

POLITICAL ECONOMY

BULGARIA

BULGARIA'S SALT OUTPUT

There being no salt mines in Bulgaria, all the country's salt is obtained from sea-water and from the salt water wells along the coast of the Black Sea. For this reason it was impossible before the restoration of the newly acquired territories to satisfy the country's requirements by means of internal production. Bulgaria was obliged to import a considerable quantity of salt, chiefly from Rumania, in order to supply the needs of various branches of industry, such as the leather, cheese and ceramic industries. The figures of Bulgaria's salt production for the past few years are as follows:

Year	Tons
1932	24.000
1934	54.000
1936	44.000
1938	76.500
1939	52.500
1940	34.000

In 1941 the quantity produced was estimated at 60.000 tons. According to these figures Bulgaria produced on an average from 40 to 50 thousand tons per annum, while her requirements totalled 60 thousand; while now, together with the restored territories, the quantity needed amounts to 80 thousand tons.

The most important centres of salt production are at Atanasköy near Burgas and the salt wells at Promorije and Provadija, which produce more and more every year.

After the restoration of the liberated areas Bulgaria acquired new sources of salt, which when developed will raise the quantity produced to 100 thousand tons. This will not only supply all the country's requirements, but also leave a certain margin for exportation. ("Bulgarische Wochenschau" Augt. 4.)

CROATIA

GRAIN PRICES IN CROATIA

M. Tóth, Croatian Minister for Commerce, has fixed the prices of cereals (this year's grain and what remains of last year's stocks) per quintal of 100 kilogrammes as follows: *wheat weighing 72 kilogrammes per hectolitre and containing not more than 5% of other grain, 420 kunas; that weighing from 73 to 76 kilogrammes with 2%, 430 kunas, and wheat weighing 77 or more*

kilogrammes with 1% of other grain, 450 kunas. The granary price of millet and buckwheat is 450 kunas per 100 kilogrammes. Farmers who deliver these agricultural products to the State granaries by 30th September are to receive a premium of 150 kunas per 100 kilogrammes, so that the price of first-quality wheat inclusive of this premium will be 600 kunas per 100 kilogrammes. The prices of flour and bread are to be fixed later on. In the economic year 1942/1943 the licensed mills must grind the wheat in either of two ways. They must either produce 95% of standard bread-flour and 4% of bran with 1% of refuse, or 60% standard bread-flour, 35% fine white flour and 4% bran with 1% allowed for refuse. ("Donauzeitung", Augt 9.)

HUNGARY

"HUNGARIAN MANUFACTURING INDUSTRY BETWEEN TWO WORLD WARS"

The *National Union of Hungarian Manufacturers* has just celebrated the fortieth anniversary of its establishment; and on this occasion a comprehensive work has been published with the title "*Hungarian Manufacturing Industry between Two World Wars*". The introductory part of the work establishes certain general points relating to our economic policy and contains a Table giving summarized figures showing the statistics of production. *From this Table we learn that the volume of the production of Hungarian manufacturing industry, which in 1921 represented a value of 979.4 million pengő, by 1939 showed an aggregate value of 3767.6 million pengő. During the same period the number of industrial establishments increased from 2145 to 3287.*

The first of the branches of industry dealt with in the book is *mining*. Within the frontiers determined by the Treaty of Trianon mining operations were at first confined exclusively to the production of coal and iron ore. At the end of the Great War — serious difficulties impeding production itself arising during the course of the war — coal production itself was facing a crisis. The volume of coal mined in 1913 was 10.3 million tons, that produced in 1918 only 5.9 million tons. In the following years, from 1920 to 1923, there was an advance in the output of coal, but subsequently, until 1926, there was a renewed decline.

Concerning the development of the manufacture of iron and steel the book furnishes the following information: — the demarcation of frontiers effected by the Treaty of Trianon involved a decline in the production from 6 to 1.9 million metric quintals. And in any case the conditions brought into being by the first Great War created a state of chaos in the iron industry of Hungary; and the furnaces of the biggest Hun-

garian iron-works had to be kept out of working for more than two years. Whereas the output of the ironworks left within the territory of Dismembered Hungary amounted in 1913 to 1.9 million metric quintals of pig iron and 4.4 million metric quintals of raw steel, in 1920 no pig iron was produced at all, while the output of raw steel fell to the insignificant figure of 600.000 metric quintals. The work of regeneration could not be begun until several years after the end of the War. In 1927 the inland consumption of iron was almost on a level with the consumption of iron recorded for the last pre-War year; and in 1929 it was already 3.7 million metric quintals. The economic crisis of 1930 witnessed the nadir of the Hungarian iron industry; but a rapid beginning was made with the work of regeneration, and in 1937 the volume of the output of pig iron advanced to 3.6 million metric quintals, while that of the output of raw steel rose to the figure of 6.6 million metric quintals.

The situation of Hungarian manufacturing industry is illustrated by the following figures: after the enforcement of the Treaty of Trianon — taking as basis for our calculations the value of the production of the years 1913 — the proportion of the output of the iron and metal industries left in Dismembered Hungary was 50.7%, that of the output of the machine industry 82.7%. *Encouraged by the far-reaching patronage of the State, the Hungarian machine industry began to develop rapidly, the value of agricultural machinery exported by that industry in 1929 advancing to 12.8 million pengő. In 1933 the amount figuring under this head fell to 1.000.000 pengő, increasing again to 3.1 million pengő.*

Building Materials, Glass and Wood Industries.

In the period prior to the outbreak of the first Great War in 1914 the development of the Hungarian cement industry showed a rapid upswing, trebling the capacity of production recorded at the opening of the century. This fact was reflected, not only in the establishment of new plants, but also in the modernization of those already in existence. The introduction of the manufacture of bauxite cement denoted an important technical development in the history of the Hungarian cement industry. So long as there were possibilities of export, very considerable quantities of this article were exported. Another moment of decisive importance was the employment of cement in connection with the Hungarian road-building schemes. The 1931 crisis made its effect felt in the cement industry; and, whereas in 1928 the inland consumption amounted to 40.000 wagon-loads a year, by 1933 the quantity recorded under this head had fallen to 18.000 wagonloads. The situation of the brick and tile industry is illustrated by a few figures: — in

1926 there were 332 establishments employing altogether 14.380 hands; the number of industrial establishments officially recorded in 1933 was only 292, the aggregate number of hands employed being only 6727. Five years later, in 1938, the number of industrial establishments figuring in official records was 341, and the number of hands employed 13.534.

The glass industry — i. e. the manufacture of plate and pressed glass — is one of the oldest branches of manufacturing industry in Hungary. Already in 1898 there were 29 glassworks operating in the country; these employed 4000 workers and officials. But Austrian glass proved a dangerous competitor; and it was a very difficult matter to beat the Austrian rival. In 1926 the number of hands employed by the Hungarian glass industry was 1720, the value of its output 6.5 million pengő and the number of industrial establishments 7; by 1939 the number of hands advanced to 3990, the value of the output to 20.9 million pengő, and the number of establishments to 9.

The Hungarian wood industry was in pre-Trianon days supplied with raw materials by mighty forests. The Peace Edict left within the territory of Dismembered Hungary only 15% of the original area of forest land. During the course of the year 1924 there was a large-scale reduction of operations in the wood industry, and large numbers of workers had to be dismissed. The years of the great European crisis plunged this industry too into a disastrous situation. The figures showing the development in value of the output of the wood industry are the following: — the net value of the output in 1928 was 44.1 million pengő; by 1932 this value amounted to only 17.5 million pengő. Then ensued an improvement from year to year resulting in the value of the output in 1939 rising to 41.7 million pengő.

Prior to the first Great War the *leather industry* of Hungary had at its disposal 63 factories; the number of factories operating in Trianon Hungary was only 18. The work of regeneration appeared to be a problem impossible of solution; and the situation was still further aggravated by the *dumping methods* adopted by the rival leather industries of the adjoining and more distant countries. But by 1927 the value of the output of our leather industry had risen already to 65 million pengő; and — a moment of even greater significance — *the price-index of dressed leather and leather goods harmonized in a surprising manner with the cost-of-living index*. In 1935 the value of the output of the leather factories was 55 million, in 1937 71 million and in 1939 already 85 million pengő.

Hungarian textile industry was in a very difficult situation already prior to the first Great War — as a consequence of the serious sompetition of Austria. The Peace Edict of Trianon dealt a disastrous blow even to the textile industry which had been so artificially suppressed. That industry was deprived of

50—90% of the means of production; and, whereas in 1914 *the number of hands employed in the textile industry was roughly 40.000, that number had by 1921 been reduced to only 13.000.* The line of development is the same here as in the other branches of industry, — i. e. a set-back between 1930 and 1932 and a subsequent unbroken process of improvement; the result being that in 1939 the net value of the output of the Hungarian textile industry (after subtraction from the gross value of the output the value of the raw materials and auxiliary materials employed in the process of manufacture) aggregated 248.7 million pengő.

In the Greater Hungary of pre-War days the *paper industry* was one of the most highly developed branches of Hungarian industry, though it too had to face the competition of Austria. Of a total of 33 large factories only 2 were left within the territory of Hungary by the Treaty of Trianon. The development ensuing shows that, whereas in 1925 the output amounted to 1260 wagon-loads a year, the capacity has increased to 9700 wagon-loads.

Milling Industry: Victualling Industries.

The milling industry may justly be described as the most ancient and most national branch of industry in Hungary; its origin was due to the activity of the great Count Stephen Széchenyi. In the closing decades of last century there were 27.000 mills operating in the country; and, though we are not acquainted with the effects produced by the turn of affairs resulting on the enforcement of the Treaty of Trianon, we know that the number of mills recorded as in working in 1935 was altogether 2870. The development in this field is shown by the following figures: — in 1925 there were 416 power mills in operation, and these employed altogether 8469 hands; the quantity of wheat and rye respectively milled in that year was altogether 7.010.000 tons. In 1939 the number of milling establishments was 647, the number of hands employed 8239, and the quantity of produce milled 7.305.000 tons.

Prior to the first Great War Hungary possessed 28 *sugar refineries*, which manufactured yearly altogether 6 million tons of raw sugar. This branch of industry was engaged in producing also for exportation; and the sugar exports of the Greater Hungary of pre-Trianon days represented in 1913 a total value of 106 million gold crowns. When after the first Great War the export activity of Hungarian industry was resumed, there was an aggravation of the difficulties impeding that activity. It was in 1929 that the value of the sugar exports of post-Trianon Hungary reached its peak point — 41 million pengő. The consumption of sugar in Hungary, which in 1924—25 amounted to 11.2 kilogrammes per head per annum, between that period and the year 1928—29 advanced to 12.6 kilogrammes.

SERBIA

SERBIA'S JOINT STOCK COMPANIES

In present-day Serbia permission to establish joint stock companies was first granted in June 1941. Now that the figures for the first six months of this year are available, it is possible to examine the development of Serb joint stock capital in the past twelve months.

The total capital of all joint stock companies in Serbia is estimated at 3,351,000,000 dinars. This amounts to 44.17% of the 8,037,600,000 dinars which represented Yugoslavia's joint stock capital. Serbia's joint stock capital is distributed as follows: 2,975,000,000 dinars, or 83.77%, belong to companies with headquarters in Belgrade, 465,500,000, or 13.10%, to companies in other parts of Serbia, and 110,500,000, or 3.11%, to companies in the Banate.

The distribution by branches of industry is as follows: 1,529,000,000 dinars, or 43.05%, belong to the banks, while 31,000,000, or 0.88%, belong to insurance companies and 1,990,900,000, or 56.06%, to other undertakings. The bank capital includes the 775,000,000 dinars registered as the capital of the two privileged banks (the Agricultural and the Industrial Banks), so that the capital of the rest of the Serb banks amounts to 754,000,000 dinars (22.23%).

Among the other undertakings mining is represented by 608,900,000, or 17.15%, manufacturing industry by 726,500,000, or 20.45%, and commerce by 125,300,000, or 3.52%.

In the last seven months of the past year 24 joint stock companies were formed with an aggregate share capital of 77,000,000 dinars, and in the first six months of the present year 25, with an aggregate share capital of 118,150,000 dinars. During this period 18 companies raised their capital from 48,900,000 to 193,200,000 dinars. The greater part of this increase was effected last year.

The increase in Serbia's joint stock capital since the cessation of hostilities amounts to 319,500,000 dinars.

In 1941 the turnover of the Belgrade head offices of the agricultural co-operative societies was almost as great as in the years before the war. Net profits were 1,800,000 dinars. Compared with the previous year the number of member societies rose from 1615 to 1578 and the value of their shares from 2,950,000 to 3,270,000 dinars. These co-operative societies have a monopoly of the sale of soap and carbide of calcium in the whole country and that of sugar in most districts. The company's balancesheet shows an aggregate figure of 83,400,000 dinars. ("Stud", Augt. 8.)

The Danubian Review is published monthly. — Editorial Offices and Management: Zrinyi-utca 1, Budapest V. — Responsible for the publication: Dr. ANDREW FALL. — Issued and printed by Sárkány 2080 Ltd. — Responsible for the printing: A. and J. Wessely.

Price Six pence. — Subscription for one year 5 /

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