LOADS OF SUGAR

The sugar refineries of Yugoslavia last year produced only 7.700 wagon-loads of sugar; the total consumption of the country being about 9.000 wagonloads a year. Yugoslavia is forced to import at least 1.300 wagonloads of sugar to cope with the demand arising in July, August, September and October. Some firms have suggested that the shortage should be acquired from the Hungarian refineries as a loan, but Government has decided to provide this amount from the refineries of the Czecho-Moravian Protectorate; the transactions will be negotiated, not by the private refineries, but by the State refinery in Chucaritza. In order to reduce the price of the imported sugar, Government has also decided to reduce the import duty by 3 dinars per kilogramme.

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 /