

## The Romanian Economy During the Second World War

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At the moment of the historiographical development, the choice of any subject with economic valences necessarily involves a re-evaluation of the positions of the historiography during the communist period, a whole set of documents which constituted the basis of the works from the respective period, but not implying the reconstruction of the economic history of the time as a goal in itself.

The analysis of "The Romanian Economy during the Second World War" (as a Ph.D. in History, University of Craiova, 2007) represented for me a real provocation; it involved both an effort of identification, of analysis and synthesis of an extremely ample documentary material and a historiographical basis not less dense.

The main idea from which I began and which I tried to substantiate documentarily was that of the Romanian economy from 1938 until the end of the war, developing ascensionally on the trajectory which had as a terminus its transformation from an economy of peace into an economy of war, adapted to the European conditions of the moment. Therefore, I attempted to re-analyze the idea on an economy seen as a system of fragments separated by the internal political lines, where the poles would be embodied by the year of reference 1938 – the maximum development of the interwar period – and, respectively, 1940-1944, as a real economic "dark age" of the interval, with the emphasis on the total and multilateral feudalism under Germany and Italy!

In order to ground this idea, I first appealed to the funds of the archives of the country, respectively to the Archives of the Ministry of Foreign Affairs, where I studied the funds of Romania, Germany and England, The Economic Archives, within the National Central Historical Archives, for the Funds of the Ministry of National Economy, the Ministry of the National Propaganda, the Ministry of Justice, the Ministry of Internal Affairs, the personal funds of

Constantin Argetoianu, the Royal House, the Presidency of the Council of Ministers, but also the collections of SUA Microfilms, Germany Microfilms. I identified a rich material at the funds of the Ministry of Endowing the Army and of the War Production, at the Secretariat of the Superior Council of National Defense, the Minister's Cabinet, the Leader of the Great Major State – Sector 7 of the Foreign Relations. This fundamental documentation was completed and analyzed in relation with the historiographical literature on this subject.

Taking the theme on the whole, I divided the work into six large chapters, to which I added the documentary annex and the biographic list.

In the first chapter, "Introduction – Argument", I stressed the key-ideas which supported my attempt, respectively the one related to the unitary economy from 1938 until 1944/1945 and the one of adapting and integrating it into the national economies of war, within the economic system of the Axis. The economic development of Romania took into account the international developments, constituting for Germany, in fact, for the development of the ops on the whole, its great stake, by the geographical position and, especially, by the fact that it had the essential elements for the parts within the conflict: oil and cereals.

I also underlined the fact that, for creating a panorama of the Romanian economy from that period, we do not find essential the appeal to the political temporal demarcation, but the emphasis on its general characteristics, in relation with the international development, of Romania's effort to adapt to the conditions created by the war, respectively for the transition from an economy of peace to one of war, within the general temporal frame whose limits are 1938-1944, for which we are trying to prove there is a continuity from the economic perspective, that transcends the breaking-off within the internal policy. This

does not exclude the focus on the general features of the internal and international policy, under the conditions they seriously affected the economic development.

For emphasizing these features of unity, it was necessary to go beyond the temporal limit imposed by the general structure of the subject and to connect it with the very previous period, the year 1938. Thus, Chapter II, "General Features of the Economic Period 1940-1944", includes the subchapter "Policy and Economy during the Period 1938- 1944".

The year 1938 brings a gloomy economy and, in order to coordinate the whole economy, Carol II disposed to set-up a Ministry of Economy, which represented an important guiding mark within the process of the economic development, aiming to direct, organize and develop the national economy of Romania at the specific historic and economic moment.

It is also essential to underline the fact that there were taken certain important measures for facilitating the export-import, there were established economic bounties for the export of the forest products, for encouraging the export of animal produces, facilitations made to the oil companies.

The political events of the summer and the autumn of 1940, respectively the major territorial loss from the last period of the Carlist regime had a remarkable impact upon the economic development, so that I considered absolutely necessary a subchapter in which to analyze this problem, mostly related to the economic system: "The Impact of the Territorial Loss Upon the Romanian Economic System". The territorial loss implicitly led to the whole confusion of the Romanian economy, through the numerous material damages (at the level of the natural resources, of the installations, of the invested capital, the labor, the industrial and farming production providing the turnover of goods, satisfying the material needs for organizing the national defense etc). In this way, Romania lost 38, 5 per cent of the resources of gold, 87,6 per cent of the silver ones, 64,7 of the copper production, 97,6 of the lead production and the stock of zinc.

The industrial production decreased from 75,5 to 63,6 billion Lei, the most serious loss being within the food industry (34,3 per cent), the leatheworking industry (82,5 per cent), the industry of building materials (24 per cent), the

woodworking industry (22,8 per cent). Concerning such an approach which I took into account, there were also opinions which, without denying the importance of the territorial loss and their impact on the general economic development, led to the theory of the "national economy" that, in fact, would have won or could have won even from the territorial loss.

What should be underlined, at least for the inevitable 1940-1941, is the fact that the Romanian economy knew one of its hardest ages. The war found it without any plan for production or for goods circulation. The economy of war required standards for militarizing and mobilizing the whole nation. The transition to the economy of war developed gradually, beginning in 1934 and being characterized by the increase of the state's role in economy, concerning supply, production and merchandising by changing the center of gravity towards the industrial branches and the sub-branches whose production was purposed for the armies, concomitantly with the increase in the production for the civil consumption and with the transition to the standard production purposed to cover the consumption of most of the Romanian population.

I consider Chapter III, "The Economic Legislation", an innovative one, as I have not found any complete and comprehensive work on this fundamental aspect of the Romanian economic development during the mentioned period. I would especially underline here, as briefly as I can, the subchapters related to "The Laws of Romanizing" and to "The Economic Legislation with a Repressive Character". The Laws of Romanizing promoted by the Government from September 1940 – January 1941, continued by the period of Antonescu's *Governing*, cannot be seen only from an ethnic, anti-Semitic perspective. Besides, there should be taken into account the purely economic considerations. Taking the power under extremely difficult internal and external conditions, and governing the most of the time during the period of war, General Ion Antonescu used an extremely harsh repressive legislation. A whole legislation was held to struggle against the economic sabotage and against jobbery. The repressive legislation created the frame of a governing which could allow the authorities act almost without any restriction for repressing the opponents, among the repressive measures the most largely used being

the interment camp. Chapter IV, "The Dynamics of the National Economic Branches", is the nucleus of the whole work, because here I tried to underlie concretely the hypotheses exposed initially. The subchapter which treats the general frame of the transition to the economy of war is the basis on which I structured the following development: "Romania's Effort for Endowing the Army", "The Dynamics of the Industry During 1938-1945", "The Agriculture", "The Financial-Banking System"; "The Romanian Trade as a Component of the War Effort". What might be stressed, very generally, is the fact that the transition from the economy of peace to the one of war was financed by the state, that covered most of the war's costs, the fact that within the agriculture there were felt the consequences of the enforcing of the law for farming mobilization, which, under the circumstances of the deficit in labor, result of the mobilization for the front, aimed at replacing it, and the organization of the agricultural production for the new conditions. Moreover, there was seriously arisen the problem of rationalizing the of the farming produces consumption, so that the supply of the army and of the population to suffer less as possible, on one hand, and on the other hand, to be able to insure the quantities of product that had to be delivered to Germany and to the other external partners of Romania's.

A chapter which, according to the re-evaluation of the documents of archives, is the fifth, "The Foreign Economic Policy", with the mention that, since 1938, the position Romania had planed for was as clear as possible: the economic relations with the Reich, but still meeting the national independence and sovereignty, as well as the fact that the Romanian-German relations during the Second World War cannot be supported strictly by the so popular nowadays' slogan, of Germany's satellite- state. Analyzing the documents, both internal and external, there can be shown the complexity of the relations between the two states from September 1940 to August 1944, the fact that both parts based on the national interests- in the case of Romania, "international" interests concerning Germany, directly expressed or only contained in all the bilateral papers, either mutual or of foreign policy. Within the system of the Romanian economy, the economic exchanges between Romania and Germany beneficially influenced the industry and the transports. The documents of the archives

come to contradict the old theses according to which "Within the <new economic order> drawn up by the Nazi supporters, the Romanian industry did not find its place. Consequently, I considered it necessary to analyse in a subchapter – "The Causes of Romania's adhesion to the New German Order" and to underline that fact that Romania's orientation toward Germany is not necessarily connected to the name Ion Antonescu, but they have their origin within the major political evolutions from Europe – beginning with the year 1938 – which determined an stronger and stronger orientation of the Romanian policy towards Germany. According to the examination of the documents of the archives, of the works of synthesis, I attempted a hierarchy of the importance of the different thematic episodes within the Romanian-German relations, noticing that, during the period 1940-1941, these were dominated from a chronological point of view and from the perspective of the content, by the economic problems, by Ion Antonescu's constant desire of canceling the Vienna Award, but also by the beginning of the proper military collaboration, by starting the commune war against the Soviet Union. Consequently, I also stress the insertion of the subchapter "Romania's Policy of Economic Independence towards Germany. Theoretical Attitudes and Practical Positions". The Romanian-German economic relations from the respective period are not the ones established between the defeated and the winner. In spite of Germany's dominant position, Romania knew, by its representatives authorized to sustain the economic interests with their maximum of efficiency possible within that conjuncture and, from here, the political interests, respectively the treatment of the country as a sovereign state.

In order to create a frame as complete as possible for the economic relations set-up by Romania, under the conditions of a functioning system imposed by Germany, I took into consideration our country's relations with France and England. Within an extremely difficult international context, Romania tried to maintain the traditional relations with England and France, especially in what concerns Romania's acquiring of material for the war between the two countries, delivering, on its turn, oil and cereals, even if not the same quantities from the previous period, with Italy and, not the least, with other states, might they be within the Axis' economic system or not.

What is generally not underlined obviously enough is that, in spite of the manifest economic migration towards Reich, Romania did not neglect, all along the war, the economic relations with the other states, clearly fewer in number in comparison with the previous period, even though they had been kept the trade relations with more than 35 states from Europe, Africa and Asia. The value of the bilateral commercial exchanges between Romania and other more than 24 states, including England, France, Canada, Belgium, Holland, Greece, The United States, Spain, Czech Republic, Japan, used to be under 1 per cent. Practically, the Romanian exterior trade used to develop almost entirely with the Axis' states, to which there could be added some neutral countries, like Switzerland, Sweden and Turkey.

The last chapter, the VIth, "The Influence of the Economic Situation upon the Population's State of Spirit", supposes a new approach of a direction not to be neglected at all for re-creating the wholeness of a society on which there are grafted the war's deficiencies. The years 1938-1939 meant, through the politico-military consequences – the aggravation of the general economic situation – the appreciation and the deepening of the masses' pauperism, visible at

the level of the dynamics of the prices and salaries. The situation deteriorated mostly because of the starting of the Second World War. The decrease in the industrial and agricultural production from 1943, the rise in prices, the diminishing of the employees' purchasing power, the increase in the work time, all these had important consequences on the population's standard of life, but, unlike many other European countries directly involved in the conflict, in Romania, after 1944, the population did not suffer from the food loss. The economic collapse of a country which had recently come out of a three years' war was deliberately expedited by the Soviet occupant's measures of imposing its own economic system. The national income which was of 11,582 Lei per inhabitant, in 1938, come to 7,299 Lei, in 1945.

The work is completed by a documentary annex from which I would underline as a novelty "The Excerpt from the Report of Activity of the National Economy Directorate containing its achievements from the setting-up to July 1, 1943", referring to Bucovina and Basarabia, but also "The Report of Activity of the General Department for Romanization for the period between November 16, 1940 and March 1, 1943".