

POLITICAL ECONOMY

BULGARIA

CO-OPERATIVE FARMING OF SMALL HOLDINGS IN BULGARIA

Some years ago a movement was started among the peasant owners of small holdings in Bulgaria the object of which was to increase the profits of the dwarf peasant farms by getting their owners to cultivate them on a co-operative system, profits being shared according to the size of the farm and the number of hours of labour spent in cultivation. In 1939 this movement was taken in hand by the "*Banque Agricole et Cooperative de Bulgarie*", since when it has prospered well.

By the end of 194 the number of societies farming land on a co-operative basis had grown to 21, as we see from the last report issued by the Bank. *These 21 co-operative societies embrace 1601 small farms*, the smallest consisting of 11 and the largest of 329. The area farmed by the societies is 29.590 decares, 24.322 of which are the private property of their members, while 1435 are owned by the societies. Besides this the co-operative societies farm 3833 decares which they rent from the villages.

The chief product grown in the areas jointly farmed was rice, the land under that crop being rather more than half of the total territory farmed. The following place was occupied by cereals on an area of 10.926 decares, the remaining 3200 decares being devoted to the production of fodder, vegetables, flax, potatoes and grapes.

The report issued by the Bank states that result so far have been very satisfactory. In the sections entitled "Inventory" and "Lue Stock", for instance, a saving of 4% is shown. In general the profits shared are about 40% more than those obtained on the same land before it was farmed on a co-operative basis. In the case of rice the increase of profit has been more than 100%. This explains why the larger half of the land farmed by the co-operative societies is devoted to the production of that plant.. ("Stud", Jan. 21.)

CROATIA

HUNGARIAN-CROATIAN AGREEMENT FOR REGULATION OF FERRY TRAFFIC

An agreement has been concluded between Hungary and Croatia relating to the regulation of traffic on certain sections

of the rivers Danube and Drave. *In terms of this agreement the ferries at present licensed to ply on the common sections of the Danube and Drave may continue to run where that is really necessary for private or public traffic.* The receipts are to serve exclusively to cover the operating and personnel expenses involved by the maintenance of the ferry services; and they must be calculated and fixed accordingly. The ferries are to serve the purposes of river-crossing or small-scale frontier traffic. Fares (or freight charges) must be determined in the currencies of both States in keeping with the exigences of local conditions. Persons working these ferries are required to accept fares (freight charges) in the currency of either country.

The distribution of the ferry-licences as between Hungarian and Croatian citizens shall continue in force as at present. New licences are to be issued — with the approval of the local authorities of the neighbouring State — by that country in whose territory the number of "double proprietors" (persons possessing land in both States) living in the vicinity of the ferry service in question exceeds that of such proprietors residing within the other country. The Governments of the two countries propose to advise the authorities of the towns of *Ujvidek* and *Pétervárad* respectively that they should come to an agreement for the fair and equitable distribution of ferry services in that district. (*"Reggeli Ujság"*, January 10th., 1942.)

CLEARING AGREEMENT BETWEEN HUNGARY AND CROATIA

The *National Bank of Hungary* has concluded with the new Croatian bank of issue an agreement relating to the adjustment of payments and the regulation of traffic. In terms of this agreement persons travelling to Croatia may receive 12,000 kuna per head monthly, the quota of this amount to be paid such persons in bank-notes not to exceed 500 kuna. The rest of such amounts may be given in the form of travellers' cheques drawn on duly authorised Croatian banks. The agreement also adjusts clearing payments connected with export and import transactions. Hungarian debtors are to pay the amounts of their debts due to Croatian firms in pengő to the credit of the collective account opened for the purpose by the National Bank of Hungary. *The basis of conversion is to be: 100 kuna = 8.29 pengő, or 100 pengő = 1206 kuna.* Croatian debtors are to pay the sums owing by them to Hungarian firms in kuna into the special account kept for the purpose by the Croatian State bank of issue, and their creditors will receive the pengő equivalent of the amounts thus paid in from the National Bank of Hungary on the aforesaid basis of conversion.

The National Bank of Hungary is already officially too

quoting the rate of exchange of the Croatian kuna. The rate of exchange of drafts on Zagreb is at present 6.79 — 6.88 pengő, to which sums a premium of 2.75% must be added ("*Délvidéki Magyarorság*", January 10th., 1942).

CROATIA ISSUES AN INTERNAL LOAN OF THREE THOUSAND MILLION KUNAS

In Croatia measures have been taken in connection with the country's first internal loan. *The Government has authorized the Treasury to issue bills to the value of three thousand million kunas.* The face value of these bills will be from 5000 to 10.000.000 kunas, and by the Government's decree they are to be exempt from all State or other taxes. The rate of interest has not yet been fixed.

In connection with this loan the Croat Ministry of Finance has published an official statement explaining why it was necessary. According to that explanation, this first internal loan had to be issued in order that Croatia should be able to avail herself of all her economic resources in preparation for close economic co-operation with Germany, and Italy and take part along with these two leading European countries in the work of European economic reconstruction.

In the past twenty years Croatia was sadly neglected and this loan is needed to raise the country to a level that will enable her to play a role in the new European order.

According to the rest of the statement the loan was needed partly for the proposed work of draining the soil and providing protection against floods as well as for the building of modern working-men's houses which will cost many million kunas. The ordinary State revenues are insufficient to cover all these expenses and so Croatia — like other States — has been compelled to provide these large sums by way of an internal loan. The issue of this loan — says the explanation — is proof that the Government wishes to avoid inflation. Within a few days the loan was over-subscribed, an unquestionable proof of the economic soundness of the new Croat State. ("*Reggeli Ujság*", November 29.)

HUNGARY

SPLENDID RESULTS IN RESTORED HUNGARIAN SALT-MINES

With the restoration of *Aknaszlatina*, *Aknasuhatag*, *Désakna* and *Parajd* Hungary only recovered possession of 23% of her former salt-mines, but the output of these mines, increased so largely in a few months' time that last year Hungary was able, not only to supply the growing needs of the domestic markets, but also to export a considerable quantity of salt.

Immediately after their restoration, work in the salt-mines began; the water was pumped out of them, equipment that had been destroyed was replaced, obsolete machines were thrown out and modern ones installed, and new offices were established to deal expertly with the output and see that the various requirements of consumption were properly met.

The Government was also careful *that social points of view should receive attention in the mining districts, that the mines should provide employment for the greatest possible number of people, and that, without raising the price of salt, the sale of this indispensable article of consumption should prove as great a source of revenue to the state as possible.* Rationalized management of the State Salt Régie resulted in the receipts from that commodity, which in 1938 were 28.000.000 pengő, rising to 48.000.000 last year, *despite the fact that the inland price of salt remained on the same level as in 1925.*

It is certain that the quality of Hungarian salt facilitates the Ministry of Finance's task; for it is equally suitable for human consumption and for animals. Because of its white colour, hardness and high chloride of sodium content, it is of first-rate quality and entirely free from any traces of organic impurity or other unwholesome matter.

Thanks to these excellent qualities, Hungarian salt was exported in considerable quantities before the first Great War. At that time Bulgaria and Serbia imported the greater part of their requirements from Hungary, and certain quantities were also exported to Southern Russia. As an experiment the Hungarian Salt Régie even exported salt to some African countries, as well as to Brazil, Uruguay and Australia. Polished slabs of Hungarian salt were very popular in the French African colonies, where they were used by the natives in their barter trade in lieu of money. Australia and Brazil were chiefly interested in briquettes of salt used for animals. The following figures will show the development of Hungary's exports of salt during the past 40 years.

1910—1905	44.000 tons per annum
1906—1910	116.000 tons per annum
1913	264.000 tons per annum
1941	110.000 tons per annum
1942 probably	150.000 tons per annum

With only 23% of Hungary's former salt resources available the Hungarian Minister of Finance, adhering to his programme of surplus production, has been successful in raising Hungary's salt exports to almost 60% of their pre-war volume.

In 1913 the salt exported was not more than 10% of Hungary's inland consumption, while in 1941 it was over 70%.

With a population of 21.300.000 souls, home consumption in 1913 was as follows:

table salt	185.360 tons
salt for animals	25.380 tons
industrial salt	57.750 tons

Total 268.490 tons

With a population of 14.675.000 souls, in 1941 the salt consumption in Hungary (including the restored areas) was 157.000 tons.

Salt for animal food is sold to farmers by the State Régie at a reduced price, in order to promote rational cattle-farming; and the attention of cattle-breeders is constantly being drawn to the importance of salt for animals. *Thanks to this propaganda, the consumption of this kind of salt has risen satisfactorily. In something less than two decades it has increased to eight times its former volume.*

The consumption of salt for animals was as follows:

1923	1.200 tons
1931	3.780 tons
1941	9.820 tons

A large increase is also observable in the consumption of industrial salt. Here the figures are:

1923	5.060 tons
1930	11.290 tons
1941	26.900 tons

In other words, about five times as much industrial salt was used in 1941 as in 1923.

This considerable increase, besides being caused by the rapid development of industry — chiefly of the big chemical factories —, is due also to the Ministry of Finance's decision to let the factories have salt at a reduced price in order to encourage industry. This further reduction of the low price of salt amounts to 900.000 pengő, the chemical and the leather industries enjoying each a reduction of about 300.000 pengő.

Now that Hungary has regained possession of some of her salt-mines, the fine table salt sold in packets is produced in the country itself. It is becoming increasingly popular, so that last year 115 wagonloads were sold to the trade. During the two Trianon decades Hungary imported her fine table salt from Germany at the rate of about 30 wagonloads a year. Having lost her salt-mines in consequence of Trianon, Hungary was dependent for all her salt requirements on imports. In 1920 the domestic consumption of salt was at its lowest level, the entire

quantity handled that year by the Salt Régie being 32.210 tons. As conditions gradually improved there was a corresponding improvement in the quantity of salt consumed. In 1923 it was 69.300 tons.

With the restoration of Subcarpathia and part of Transylvania Hungary is again self-supplying in respect of salt, and the populations of the regions round the salt-mines again enjoy the privilege of being able to buy the salt they need themselves at a reduction of more than 40% of the ordinary price. This of course means a loss of several million pengő per annum to the State Régie, but it is offset by the growing receipts ensured by the expert management of the salt-mines and mills.

SERBIA

PLANTING FLOWERS PROHIBITED IN NISH

In connection with the planned economy introduced in Serbia for the present agricultural year, the Mayor of Nish has issued an order *instructing all owners of land in the town and its surroundings under pain of penalties to grow food in their fields, gardens and even in those parts of their courtyards that hitherto have been used for other purposes.* The strips of soil in front of houses in the wider streets must not be left uncultivated. Fields must be sown with the crops for which they are best suited. Vegetables must be grown in front gardens and courtyards. This year it is strictly forbidden to plant flowers in Nish and its surroundings. Control will be very strict; those who disobey this order will be regarded as *saboteurs* and the penalty inflicted on them will be extremely severe.

SLOVAKIA

STEADY DETERIORATION OF SLOVAKIA'S FOREIGN TRADE BALANCE

The "*Budovatel*", a Slovak economic organ, publishes a detailed account of Slovakia's foreign trade in November 1941 and in the first eleven months of the year respectively. *According to this account, Slovakia's foreign trade in November 1940 amounted to 490.400.000 Slovak crowns, while in November 1941 it was 498.000.000.* But whereas in November 1940 imports totalled 221.500.000 and exports 268.900.000 crown, in November 1941 the balance showed imports of the value of 280.000.000 as against exports of the value of 218.000.000 crowns. In November 1940 the Slovak foreign trade balance showed an excess of exports of 47.400.000 crowns, but by November 1941 there was an excess of imports of 62.000.000. In the first months of last year the unfavourable balance was caused chiefly by imports from

Germany, but by November Slovakia's foreign trade balance was "passive" with all the countries with which Slovakia maintains anything like a brisk trade. It was certainly most "passive" with Germany, for the value of Slovakia's imports from that country exceeded the value of her exports to it by 43.700.000 Slovak crowns. Slovakia's trade with the Protectorate showed an excess of imports of 46.000.000 crowns by the end of last November.

The only country with which Slovakia's foreign trade balance was to any considerable extent "active" was Sweden, the value of her exports to that country being 5.000.000 crowns, while imports from Sweden did not total more than 1.100.000.

By the end of last November Slovakia's foreign trade balance with Bulgaria showed an excess of exports of 1.400.000 crowns. In the first eleven months of the year the Slovak foreign trade balance was 5,683.000.000 crowns, as compared with 5,096.000.000 in the same period of the preceding year (1940). The value of imports had risen from 2,474.000.000 crowns to 2,989.000.000, but that of exports, which in the first eleven months of 1940 had amounted to 2,622.000.000 crowns, had not increased beyond 2,694.000.000 by the end of November 1941.

OSZK

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