

**Between a Custom War and the Magyarization process in Transylvania:
Romania's tense relations with Austria-Hungary and their impact on the
renewal of their alliance**

Adina Pintea*

Keywords: Romania, Transylvania, Dual Monarchy, the Great Powers, the Central Powers

Abstract

Relying on the new realities following the Treaty of Berlin (1878), Romania wished to secure its newly-won independence and consolidate its national security. Knowing the evolution of Germany under Bismarck, and being aware of the danger represented by Russia and its Balkan ambitions, Romania concluded that an alliance with the Central Powers was a necessity. This alliance, however, couldn't be signed directly with Germany, as the Romanian leaders wished, but the treaty had to be signed with Austria-Hungary, with whom Romania didn't have very good diplomatic relations. After the treaty was signed and Romania became part of the Central Powers alliance, the already strained relations with the Dual Monarchy worsened. Two important reasons for this were the

* Adina Pintea is currently pursuing her Master's Degree in History (Politics and Society in the 20th Century) at the Faculty of History, University of Bucharest. Her main academic interests are History of Romania in the 20th Century, Romanian diplomacy and European International Relations from the late 19th century to World War I, Totalitarian Regimes and Totalitarian Ideologies.

customs war of 1886-1891 and the growing Romanian national movement in Transylvania. This paper will analyze the cumulative effects which these two actions had on Romania's decision to renew the treaty with the Central Powers in 1892.

On June 10th/22nd, 1875, Romanian diplomats made a significant achievement, by concluding an economic Convention with Austria-Hungary. The importance of the event was great, since Romania wasn't even a fully independent nation yet, and from Romania's point of view, it represented a manifestation of its sovereignty. This was also stressed by the fact that it was a treaty signed with a European Great Power of the time. This international document had important economic consequences for Romania, and its renewal would prove to be problematic, straining the relations between the two countries even more.

The Convention was signed under the favored nation clause, which Romania gladly accepted. Still under the suzerainty of the Ottoman Empire, Romania wanted to attain direct commercial ties with foreign partners, in order to assert its economic and political independence. The Convention was advantageous for Romania in the regard that Romania could export its agricultural products without any tariffs, or very reduced ones, to the dual monarchy.¹

From a political point of view, signing this kind of convention with a Great Power, represented a stepping stone for Romania in claiming and affirming its independence. The price for these actions was the massive amounts of Austro-Hungarian industrial products which flooded the Romanian market, directly

¹ Valentin Bodea, *Aspecte ale relațiilor economice româno-austro-ungare în prelungirea războiului vamal (1893-1914)* in "Revista Țara Bârsei", No. 1, 2002, p.162.
<http://tara-barsei.ro/wp-content/uploads/2008/12/bodea2002.pdf>

competing with similar Romanian products. By importing these goods, Romania's industry suffered, and its development was hampered – private initiatives in various economic fields and especially in industry were discouraged, thus delaying the modernization of the country's economy.²

The flood of imported goods allowed by the convention was described by Ion Ghica: *Bucharest was not long ago a real manufacturing center, but today it is a city exclusively for consumption and partying, grocery store after grocery store, pub after pub, [...] all full of foreign goods and German beer; chalk and brick, glass and wood, butter and vegetables come to us from across nine seas and nine countries; in the most modest house as in the most sumptuous palace, [...] from floor to ceiling, from the soles to the crest you cannot find a bed, a glass, a chair, a napkin, a boot, a hat that is not ready to be brought from abroad. In the country of hemp, we buy bags and twine from the Germans!*³ The growth of imports can also be seen in the statistics below.

Table 1. The Evolution of imported goods by Romania in millions of Lei 1860 – 1900

[Annual averages at the value of the Romanian national currency *Leu* in 1867]⁴

1860 – 1864	70
1865 – 1869	75
1871 – 1875	103
1876 – 1880	267
1881 – 1885	293
1886 – 1890	330
1891 – 1895	395
1896 – 1900	327

² *Ibidem*.

³ Ion Ghica, *Convorbiri economice*, 1879, Bucharest, Socec Press *apud* Bogdan Murgescu, *România și Europa – Acumularea de apanaje economice (1500-2010)*, Bucharest, Polirom, p.113.

⁴ *Ibidem*, p. 114.

The statistics show, at the same time, an important increase in Romania's exports to Austria-Hungary, but also a significant increase of imports from the dual monarchy. Almost half of Romania's imports originated from Austria-Hungary, between 1875-1885, and the biggest share of these goods came from Transylvania. Thus, the quantity of exported goods from Romania to Transylvania increased from 33,400 tons to almost 90,700 tons, and the imports increased from 73,900 tons to 94,000 tons, in only 3 years, from 1882 to 1885.⁵

Because of the increased demand, two of the most important investments for the development of trade between Romania and Transylvania were the construction of the Orșova-Vîrciorova and the Brașov-Predeal railways in 1879 and 1882, respectively, which eased the transport of goods. Romania imported from Transylvania glassware, wood, furniture, leather, agricultural machinery, and many others. In a few years, the number of goods imported and exported through Predeal doubled, and then even tripled. Thus, the interdependency between Romania and Transylvania was manifested in an undeniable way. Many industrial branches blossomed, and the wealth of artisans and farmers increased visibly.⁶

Despite these positive aspects, the Convention had a series of negative consequences for Romania. As stated before, the preferential tariff which Austria-Hungary was offered, resulted in a serious decline in Romanian's industrial

⁵ Iosif I. Adam, "Formarea pieței unitare românești și însemnătatea ei pentru progresul economic și social al României", National Museum, 6:213-218, 1982, p. 214

<https://www.cceol.com/search/article-detail?id=561853>

⁶ *Ibidem*.

production. As P. S. Aurelian stated: *“No industry could linger in the country and the factories which existed before 1876 disappeared”*.⁷

The bringing into force of the Convention had a negative impact not only on Romania’s burgeoning industry, but also on its trade balance. It is true that Romania was exporting larger quantities than it imported, but the value of the imported goods was higher. The trade balance was further affected especially after the restrictions imposed by Austria-Hungary on cattle imports.⁸

Ten years after signing the Convention, in 1885, Romania, now an independent country – and a monarchy – decided not to renew it. In Budapest, the Trade Convention with Romania was considered damaging for Hungary and especially for Transylvania. In Austria, certain groups were interested in prolonging the convention, mainly because it was important for the export of industrial goods from Austria.⁹ In Romania, public opinion was increasingly dissatisfied with the convention with Austria-Hungary.

In this regard, the Austro-Hungarian diplomat Mayr who was sent to Bucharest, submitted a report , on December 24th, 1884, to the Ministry of Foreign Affairs in Vienna. In turn, the Ministry of Foreign Affairs sent a copy of the report to the Ministry of Agriculture, Industry and Commerce in Budapest, on December 30th. The report signaled the growing antagonism in the Romanian Parliament towards the trade Convention.¹⁰

⁷ “Tribuna”, Sibiu, 2, No. 8, 11/23 January, 1885, p. 30 *apud* Iosif I. Adam, *“Formarea pieței unitare românești și însemnătatea ei pentru progresul economic și social al României”*, National Museum, 6:213-218, 1982, p. 215.

<https://www.cceol.com/search/article-detail?id=561853>

⁸ *Ibidem*, pp. 215-216.

⁹ Gheorghe Nicolae Căzan, Șerban Rădulescu-Zoner, *România și Tripla Alianță 1878 – 1914*, Bucharest, Editura Științifică și Enciclopedică, 1979, pp. 149-150.

¹⁰ *Ibidem*, pp. 138-141.

The Romanian Chamber of Deputies had created a committee of 15 members, to examine the disadvantages of the convention for Romanian trade. One of the members, Schileru, was vocal in criticizing the Convention – he was even preparing an interpellation regarding Romania’s export of cattle. In the Senate, the Austrian report pointed Grigore Sturdza as the main instigator of the opposition. He had called on the Government to make the conditions under which the convention can be denounced public.¹¹ The report concluded with the observation that these two exponents of the mentioned campaign were at the same time in favor of a political rapprochement with Russia, and this fact could not exclude foreign involvement.¹²

Thus, some in Romanian political circles were against extending the Convention, especially with Austria-Hungary’s new demands which disadvantaged Romania.

This concern of Austria-Hungary about Romania’s political leaders, and their potential fall under the influence of Russia was justified by what was happening on the European stage. In the last decades of the 19th century, the relations between Russia and France were improving. Romania was a Francophone country, who was attuned to European foreign policy and was sympathetic to France. Thus, a rapprochement between Russia and Romania could not be excluded.

The strengthening ties between France and Russia started with the granting of advantageous loans to Russia in 1887, by French bankers who enjoyed

¹¹ *Ibidem*, p. 142.

¹² H. Mureșan, *Date noi în legătură cu războiul vamal dintre România și Austro-Ungaria 1886-1891*, in “Anuarul Institutului de Istorie”, Editura Academiei Republicii Socialiste România, XII 1969, p. 115. <http://dspace.bcuculuj.ro/jspui/handle/123456789/142369>

government support. At the same time, Germany was attempting to form closer ties with Great Britain, and Chancellor Leo von Caprivi of Germany refused – in this period – to renew the “Reinsurance” treaty with Russia. This paved the way for the French and the Russians to find common ground. Finally, the closer ties between the two culminated in 1892 with a military convention.¹³

At the same time, in Vienna there were fears that Russia was forming closer ties with Great Britain. These Austro-Hungarian fears were reflected in newspapers like the “Transylvanian Gazette”, which on the 31st of May/ 12th of June 1890 published an article saying: “*The German newspaper “Kreuzzeitung” received a telegram from Paris, in which it says that the English ambassador in Petersburg, Sir Robert Morier, who is liked by both the Tsar and Queen Victoria, as well as the Prince of Wales, is the mediator of secret negotiations between Petersburg and London. Between the Tsar’s wooden palace and the English embassy in Petersburg there has never been a more intimate relationship as now, says the so-called Newspaper. The relations became so close that, during a week’s time, the tsar visited the English ambassador three time.*”¹⁴

After the signing of the Treaty of Berlin in 1878, the political leadership in Bucharest concluded that an alliance with the Central Powers was in the best interest of Romania. Germany was perceived as the strongest military power, therefore a perfect counter to the Russian threat.

The Eastern Question was the grand problem which convinced Charles I and the Romanian political leaders to change their foreign policy between 1875-

¹³ Gheorghe Nicolae Căzan, Șerban Rădulescu-Zoner, *op.cit.*, p. 184.

¹⁴ “Gazeta Transilvaniei”, No.121, 31 May/12 June, 1890, p.1

http://www.bibliotecadeva.eu/periodice/gazetatransilvaniei/1890/05/gazeta_transilvaniei_1890_05_121.pdf

1878. Thus, from a balancing policy, they opted for Germany after 1878 due to their distrust of Russia and her goals of expanding her influence in the Balkans.¹⁵

The alliance system created by Bismarck included Romania ever since 1880. He considered that signing a treaty between Romania and Austria-Hungary could significantly help the alliance in its eastern ambitions. His interest wasn't necessarily for Romania, but for its strategic position, which could have helped Austria-Hungary strengthen its influence in the Balkans. An alliance with Romania would have also strengthened the eastern flank of the Central Powers. In his view, the gap in the defensive system could be filled by Romania.¹⁶

This way, the sphere of influence envisioned by Bismarck in the Balkans, counterbalancing Russia, was becoming a reality. The alliance with Romania represented a check on the *status-quo*. In the long run, it was meant to isolate the disruptive elements controlled by Russia, which could affect European peace.¹⁷

The Romanian decision to sign the alliance was made even though Austria-Hungary ruled over lands inhabited by Romanians who were subjected to an intensive policy of Magyarization.

This meant that old animosities had to be held back by both parties regarding the Transylvanian problem. King Charles I explained to von Bülow, the German representative in Bucharest, in 1888, the reasons why Romania joined the Central Powers back in 1883: "[Our] relations with Russia... are an arduous problem of our foreign policy. We don't want to provoke Russia. We even want to do everything that we can to avoid a war with her. But, due to the danger that threatens us from Russia's side,

¹⁵ Keith Hitchins, *România 1866-1947*, Bucharest, Humanitas, 2013, pp. 65-66.

¹⁶ William Oldson, *Bismarck looks East: The Austro-Romanian Treaty of 1883* in "Il Politico", Vol. 42, No. 2, 1977, p. 291.

¹⁷ Otto Pflanze, *Bismarck and the development of Germany – The Period of Fortification, 1880-1898*, Volume III, Princeton, Princeton University Press, 1990, pp. 219-224.

we need the support of the Central Powers."¹⁸ To conclude his politics and thoughts, Charles I then finished by saying: "*due to the fact that the dangers which loom over Romania from Russia are more serious than the bad treatment and sorrow of the Romanians living in the Hungarian territory, Romania seeks protection and safety with the Triple Alliance.*"¹⁹

Romania's bandwagoning behavior in international affairs was kept hidden through the actions of King Charles I and the country's leadership, right before and after the signing of the treaty with the Central Powers. The treaty itself obtained its legitimacy in the personal and dynastic wishes of Charles I, who was surrounded by a small circle of pro-German politicians. Knowing, and keeping in mind, the situation of Romanians in Transylvania the political leadership in Bucharest kept the information about the treaty secret, not wishing to antagonize public opinion. This decision reflected itself in the relations with the Central Powers after 1890, when the treaty had to be renewed.

The other party to the treaty, Austria-Hungary, accepted an alliance with Romania out of military and political considerations. In case of war with Russia, the southern part of the front was to be secured by the Romanians. Even if Romania joined the war or just remained neutral, Austria-Hungary's flank was going to be protected. At the same time, attempting to expand its influence in the Balkans, Austria-Hungary thought that the alliance with Romania would stop Romania from siding with Russia and would also decrease Russia's influence in Bulgaria. But maybe the most convincing reasons for accepting the alliance with Romania were the 3 million Romanians who were living in the empire and looking towards

¹⁸ Alexandru Tzigara-Samurcaș, *Din viața regelui Carol I. Mărturii contemporane și documente inedite*, Bucharest, Imprimeria Națională, 1939, p. 321.

¹⁹ *Ibidem*.

Romania with hope. The dual monarchy wanted to dampen the national aspirations of those Romanians, which didn't happen, especially in the new European context at the beginning of the 20th century.²⁰

The objectives of Romanians living in Transylvania and Hungary were manifested officially in their fight for equality of rights, which was a stepping stone towards union with Romania. From the motherland, they received help from different social groups for their struggle, and at the same time, the larger masses could not refrain from publicly showing their hope of a union with Transylvania. Only in the political circle, a more subtle, tempered approach was used. This was dictated by the alliance signed with Austria-Hungary and Germany, which was only known by very few politicians at that time.

Coming back to the trade relations between Austria-Hungary and Romania, the new demands which Austria-Hungary imposed on Romania, for example the demand to allow Austro-Hungarian citizens to purchase property in Romania – something which was prohibited by Romania's Constitution – made the Ion C. Bratianu government to cease economic relations with its neighbor and to introduce an autonomous customs tariff. This led Austria-Hungary to forbid the transit of Romanian cattle through its territory and then to increase tariffs by 30%.²¹ Under these circumstances, the customs war between Romania and Austria-Hungary started and it had negative consequences especially on Transylvania's economy, heavily impacting the local industrialists, artisans and merchants.²²

²⁰ Gheorghe Nicolae Căzan, Șerban Rădulescu-Zoner, *op.cit.*, p. 108.

²¹ Victor Jinga, *Problemele fundamentale ale Transilvaniei*, Brașov, Astra Brașov Press, vol. I, 1945, pp. 311-335.

²² Carol Golluner, *Consecințele convențiilor vamale dintre Austro-Ungaria și România asupra vieții economice a Transilvaniei 1875-1891* in "Revista Studii", Tom. 21, No. 2/1968, p. 326.

<http://bit.do/Studii-TOM21-2-1968>

*“The damages of the customs war will be paid by the Transylvanian people”*²³, was a conclusion made by the “Transylvanian Gazette” in 1886, just before the trade dispute started. The same idea was described by the “Ellenzék” paper of Cluj-Napoca – *“Hungary’s economy can survive a Customs War, but not Transylvania’s industry and commerce.”*²⁴ The same note was stated by the Vienna newspaper “Neue Freie Presse” in a somber description: *“The soldiers are not called to arms, the cannons are not marching down the street, the danger of battle is missing, but the goal is the same: destroying the enemy”*.²⁵

The introduction of these autonomous tariffs from 1878-1879 was part of the repositioning of Austria-Hungary’s foreign economic policy. The Dual Monarchy was moving away from international free trade and heading towards a protective tariff system. The introduction of the new tariffs was underscored by the fiscal interests of the country, which dictated that the Government had to improve revenues. Despite this protectionist policy, the Dual Monarchy still tried to direct its commerce towards Eastern and South Eastern Europe. However, the relatively positive relations which Austria-Hungary had with Romania and Serbia deteriorated due to its decisions with regards to foreign trade.²⁶

²³ “Gazeta Transilvaniei”, No. 106, 11/23 May 1886, *apud* Carol Golluner, *Consecințele convențiilor vamale dintre Austro-Ungaria și România asupra vieții economice a Transilvaniei 1875-1891*, “Revista Studii”, Tom 21, No. 2/1968, p. 326.

<http://bit.do/Studii-TOM21-2-1968>

²⁴ “Kronstädter Zeitung”, 19 June, 1886 *apud* Carol Golluner, *op.cit.*, p. 326. <http://bit.do/Studii-TOM21-2-1968>

²⁵ “Neue Freie Presse” 18 May, 1886 *apud* “Gazeta Transilvaniei”, No. 104, 9/21 May, 1886, p.1 http://www.biblioteca.deva.eu/periodice/gazetatransilvaniei/1886/05/gazeta_transilvaniei_1886_05_104.pdf

²⁶ Rudolf Grät (ed.), *Monarhia habsburgică (1848-1918), Volume I, Dezvoltare economică, administrația și sistemul juridic, forța armată*, Bucharest, Academia Română, Centrul de Studii Transilvane, Editura Polirom, 2020, pp. 59-61.

The tariffs which the Austro-Hungarians introduced, were in fact a response to German protectionism. When Germany closed its market to Austro-Hungarian agricultural products, applying harsh sanitary and veterinary regulations, the Dual Monarchy decided to apply similar measures to neighboring countries.²⁷ This is how the customs war with Romania began, a matter which had dire consequences on the Eastern and South-Eastern parts of Transylvania.

The tariffs were detrimental to many different industries, especially in Transylvania. First, the forestry industry in the south-eastern counties of the province: Brasov, Trei Scaune, Fagaras and Sibiu, suffered losses. The products from these countries had been exported in significant quantities to Romania but starting with 1886, the customs war prevented manufacturers from transporting wood, a fact which determined them to ask the Ministry of Industry and Commerce for the removal of the tariffs. We can understand how much the customs war affected the forestry industry just by looking at the low prices of timber and comparing them to those of 1885. One cubic meter cost in 1885 between 13-28 florins, while in the fall of 1886 it cost between 7-16 florins.²⁸ This drop in prices was a result of the decreased demand from the Romanian market.

Moreover, a serious loss was registered by the manufacturers of furniture with curved wood. Manufacturers of this kind from Codlea and Rupea, who exported monthly to Romania up to 2,000 chairs, were compelled to decrease production. They tried to adjust by selling products on the US market, but the results were not satisfactory. As a consequence of the dwindling profits, some

²⁷ *Ibidem*.

²⁸ Carol Golluner, *op.cit.* p. 329. <http://bit.do/Studii-TOM21-2-1968>

workshop owners decided to move their operations. It is the case of the Hornung Brothers from Rupea who migrated with 50-60 workers to Romania.²⁹

Other areas of activity affected by the increase of tariffs were the rope industry, ceramics and tiles industry and the clay workers in Cisnădie. The latter were forced to completely cease their activity in 1886. As it often happens in a market economy, fueled by supply and demand, the ceasing of certain imports from Transylvania benefited Romania. For example, the decreasing imports of rope products favored the development of domestic Romanian producers.³⁰

Therefore, unemployment in Transylvania increased due to the trade barriers. Another industry which laid off workers and contributed to unemployment was the glass industry. Exports of glassware decreased dramatically after the introduction of restrictive tariffs. This led to the firing of most workers from the factories in Avrig, Porumbacul de Sus or Bicsad, and the decrease in production to less than half of that of 1885. In both Braşov and Sibiu, artisans were feeling the sting of the economic downturn. They were prohibited from selling their goods due the tariffs and were watching how their products were piling up on the floors of their workshops.³¹

The customs war also affected in 1886 the manufacturers of textile and leather goods from Brasov, Cisnădie, and other towns, due to a similar decrease in demand. They had to reduce production to less than a quarter of that of 1885. Similar reasons made two investors from the area, Rhein and Scherer, to arrive at

²⁹ Ioan Tiberian, *Legăturile economice dintre România și Transilvania în perioada 1876 – 1886; aplicarea Convenției comerciale din 1875*, in "Revista Studii", Tom 22, No. 5/1969, p. 906; Carol Golluner, *op.cit.*, p. 329. <http://bit.do/Studii-TOM21-2-1968>

³⁰ Carol Golluner, *op.cit.*, pp. 329-330. <http://bit.do/Studii-TOM21-2-1968>

³¹ "Gazeta Transilvania", No. 148, 1/16 July 1886, pp.1-2.
https://www.bcucluj.ro/synfilebibdigit/periodice/gazetadetransilvania/1886/BCUCLUJ_FP_P2538_1886_049_0148.pdf

the same conclusion as the Hornung Brothers from Rupea: they dismantled their machinery and moved their operations in Azuga, taking with them many skilled workers.³²

Out of all the fields of activity mentioned so far, the leather industry was probably the hardest hit by the decisions taken in Budapest and Bucharest and the information above is just a precursor of the difficulties suffered by these workers. The activity of leatherworking workshops was hampered all over Transylvania. Not only the great centers like Sibiu, Sebeș, Făgăraș, Brașov, etc, were affected, but also small businesses in the field from Odorhei, Covasna and Cohalm. The reason behind the decrease in activity was due to the lack of materials.³³ Raw hides had been imported from Romania, but the tariffs imposed by Budapest decreased this import significantly. As a result, many artisans decided to migrate to Romania in search of work. They chose to leave through "Valea Cucului".³⁴

These were not isolated cases. Many skilled artisans, from many fields of activity, decided to migrate to Romania with their families in search of work opportunities. In Romania, great numbers of these migrants found work with construction companies, especially carpenters, apprentices, masons, but also unskilled laborers, who were hired in advantageous conditions. These opportunities were attractive for many Transylvanians.³⁵

Therefore, the commercial bond between Romania and Transylvania was important, as an article in the "Siebenbürgisch Deutsches Tageblatt" newspaper pointed out when negotiations to sign a new economic Convention were about to

³² Carol Golluner, *op.cit.*, pp. 330-331. <http://bit.do/Studii-TOM21-2-1968>

³³ *Ibidem*.

³⁴ „Valea Cucului” was a route used for smuggling and illegally crossing the border during the Customs War.

³⁵ Carol Golluner, *op.cit.*, p. 331; Ioan Tiberian, *op.cit.*, p. 906.

begin: *“Romania was and is the natural debut of our industry. We warn those who can decide not to easily sacrifice the interests of industry and artisans.”*³⁶

In these circumstances, the Austro-Hungarians agreed to engage in negotiations for a trade agreement with Romania, in January 1887 – on Minister D.A. Sturdza’s visit to Vienna. The conversations were related in the *“Transylvanian Gazette”*, as follows: *“Romania wants to conclude the treaty, but it also wants to ensure it has the conditions, which she believes she is lacking, to be able to develop a national industry.”*³⁷

The Austro-Hungarian side did not provide the Romanians with satisfactory concessions. Thus, the delegation left Vienna without concluding the agreement which was so desired by the inhabitants of Transylvania. Later, on May 10th, in Budapest, representatives of all agricultural societies from Hungary met in order to block all future negotiations with Romania. Therefore, after the failure of negotiations in Vienna, Budapest tried to block all future attempts at solving this issue.³⁸

Even though some in Budapest tried to block negotiations, there were Hungarian politicians who noticed the negative effects of the customs war. It is the case of deputy J. Horvath, who in the meeting of February 11th, 1887, of the Parliament in Budapest stated: *“If we always use the phrase that there’s no interest which binds us to Romania, then we only have to think about the increasing interest of Germany and England towards the Romanian market. The state does not have to direct its*

³⁶ „Kronstädter Zeitung” 24 April, 1886, *apud* Carol Golluner, *op.cit.*, p. 322. <http://bit.do/Studii-TOM21-2-1968>

³⁷ “Gazeta Transilvaniei” No. 69, 28 March/9 April, 1887, p.1. http://www.bibliotecadeva.eu/periodice/gazetatransilvaniei/1887/03/gazeta_transilvaniei_1887_03_69.pdf

³⁸ Carol Golluner, *op.cit.*, p. 332. <http://bit.do/Studii-TOM21-2-1968>

commercial policy according to theories but, it must take into account the links which already exist".³⁹ Horvath's point of view was shared by Zay, deputy for the county of Braşov. However, minister Széchenyi was staunchly against a trade agreement with Romania. Széchenyi is reported to have stated with regards to such an agreement that "We cannot jeopardize life and material existence".⁴⁰

Mihail Kogălniceanu who had been one of the most significant critics of the previous economic Convention, stated that: "this country must have her sovereignty over her economic interests, she wants to be master of her own home, to show that she has her own strength, that she does not need to beg for treaties or conventions."⁴¹ His point of view was unchanged since 1875, when he was arguing against the Convention when Parliament was debating the signing of it. At the time he stated that he believed "[that] the reciprocity which we are told we are granted is only a fiction, because there isn't the slightest equality of opportunities between the two contracting parties. We, Sirs, through this convention are condemning ourselves to being no more than a grain and raw-materials producing population."⁴² His idea of a strong Romanian industry can also be found in Ion C. Brătianu's liberal program which already introduced several laws for encouraging various industrial sectors.

Just like Kogălniceanu, Ion C. Brătianu denounced the economic convention on the 20th of May/1st of June 1885, arguing that the customs regulations

³⁹ "Kronstädter Zeitung", 16 February, 1887, *apud* in Carol Golluner, *op.cit.*, p. 332

<http://bit.do/Studii-TOM21-2-1968>

⁴⁰ ****Convenția cu România în dieta ungară*, 10 February 1887, in "Gazeta Transilvaniei", No. 75, 4/16 February, 1887, pp.1-2

http://www.bibliotecadeva.eu/periodice/gazetatransilvaniei/1887/02/gazeta_transilvaniei_1887_02_25.pdf

⁴¹ "Desbaterile Adunării Deputaților", Bucharest, 7 February, 1887, in Valentin Bodea, *op.cit.*, p.163.

<http://tara-barsei.ro/wp-content/uploads/2008/12/bodea2002.pdf>

⁴² Constantin C. Giurescu, Dinu C. Giurescu, *Istoria Românilor din cele mai vechi timpuri până astăzi*, Bucharest, Editura Albatros, 1975, p. 639.

of Austria-Hungary are unfavorable for the Romanian economy.⁴³ His position was synthesized in the "Transylvanian Gazette": *"We will make all concessions that will allow us to achieve our interests as an agricultural country. If, however, the neighboring monarchy were to be in the claim to keep us in an agricultural state, to indirectly prevent the establishment of any industries, then we must resign ourselves, we will prefer the autonomous tariff."*⁴⁴

Negotiations continued throughout 1887 with the help of the diplomatic representatives of Romania and Austria-Hungary but stopped in September 1887. In the meantime, reports continued to pour into Bucharest from Budapest and Vienna continuously signaling the decrease in imports from Romania into Austria-Hungary, but also a reduction of economic activities in Hungary which were related to trade with Romania. A special report of the Romanian legation in Vienna confirmed that the public opinion in the capital of the dual monarchy was increasingly in favor of an economic settlement between Austria-Hungary and Romania.⁴⁵

That same year, the idea of drafting a "Memorandum" about the situation of the Romanians living in Austria-Hungary took root. The project for this Memorandum was presented in the autumn of 1890 in the national conference of P.N.R – Romanian National Party. At this event, Transylvanian Romanians requested: 1) equality of rights for the Romanian people with the other nationalities, 2) a condemnation of the elections law, 3) the unmasking of abuses committed by the Hungarian authorities which were done under the protection of

⁴³ Valentin Bodea, *Aspecte ale relațiilor economice româno-austro-ungare în prelungirea războiului vamal (1893-1914)* in "Revista Țara Bârsei", No. 1, 2002, p.163.

<http://tara-barsei.ro/wp-content/uploads/2008/12/bodea2002.pdf>

⁴⁴ "Gazeta Transilvaniei", No. 106, 1/23 May, 1886, pp.1-2.

⁴⁵ Gheorghe Nicolae Căzan, Șerban Rădulescu-Zoner, *op.cit.*, p. 209

the nationalities law, 4) opposition towards the laws regarding education, the press and 5) action against the unequal representation of Romanians in the system of Law Courts.⁴⁶

The embitterment of relations between nationalities started in 1879, when the Hungarian Parliament passed a law which made teaching in the Magyar language mandatory in Romanian elementary schools, both Orthodox and Greek-Catholic. This decision was the first in a series of multiple laws which tried to impose, not only on Romanians, but on the other nationalities as well, an education system in accordance with the principle of the national Hungarian state. In 1883 a similar law was passed, but this was affecting secondary schools, where students were being taught in other languages besides Hungarian. In 1891, the use of the Hungarian language was enforced in non-Hungarian kindergartens. Both the education system and religious autonomy were attacked aggressively by Hungarian laws, wishing to undermine the autonomy of the Romanian Orthodox and Greek-Catholic Churches. The purpose of these actions was to extend the control of the Hungarian authorities over teachers and priests, who were considered instigators against the Government's assimilation policy.⁴⁷

The increasing number of actions by the Romanian National Movement from Transylvania made Austro-Hungarian and German officials worry about the consequences of the Hungarian Government's aggressive behavior towards Transylvanian Romanians. In Romania, King Charles I and the political leadership, both the Liberals and Conservatives, were looking for ways to use the said actions of the Romanian National Movement. Thus, in all three states, there was a concern

⁴⁶ *Ibidem*, pp. 189-191.

⁴⁷ Mihai Bărbulescu, Dennis Deletant, Keith Hitchins, Șerban Papacostea, Pompiliu Teodor, *Istoria României*, Bucharest, Corint Educațional Press, 2014, p. 335.

with regards to the actions of the Romanian National Party from Transylvania, and how they would affect the bonds between Romania and the Triple Alliance and the general balance of power in Europe.⁴⁸

The situation in Transylvania was creating tensions and important debates in the Assembly of Deputies in Bucharest as well. In December 1890, deputy Ion Grădișteanu talked about the validity and legitimacy of Romania's foreign policy as the country was having visibly closer ties to the Central Powers. He criticized the statements of Titu Maiorescu, who wrote in 1881 that a close relationship between Romania and Austria-Hungary would ensure a better situation for the Romanians living in Transylvania. Grădișteanu continued stating that *„Oh well, Gentlemen, it has to be written once and for all both in Vienna and Pest, that as long as the screams of pain of Romanians will echo in our ears, friendship between Romania and Austria-Hungary cannot exist.”* Furthermore, he concluded with the idea that *„We believe, we are certain that no government will ever be capable of at least talking with the neighbouring monarchy until the state of affairs beyond the mountains will, without a doubt, be changed.”*⁴⁹

The foreign minister, Alexandru Lahovary, replied to Grădișteanu saying that even if Romania may sympathize with the Central Powers, it doesn't have any kind of alliance or treaty with them: *„You asked me another question. You asked: if there is a military convention [...] between us and the Austro-Hungarian monarchy? I give you the most formal denial of this noise from the newspapers. Therefore, on these precise points, which were touched upon by mister Grădișteanu in his speech, I think I gratified*

⁴⁸ Keith Hitchins, *A nation affirmed: The Romanian National Movement in Transylvania 1860/1914*, Bucharest, The Encyclopaedic Publishing House, 1999, p. 297

⁴⁹ *Desbaterile Adunării Deputaților*, No 21, 14 December, 1890, p. 168.
<http://bit.do/Desbateri14DEC1890>

*the Chamber by giving a definite and real explanation. Now, if we are to explain ourselves the general tendencies of the policy of this country; if you ask me about the triple alliance; if you ask me what attitude we have to face with the triple alliance of the central powers and against the other powers that are left out of this group, my answer will be short. This is not the place, nor the time, to discuss such issues. All I can tell you is that if the triple alliances maintains peace in Europe as we are allowed to believe so far; if it is not prepared enough to provide the world with invaluable benefits of peace, then we Romanians, who have need of peace, who aspire to peace, we can't help being personally satisfied with such a resolution and such a reflection in the councils of the great powers of Europe; but from there to a special and formal treaty made with this confederation of powers, it is a step which we did not take."*⁵⁰

Once again, the secrecy of the alliance with the Central Powers was an important factor in the minds of the few politicians who knew about it. The general opinion in Romania about the Magyarization process directed against the Romanians from Transylvania was strong enough to create a political crisis if the secret alliance would have been discovered by the public.

Ion Brătianu asked, yet from the preliminary negotiations of the 1883 treaty, that the provisions referring to not tolerating political agitations or other subversive actions directed at the other party – by both sides of the treaty – be removed from the draft. This demand was made under the excuse that the existence of such an article stemmed from the premise that there was a lack of trust between the two countries. Count Kálnoky, Austria-Hungary's foreign minister, accepted Brătianu's suggestion. Other important issues were the secret character

⁵⁰ *Desbaterile Adunării Deputaților*, No. 21, 14 December, 1890, p. 169.
<http://bit.do/Desbateri14DEC1890>

of the treaty, but also Brătianu's demand that the treaty be signed not only with Austria-Hungary, but also by Germany.⁵¹

The Romanian foreign minister knew how unpopular the treaty would be in Romania and realized how public opinion could shift. Naturally, he wanted to avoid such problems. So, due to the negative feelings which the Romanian public opinion was showing towards Austria-Hungary, both Charles I and the Romanian Government saw themselves forced to undergo a foreign policy which was prudent, not fully committing Romania to the 1883 treaty.

In January 1891, the economic issues caused by the customs war had been discussed during general Manu's visit in Vienna. The interlocutors didn't make any new statements or any new offers with regards to a future convention but limited themselves to expressing the wishes and the assurance given by Kálnoky that Romania will obtain concessions for the export of cattle and grain.⁵² That same year, the commercial convention signed with Germany expired and Romania adopted a new autonomous tariff which was not accepted by Germany. Both countries made demands but due to the fear of having to deal with a united economic Austro-Hungarian-German front, Romania mitigated hers.⁵³

In July 1891 the customs war between Romania and Austria-Hungary came to an end. Both countries decided to impose a general tariff for imported goods, as the "Transylvanian Gazette" concluded: "*Regarding the new Romanian customs tariff, the newspaper „Neue Freie. Press” confirmed: <<The new Romanian customs tariff has a*

⁵¹ H. Mureșan, *Politica externă a României între 1871-1900 în corespondența diplomatică germană*, in "Anuarul Institutului de Istorie", Editura Academiei Republicii Socialiste România, XIII 1970, p. 204 <http://dspace.bcucuj.ro/handle/123456789/142370>

⁵² Gheorghe Nicolae Căzan, Șerban Rădulescu-Zoner, *op.cit.*, pp. 209-210.

⁵³ *Ibidem*.

*great importance for Austria-Hungary, because it puts an end to the customs war.>>*⁵⁴ In September, Kálnoky remarked on the importance of the end of the customs war for both Romania and Austria-Hungary. He stated that this has given Austria-Hungary the advantage to be able to compete with other countries on the Romanian market. He also made reference to the political and economic relations which have improved between the two countries. These statements were not even close to the truth.

The socio-political movement of Romanians from Transylvania who drafted the Memorandum had a powerful echo and found support and solidarity in Romania. Many politicians, including D. A. Sturdza believed that the Memorandum was “a great act” and a great action.⁵⁵

The Transylvanian national and economic issues were incentives powerful enough to put Austria-Hungary and Germany in a situation where they needed to increase their diplomatic efforts towards Romania, to be sure that the treaty signed in 1883 would still be renewed in 1892.

The Memorandum was just another complication in the already strained relations between Romania and Austria-Hungary. It transformed the problems in Transylvania into politically charged issues which were of interest to the masses in Romania, especially in the cities of Jassy and Bucharest. Both Liberal and Conservative politicians felt pressured to take a stand against the Hungarian Government's attitude towards Transylvanian Romanians.⁵⁶

⁵⁴ “Neue Freie Presse” 5/17 July, 1891, *apud* “Gazeta Transilvaniei”, No. 149, 6/18 July, 1891 http://www.biblioteca.deva.eu/periodice/gazetatransilvaniei/1891/07/gazeta_transilvaniei_1891_07_149.pdf

⁵⁵ Gheorghe Nicolae Căzan, Șerban Rădulescu-Zoner, *op.cit.*, p. 210.

⁵⁶ Keith Hitchins, *op.cit.*, pp.302-303.

Thus, large protests took place in Bucharest, making political leaders feel compelled to debate the situation in Transylvania in both the Assembly of Deputies and the Senate. At the same time, in order to show its support, Romania created the "League for cultural unity of all Romanians" (in short, the Cultural League), on the 24th of January 1891.⁵⁷

Even if the customs war came to an end, the industry and artisans of Transylvania received difficult blows. The economy of the province had always been linked with that of Romania, and the difficulties created by the limiting of imports and exports created numerous problems, as I have also shown above.

The customs war between Romania and Austria-Hungary had important economic consequences on Transylvania's economy, especially on the small urban artisans and on farmer's small industries. The effects can be seen especially in the areas which were close to the Romanian border, for example in the South-Eastern part of Transylvania. The central part was also affected, but not on such a large scale. Meanwhile, in the northern part of the province, in regions like Maramureș, the effects were much smaller.

Another conclusion we can draw is that the customs war also had a series of positive effects. The hardest hit were the small city workshops, which were stuck in their old ways of producing small quantities of products. The customs war forced these workshops, together with the small factories, to adapt and to introduce a more modern, more industrialized mode of production, in order to cut labor costs. Therefore, we can state that the customs war increased the capitalist

⁵⁷ Constantin C. Giurescu, Dinu C. Giurescu, *op.cit.*, p. 672.

character of South-East Transylvania, where the small businesses had to adapt to the rapidly changing markets of the late 19th century.⁵⁸

Despite this positive effect, once the artisans and industries from Transylvania were cut off from the Romanian market, it was difficult, almost impossible, for them to return. This led to the ruin of artisans, which would have probably happened even without the customs war. But this event hastened the process.

For Romania, the customs war also had both positive and negative effects. The negative impact on Romania's economy was felt especially amongst cattle breeders.⁵⁹ Despite this fact, Romania benefitted from the migration of some artisans and skilled laborers from Transylvania. But the most beneficial consequence for Romania was the fact that its industry started developing, in order to compensate for the lack of products from Transylvania, and in order to be competitive on other foreign markets.

Through this customs war, Austria-Hungary tried to achieve two objectives. First it wanted to better incorporate Transylvania, from an economic point of view, into the dual monarchy. Second, it wanted to weaken the ties between Transylvania and Romania. In this last regard, like we have seen, Austria-Hungary failed.

Due to the strong reactions of the Romanian public opinion to the policy of Magyarization in Transylvania, both Austria-Hungary and Germany made changes to their approach to Romania and increased their diplomatic efforts. Moreover, during the customs war between Romania and Austria-Hungary, in

⁵⁸ H. Muresan, *Date noi în legătură*p. 141.

⁵⁹ Ioan Tiberian, *op.cit.*, p. 907.

1888, Austro-Hungarian leaders expressed themselves in very negative terms with regards to Romania, its policy in the Central Powers, and even about the attitude of king Charles I.⁶⁰ This political and public instability of Romania was debated in Austro-Hungarian and German circles, concluding that it was important to maintain Romania in the alliance, due to its role in the plans of the Central Powers. Thus, Chancellor Leo von Caprivi explained that the Central Powers' plans in the Balkans could collapse and at the same time there could be a grave danger for the Southern border of Austria-Hungary, if Romania left the alliance and got close to Russia.⁶¹ On the other hand, the original purpose of Romania joining the Central Powers was to benefit from the protection which Germany, under Bismarck, could offer. This protection was deemed necessary in order to protect Romania's independence and to ensure its national security. The signing of the treaty with Austria-Hungary was just a step in ensuing this protection. The guarantor of Romania's security always being – in the eyes of King Charles I – Germany. Once Bismarck was dismissed, Romanian leaders were worried by the changes in Germany's policies towards the alliance. In this regard, if Germany ever decided to let Austria-Hungary to take control over the alliance with Romania, Romania would have considered that it no longer had anything to gain, thus the alliance would have been jeopardized.

From the perspective of the international system, Romania's problems with Austria-Hungary coupled with the change in the leadership of the alliance represented reasons for not renewing the treaty. Thus, if these changes took place, the basis for the European system wished for by Romania failed. The primary

⁶⁰ H. Mureșan, *Politica externă a României*, p. 206.

⁶¹ *Ibidem*, p. 207.

relations, the common principles underlying the treaty would disappear, therefore – from this point of view – Romania wouldn't have been bound to behave in accordance with what it signed and agreed upon in 1883.⁶²

In this regard, Von Bülow and Goluchowski were sent as diplomats to Bucharest to make sure that Romania won't distance itself even more from the alliance. The two diplomats had to convince Romania to renew the treaty with the Central Powers and to prevent any close contact between Romania and Russia. Over the years, Von Bülow became a close adviser to King Charles, who explained that the situation in Transylvanian was a powerful hindrance to renewing the treaty. No matter how much von Bülow and Goluchowski tried to convince Charles I that Romania and the Hohenzollern dynasty had only to gain from this alliance, Charles' mind was not yet made up.⁶³ Another reason was the customs war. The unpleasant feeling left behind by the customs war was still fresh in the minds of Romanian politicians.⁶⁴ Attempts in convincing the Romanian king to renew the treaty were starting to be successful only after Emperor Franz Joseph's letter.⁶⁵

Even after the emperor's intervention in the negotiations, Charles I expressed his view on the treaty by saying that it only had value for Romania as long as Germany was an active participant in the alliance. He also explained to the

⁶² Malcom N. Shaw, *International Law*, Fifth Edition, Cambridge, Cambridge University Press, 2003, p. 6.

⁶³ Gheorghe Nicolae Căzan, Șerban Rădulescu-Zoner, *op.cit.*, p. 193.

⁶⁴ Keith Hitchins, *A nation affirmed: The Romanian National Movement in Transylvania 1860/1914*, București, The Encyclopaedic Publishing House, 1999, p. 300.

⁶⁵ H. Mureșan, *Politica externă ..*, p. 207.

Austro-Hungarian negotiators that no Romanian politician would approve such a treaty considering the events which took place.⁶⁶

To conclude, taking the economic consequences of the customs war and the efforts of Romanians from Transylvania to oppose the policy of Magyarization into account, Romania's decision to renew its treaty with the Central Powers was made more difficult. It's possible that one of the reasons behind the end of the customs war, besides the ongoing demands of Transylvanians to regulate the tariffs, was the unease that this issue could influence Bucharest's decision to renew its alliance with the Central Powers.

⁶⁶ *Ibidem*, p. 301.