

**POINTS OF VIEW REGARDING ROMANIA'S AGRARIAN-INDUSTRIAL
DEVELOPMENT MODEL IN THE INTERWAR PERIOD**

Dragoş PĂUN, Associate Professor, PhD.

Babeş-Bolyai University

ABSTRACT

This article analyzes the economic development strategies of Romania during the interwar period (1918–1940), a time defined by the transition from a predominantly agrarian economy to a complex agrarian-industrial model. Following the Great Union of 1918, the Romanian state faced the challenge of institutional and economic unification, leading to a profound debate between two main visions: the neoliberal approach, which prioritized rapid industrialization through national capital ("by ourselves"), and the peasantist (tărănist) model, which advocated for a development centered on small agricultural households and cooperative systems.

The study explores the legislative framework and the state's interventionist role in key sectors such as agriculture, forestry, and industry. In agriculture, despite the 1921 reform, the lack of mechanization and extreme land fragmentation resulted in low productivity and a persistent subsistence model. In contrast, the industrial sector, supported by a dense legislative engine—including the 1923 Constitution and the Mining Laws—saw significant growth, particularly in energy, metallurgy, and aviation. The article highlights the shift toward an interventionist-statist policy during the Great Depression, which led to the regulation of cartels and the mandatory syndicalization of industry by the late 1930s.

Ultimately, the article demonstrates that despite political fluctuations and the impact of the global economic crisis, Romania successfully integrated its historical provinces into a unified national market. The interwar development model, although hybrid and subject to severe social pressures, managed to lay the foundations for a modern industrial infrastructure, preparing the state for the strategic challenges of the late 1930s.

KEYWORDS: *agrarian-industrial model, economic interventionism, industrialization, interwar romania, legislative unification*

J.E.L Classifications: N14, O25, Q18

1. INTRODUCTION

The interwar period was a defining era for the modernization of the Romanian State. Beyond the administrative unification, the consolidation of Greater Romania required a coherent economic strategy capable of bridging the gap between its rural reality and the industrial standards of Western Europe. This article examines the ideological and legislative efforts to define Romania's economic character, oscillating between the "purely agricultural" tradition and the "industrial state" ambition. By analyzing the interplay between political doctrines and economic reality, we aim to illustrate how the Romanian state used law and institutional building as primary tools for national development and social integration.

2. THE AGRARIAN DILEMMA – FROM REFORM TO SUBSISTENCE

In the chapters dedicated to the constitutional organization of the Romanian State, viewed through the lens of centralization-decentralization and the institutionalization of the national economic complex, we have observed the determination of political parties to achieve the modernization and development of society as a whole, aiming for reform and the integration of the State into the Western European evolutionary model.

Beyond the heated debates regarding a specific model for structuring State powers, the administrative-territorial organization contributed to the integration of the historical provinces, the creation of a national market, the recreation of the village, and the consolidation of the democratic regime and the parliamentary monarchy.

Economic thought also rose to the level of European debate, and we have analyzed it from the perspective of the liberalism-authoritarianism dialogue. Among the immediate concerns after 1918, specialists faced the task of defining the character of the national economy. The thesis that garnered the most support was that Romania was not destined to become a purely industrial State, nor was it to remain as it had economically evolved until the First World War—that is, exclusively agricultural. The essence of this thesis argued for a complex, agrarian-industrial economy (Duca, 1927).

In accordance with this character, a well-defined place was reserved for industrialization. The type of industrialization proposed and supported by the State's economic policy focused on the specificity of the country's socio-economic realities, which allowed for the exploitation of raw material and energy sources and the superior, industrial processing of agricultural products. This strategy and the programs applied proved their validity because, by the end of the fourth decade, Romania's economy had become an agrarian-industrial one, demonstrating that industry constitutes the essential condition and the starting point for the advancement of society.

Progressive political and scientific forces supported the development and modernization of the economy based on industrialization and developed appropriate economic policies. Concepts were

formulated and highlighted that aimed at: avoiding losses from unequal commercial exchanges through economic modernization; growing and consolidating domestic industry to face competition; drafting protectionist legislation; increasing the interventionist role of the State and the contribution of science to the production process; efficiently managing actions for the benefit of national capital; and collaborating with international finance in the interest of the Romanian economy (Saizu, 1981).

The overall development strategy of Romania was undoubtedly a success. However, economic results did not always meet the level of doctrinal approaches due to the short timeframe for applying these economic policies—only three decades—followed by the Great Depression, the World War, and the transition toward a planned, command economy. Despite these limitations, Romania evolved within the Western model with visible determination toward modernization and narrowing development gaps.

Legislation, intervention tools, and institutions formed the basis of the Romanian economic complex's structure between 1918 and 1948. Legislation, agricultural policies, and the evolution of agriculture have been treated extensively in specialized literature. Therefore, we will only briefly state the lines of the agricultural and rural development strategy.

Historiographical comments and analyses of the agrarian reform and its consequences for villagers have been positive. Nevertheless, the balance sheet of the Romanian economy regarding agriculture was modest. Model farms and some medium and large properties were developed and modernized. However, the vast majority of "labor" households lacked credit and mechanized means. Traditionalist, 19th-century subsistence agriculture continued to be practiced for the most part. Mitiță Constantinescu outlines the economic picture of a rural area that was little modernized on a national scale, subject to strong demographic pressure from approximately 4 million additional villagers in 1939 compared to 1919. Few of these were absorbed by the industrialization process.

The impressive demographic growth in villages stimulated the process of fragmentation, especially visible at the level of small, "tiny" properties under 5 hectares, which had only recently been established by the reform laws of 1918–1921. The pulverization and alienation of these properties, which were the majority in Romania, were accelerated by the Great Depression (Annex no. 3) (Cipăianu, 1933).

The cereal system remained predominant throughout the entire period—82% of the arable area, compared to 6% for pastures, 3.2% for food crops, and approximately 2% for industrial crops. Under conditions of backward technology, without the necessary mechanization or scientific crop rotation, the result was the exhaustion of the land and very low productivity, particularly in small households, which failed throughout the interwar period to reach the average levels of 1911–1915 (see Table no. 3).

Table no. 3: Average production (q/ha) of the main cereals in Romania

Year	Wheat	Corn	Barley	Oat
1911–1915	12,2	13,7	10,4	9,4
1921	8,6	8,1	6,3	7,8
1922	9,5	8,9	11,8	10,1
1923	10,3	11,3	7,1	6,7
1924	6,1	10,6	3,6	4,9
1925	8,6	10,5	5,9	6,2
1926	9,1	14,4	10,9	10,7
1927	8,5	8,4	7,1	8,1
1928	9,8	6,2	8,6	8,8
1929	9,9	13,3	13,3	11,2
1930	11,6	10,2	12	10,6
1931	10,6	12,7	7,4	7,7
1932	5,3	12,5	8,2	8,1
1933	10,4	9,4	10,4	9,7
1934	6,8	9,7	5	6,8
1935	7,6	10,4	5,6	7,4
1936	10,2	10,7	10	10,5

Source: Encyclopedia of Romania, vol. I, Royal Foundation Publishing House, Bucharest, 1938, p. 313.

The National Peasants' Party continued the legislative process aimed at modernizing agriculture while also saving it from the disaster of the Great Depression: the legal framework for organizing leasing and purchasing associations (*obști*) was established, and agricultural cooperation was encouraged. In 1930, the Minister of Agriculture and Domains, G. Cipăianu, recorded in a report that 1,374 purchasing associations, 128 leasing associations, and 832 cooperatives for the exploitation of small properties were active in agriculture (*ibid.*). The laws for the conversion of rural and urban agricultural debts were promulgated between 1932–1934, etc.

3. FORESTRY POLICY AND THE CHALLENGES OF NATURAL RESOURCE MANAGEMENT

Regarding the forestry economy, statistics published by the Ministry of Agriculture and Domains, the Forestry Bureau (*Casa Pădurilor*), and the offices of joint-stock logging companies provide varying data from year to year, and even for the same year, regarding Romania's forested area. For the year 1922, a figure of 7,094,056 hectares of forest is advanced. For 1929, statistics indicate 6,486,471 hectares, confirming a decrease in the country's forest fund. This was due to the rate of logging, driven by the increasing demand for timber necessary for post-war reconstruction and exports, as well as the agrarian reform laws, which allowed for the expansion of agricultural land through deforestation—encouraged by a lack of sanctions for forestry offenses (Decree-law no. 3097). The figures indicated for 1922 and 1929 correspond to percentages of 24.5%–26% and 22%, respectively, of forested area relative to the country's agricultural area (*Sylviculture dans la*

République Tchèque (1926), placing Romania in 12th position in Europe per 1,000 inhabitants (Official Gazette no. 42, 1930). Within the central and south-eastern European zone, Romania ranked third after Poland (9,062,000 ha of forested area) and Yugoslavia (7,586,300 ha) (Miletici, 1928).

By type of ownership, the country's forests belonged to the State, including those of absentees which had passed into its patrimony. Legally registered with distinct identities were the Orthodox Religious Fund of Bukovina, the former Border Guard Regiment of Bistrița-Năsăud County, the Caransebeș Property Community, the Crown Estates, the Civil Hospitals' Foundation (Eforia Spitalelor Civile) in Bucharest, St. Spyridon Foundation in Iași, charitable institutions, forests belonging to communes and counties, joint-ownership associations (composesorate), bishoprics, trusts, churches and schools, free peasants (moșneni and răzeși), private individuals, and joint-stock companies. This last category held the most significant share, namely 2,097,276 ha, representing 32.4% of the total. This was followed by the State with 1,942,000 ha (29.9%), counties and communes with 681,197 ha (10.5%), and joint-ownership associations with 655,707 ha (10.1%), etc. (Official Gazette no. 42, 1930).

From the perspective of geographical distribution, Transylvania held the first place with 59.1% of the total forest fund, while Bukovina led in terms of concentration per square kilometer (*ibid.*).

The quality of the timber from the country's forests, viewed through at least two aspects—distribution by age classes and wood species (*ibid.*)—indicates that one-quarter of the forested area was occupied by resinous trees (conifers), of which three-quarters were unfit for logging, being below the optimal "revolution" period for exploitation of 80–100 years. The ever-growing demand for timber was fueled by abusive logging. Logging companies were stimulated by the high profits obtained and favored by forestry legislation that was poor in sanctions. This led to a pronounced imbalance between growth and logging, in favor of the latter.

The State's forestry policy operated through general economic measures aimed at making the forests financially profitable.

The reports and balance sheets published by the Forestry Bureau show the income and expenditures of the approximately 2 million hectares of State forest. Revenues evolved from 66.3 million lei (1920) to 565 million lei in 1928. Concurrently, administrative and maintenance expenses increased from 59.1 million lei to 287.6 million lei for the same period. In pre-war gold currency, the figures ranged between 0.62 million and 8.61 million—the net income realized from forest exploitation between 1922–1928. During this same time, the net income per hectare of forest increased from 0.30 gold lei to 4.23 gold lei. This income corresponded to a yield index of 0.05% to 0.70%. It is worth noting that in European countries with much larger forest massifs, administrative and maintenance costs were lower than in Romania, while production profitability was significantly higher (2.2 cubic meters/ha in Romania compared to 4.13 cubic meters/ha in Germany, Austria, and Czechoslovakia—countries with inferior forest soil fertility). Other

categories of forests were in a worrying situation, with the exception of those belonging to the Reșița Estates, the Orthodox Religious Fund, and the Border Guard Fund (4 cubic meters/ha) (ibid.).

Severe administrative and maintenance deficiencies were also possible due to the forestry policy of the Romanian State, which was inconsistent in both legislation and practice. In the third decade, forests were cut down whose regeneration required 120 years of investment and labor. For other categories of forests, conservation and regeneration were the exclusive prerogative of the owners, who, preoccupied with expanding agricultural areas, favored deforestation by all means. To this end, they turned to joint-stock companies, created either by private domestic finance or, especially, by foreign finance, which combined exploitation with processing and capitalization.

The development of industry forced the State to intervene in regulating the relations between labor and capital, through social protection measures and consumer protection (quality, prices). Financial policies consistently monitored monetary circuits and the exchange of goods and currency with foreign countries.

4. INDUSTRIALIZATION AND THE RISE OF STATE INTERVENTIONISM

The long-term plan related to the country's industrialization aimed to change the predominantly agricultural character of the economy. To this end, a true legislative mechanism was promoted, designed to gradually establish the economic integration of the historical provinces, resolve multiple aspects related to recovery, and clarify the status of the creditor-debtor relationship.

Economic law was used to create the institutions necessary for the supply of machinery and equipment and to place industrial credit on the broadest possible basis. Judicial norms outlined the state's policy regarding fuels and raw materials. Strategy elements, along with those related to the stage of development of economic jurisprudence in European states, are found unitarily incorporated into the industrial legislation promoted by the Romanian executive.

Between 1918–1921, 63 laws, regulations, decree-laws, and journals of the Council of Ministers of industrial interest were adopted. The 1912 Law for the Encouragement of National Industry was extended to the scale of the entire national body as a basic law. Alongside it, the emergency legislation of the period was meant to accelerate fundamental economic processes—integration and recovery. The following were promulgated: the Decree-law regarding the establishment of the General Economic Directorate; the Journal of the Council of Ministers regarding the exercise of the Ministry of Industry and Commerce's right of supervision over factories (Central Historical Archive, 1934); the Decree-law regarding the establishment of the Credit House for the recovery of small industry (Official Gazette no. 66, 1918); the Decree-law for the establishment of the Petroleum Credit House (Official Gazette no. 233, 1919); and the Decree-law for the establishment

of certain services under the Ministry of Industry and Commerce (*ibid.*). This last normative act allowed for the creation of important institutions—the General Directorate of Commerce, the General Directorate of Supply, the General Directorate of Statistics, the Directorate of Economic Recovery, the Directorate of Commercial Conversions and Customs and Transport Tariffs, the Control Service for the Stock Exchange, banks, national currency insurance companies, the exploitation of natural resources, and economic legislation, and the Directorate of Cooperation.

The array of these important legal acts was completed with other regulations. Significant is the Law for the establishment of syndicates of manufacturers and industrialists. It granted the Ministry of Industry and Commerce the right to establish syndicates to cooperate with State bodies to intensify production and find the necessary means to procure raw materials and materials. The law also fixed the duration of the syndicates' operation: one year after the end of the war, with the possibility of extending their activity. A few days before the Al. Averescu cabinet came to power, on March 10, 1920, the Fuel Directorate was established by a journal of the Council of Ministers.

The new ministerial team aimed, through the legislative lever, to actively promote the state's interests in the economy. The fuel policy, decisive for the country's industrialization, was the subject of several decree-laws. Some of them provided for the mandatory sale by the State of petroleum products necessary for internal consumption; others instituted the creation of the joint-stock company "Industrial Recovery" (*Refacerea industrială*). Its purpose was to supply the industry with machinery, installations, means of transport, raw materials, and fuels; to participate in the activity of existing or future enterprises by providing capital and materials; and to grant advances against future reimbursement from any compensation the State declared it would grant to those entitled.

The legislation listed above largely responded to the objective needs related to the recovery, integration, development, and modernization of industry. Some laws, however, targeted partisan interests. We mention here the decree-law relating to the establishment of a joint-stock company for the development of the domains, mines, and works of Reșița, as well as the state mines and works at Hunedoara and Cugir, promulgated by the Averescu cabinet. This decree dissatisfied the liberals, who were preoccupied with achieving, in the spirit of the "by ourselves" formula, the nationalization of former enemy capital. The decree-law incriminated by the P.N.L. led to the fall of the Averescu government in December 1921.

Coming to power in January 1922, the P.N.L. repealed it and mandated registered shares for Reșița, a 60% share for Romanian capital, and that 2/3 of the members of the Board of Directors and the Management Committee, as well as the president and the general manager, be Romanian citizens. At the same time, the control and supervision of Reșița's economic-financial operations fell under the duties of a government commissioner.

The economic measures, meticulously prepared by the liberals, attested to the alignment of party interests—"along the line of which the opposition attacked" (Saizu, 1981)—with superior, national

interests. The "by ourselves" economic program provided for the encouragement of industry through Romanian labor, initiative, and capital; through the unification of legislation; through the strengthening of credit; by activating national energies; increasing production; and defending the country's wealth (Central Historical Archive, 1922). These were a series of principles and economic policy statements that would be incorporated into the 1923 Constitution.

The country's fundamental law reflected structural changes in society, including the increased role of the State in economic development. The Constitution was adopted at a time when the representatives of economic forces had passed the critical phase of the recovery years, and now, in 1923, compact groups from their ranks were launching toward consolidating their economic and political positions. From the perspective of economic articles, the Constitution expressed the transition into practice, for a long period, of the neoliberal stage of the country's development. Based on this, the industrial legislation adopted in the following period established the integration of historical provinces, moved beyond recovery, and met the "nation's need for progress."

The executive proposed the basic laws for Romania's industrialization to Parliament. The first of these established the National Industrial Credit Society in 1923, while four others from 1924 transposed Article 19 of the Constitution from the legal to the practical field through the energy law, the mining law, the water regime law, and the commercialization law. The legislation developed during the I. I. C. Brătianu government (1922–1926) managed to outline a state program in the field of liquid fuel with several objectives: preventing foreign capital from controlling the majority of oil resources; satisfying—even if not to the desired extent due to lack of capital—the involvement of national factors in resource exploitation; establishing an optimal correlation between the exploitation of energy sources, primarily oil, and the development of all sectors of the national economy; encouraging trends for the superior capitalization of deposits; strengthening the State's defense capacity; and defending Romanian interests on the world market (Păun, 1980; Buzatu, 1981; Axenciuc, 1977).

Under the impulse of these objectives, the economy moved onto the trajectory of development and modernization. The new government team of the People's Party (Averescu – 1926–1927) and then the liberal one (Vintilă Brătianu – 1927–1928) continued the economic policy directions prefigured in January 1922. Although we will dedicate a chapter to economic development, we summarize here the growth in the number of enterprises in 1928 compared to 1923 by 35%; utilized motive power by 25%; production value by 146%; fuel by 37%; employed personnel by 26%; and utilized raw materials by 128% (Manoliu, 1939).

There followed in the country's capitalist evolution the years 1929–1932, which coincide with the beginning and the peak of the Great Depression. The period is marked, from an ideological point of view, by the economic-political conceptions of the P.N.Ț., which had become the governing party. After November 10, 1928, an entire body of legislation aimed to introduce into the economy the supporting postulates of the economic policy program developed by this party. Overall, it targeted the constitution of the national economic complex, focused on the development of

agriculture and the industries closely linked to it and to national defense. The organization of the production of energy sources was intended to achieve maximum yield and in relation to the utility for the national economy—encouraging private capital initiative.

5. FROM THE GREAT DEPRESSION TO STATE-DIRECTED ECONOMY: CARTELS AND MONOPOLIES

Regarding economic collaboration with foreign capital, through the "open door policy," the P.N.Ț. provided for its broadest possible participation alongside domestic capital in the development of the country's productive forces.

In these directions, a legislation well-represented numerically but not unitary was promoted. The causes of legislative hyperactivity are explained by differences of opinion among the numerous factions and government teams of the P.N.Ț. In 1929, 19 laws and 6 application regulations were promulgated. All were prepared during the opposition years and faithfully reflected the party's program and doctrine. Representative within the legislative package are the law for the organization and administration on commercial bases of public enterprises and wealth (Official Gazette, no. 62, 1929), the monetary stabilization law, and the law for amending the mining law of July 4, 1924 (Official Gazette, no. 71, 1929). The latter promotes the mining policy principles of the P.N.Ț., distinct from the P.N.L. conception (Păun, Știrban, 1991).

Mining policy, in this party's view, had to organize the exploitation of deposits, expand the State's mining domain by stimulating prospecting, and, especially, by conditioning the exploitation of known lands with exploration work on new ones (*ibid.*). The law reveals the legislator's concern for establishing state reserves. Equal treatment was granted to foreign and Romanian capital, and the principle of freedom of internal trade and the export of crude oil was specified, while pipelines remained state-owned. Foreign capital did not take advantage of the law's provisions; moreover, some of the companies existing in the country repatriated part of their assets (foreign exchange, movable property) to their countries of origin. These operations were estimated at the time at about 10 billion lei.

In 1930, the second Iuliu Maniu government, with the same Virgil Madgearu at the Ministry of Industry and Commerce, submitted two other important laws regarding the country's energy resources to Parliament—the energy law and the law on the methane gas monopoly. The first, taking over the realistic, valuable theses from the law promulgated in 1924 by the liberals, went further along the line of economic progress by proclaiming the principle of rationalizing conventional energy—through the development of the hydrographic basin, an inexhaustible energy source, and by utilizing inferior solid fuels. It declared the necessity of "sparing superior fuels to the advantage of the national economy and avoiding unnecessary transport." Regarding transport, specifications were introduced concerning transport and distribution networks. The former were treated as a state concession, and those in the second category as a communal one. Concessioning

was possible while respecting the new legal framework from the law for the organization and administration on commercial bases of public wealth of March 1929.

Regional concessions were granted "as practical possibilities to make hydraulic and thermal plants using inferior fuels profitable, and to stimulate their construction through international capital collaboration" (*ibid.*). Vehemently opposed by the opposition for these regional concessions, the law did not justify the Liberals' reaction, particularly since, due to the economic crisis, no foreign capital was available for large-scale investments. Nevertheless, three regional concessions were granted, only one of which became profitable over time: the joint-stock company SETA (Compass Rumanien, 1932).

In 1931, 26 laws and 9 application regulations were promulgated at the initiative of the G. Mironescu and N. Iorga – C. Argetoianu governments. Mihail Manoilescu served as Minister of Industry and Commerce in the first government and for three months of the second, followed by engineer M. Vasilescu-Karpen until the end of the Iorga government. The legislation adopted during this period no longer focused on the perspective of industrialization but was intended as a powerful state-interventionist lever to overcome the economic crisis. Through the Law for the Encouragement of Crude Oil Producing Enterprises (Official Gazette no. 171, 1931), the public authority assumed a decisive role in fuel policy, intervening energetically to support basic industries—those of particular economic importance or of interest to national defense—in accordance with the Law for the State Guarantee of Bonds Issued by Romanian Industrial Companies (Official Gazette no. 302, 1931).

During 1932, industrial legislation was enriched by another 20 laws, one decree-law, and 6 regulations. These were issued by the Iorga cabinet, the two Al. Vaida-Voievod governments, and the Iuliu Maniu government. Notable Ministers of Industry and Commerce included I. Lugojanu in the Iorga government, followed by Virgil Madgearu under Vaida, and Lugojanu again in the Maniu government. Among the legislative measures, the Journal of the Council of Ministers stood out, through which the Copșa-Mică-Cugir Mixed Metallurgical Works were transferred to the Ministry of National Defense.

In 1933, 16 laws and 12 industrial regulations were passed. The Vaida government, with Lugojanu at the Industry Ministry, focused—like previous teams—on supporting basic mining and metallurgical industries, primarily those owned by the State, in their effort to overcome the economic crisis. Thus, Parliament passed the law authorizing the Public Commercial Regimes of the state mining and metallurgical enterprises in Transylvania to contract a loan from the National Bank of Romania (B.N.R.) worth 114 million lei.

The economic legislation promoted at the initiative of the P.N.Ț. governments and the Iorga-Argetoianu government found a significant field of action in economic practice, contributing to the overcoming of the crisis. At the same time, interventionist directions in the economy were established, which would intensify in the immediately following period.

Following the results of the November 1933 elections, the tasks of supporting the economy in the effort to overcome the crisis fell to the National Liberal Party. There were no recorded legislative discontinuities or ruptures—a seemingly paradoxical statement considering that, programmatically, the economic policy elements promoted by the Liberals had different doctrinal supporting points. Certainly, one can speak of nuances and corrections made by the new governing formula compared to what was recorded in the years 1929–1933. For instance, the autonomous regimes (*regii autonome*)—a cornerstone for the P.N.Ț.—were transferred to the relevant ministries as simple commercial administrations, services, and directorates to be managed according to commercial norms, by derogation from the public accounting law.

Through the Law for the Utilization of Romanian Personnel in Enterprises (Official Gazette no. 161, 1934), an attempt was made to return to the policy of resistance against foreign capital. This was, in fact, the reactivation of a principle, as the 1934 law lacked an application regulation until the brink of the Second World War. The Mining Law promulgated by the P.N.Ț. in 1929 also underwent changes through the introduction of new articles regarding the State's right of pre-emption in purchasing precious metals.

The Liberal government of Gheorghe Tătărăscu developed interventionist legislation and strengthened existing provisions for protecting national industry, continuing the policy of State investments, primarily allocated to the macro-metallurgical branches. Enterprises working on State orders were legislatively stimulated through advances, preferential credits at the B.N.R., tax reliefs, etc. New measures to encourage industries, in addition to those of the 1912 law still in force, led to the creation of high-tech branches such as electrical engineering and aviation. Notable for their importance were the law authorizing the C.F.R. Autonomous Regime to conclude transactions with rolling stock factories—Reșița, UNIO, Malaxa, Romlac, Lemaître, Franco-Română—and the law for moving the "Astra" factories (the first Romanian wagon and motor factory S.A.) and "Unio" (wagon factory S.A.) to Brașov. The State's contribution to the Copșa-Mică-Cugir Works was fixed by law (Official Gazette no. 177, 1936), and advantages were legislated for the establishment of factories producing items not previously manufactured in the country. A normative act of a predominantly interventionist character was the Decree-law for the Regulation and Control of Cartels of May 10, 1937.

In Western countries, an industrial policy was already in place through laws in France, England, Belgium, the Netherlands, Switzerland, Austria, and the United States. Special legislation for trusts and cartels was promulgated in Central Europe starting with Germany in 1923. (In Poland, Czechoslovakia, Hungary, and Bulgaria, legislation in this field was inspired by the German model). The cartel regime presented certain particularities in Italy, where the syndicalization of industries was seen as a means of State control and a premise intended to accelerate the rationalization and coordination of their activity by the state (laws of 1926 and 1932).

In Romania, the first draft for the regulation of trusts was submitted to Parliament in the spring of 1933. It was designed according to the necessities of the moment and aimed to resolve the "price

scissors." It referred to industrial agreements of any kind, called cartels, prohibiting monopoly situations regarding sales prices. The State was obliged to keep records of industrial agreements and their activities; to exercise "general supervision to establish the true character and nature of industrial and commercial activity"; and to control, intervene, and change sales prices whenever necessary (Demetrescu, 1940).

This normative act was not a repressive one. At that time, the State did not intend to take a stand on the issues of forming cartels or the grouping of industries for the concentration of capital invested in industrial means of production. No jurisdiction for cartels or a specific tribunal for them was envisioned; rather, as often happens in Romanian evolution, it was suggested to establish a "Superior Council of Cartels" with a consultative role under the Ministry of Industry and Commerce.

In the years 1936–1937, a new mentality emerged that conditioned development on the State's assumption of a specific role in the development of industries and economic life in general. Through the May 1937 decree-law, cartels were required to present a detailed report to the Ministry of Industry, including: progress made in purchasing raw materials; the rationalization of production and sales; variations in wholesale or retail prices for articles produced and sold by the cartel during the year; and a comparison with previous prices.

The Superior Council of Cartels had a consultative role. With the help of the Industry Directorate, the Ministry of Industry and Commerce (M.I.C.) created concrete possibilities for price supervision, with sanctions that could lead to the dissolution of cartels. Particularly important for the new interventionist policy was Article 24, regarding the state direction of industrial investments based on the country's superior interests: "For the purpose of controlling the functioning of industries, the rationalization of production, and for national defense interests, no factory may be installed, enlarged, or moved without the prior authorization of the Ministry of Industry and Commerce... The rejection of an application to establish a factory is done by ministerial decision. The same regime applies to existing factories in case of expanding installations or total or partial relocation."

Despite the intensification of the process of capital and production concentration and the formation of monopolies, legally consecrated by the aforementioned decree-law—especially in heavy, extractive, and manufacturing industries—Romania did not become a country with a monopolistic structure.

In alignment with the centralist principle dominant in the February 1938 Constitution, the Superior Economic Council was organized in June 1938 (Official Gazette no. 81, 1938). It had duties related to organizing the economy, rationalizing and capitalizing on production, coordinating exchange and fiscal policy, and providing prior approval for economic bill projects, treaties, and conventions with foreign countries. In October 1939, through the decree-law for amending and completing the

decree on the regulation and control of cartels, mandatory syndicalization of industries was introduced (Official Gazette no. 248, 1939).

Intervention and control measures by the State increased in the general policy of fuel and raw materials through the establishment, by the decree-law of January 1940, of the General Commissariat of Petroleum under the Ministry of National Economy (*ibid.*).

The industrial legislation adopted at the end of the interwar period and the newly created institutions with control and regulatory powers were firm indicators of the Romanian State's determination to consolidate its position as an economic "actor," particularly within the strategic industry. This continued the process initiated after 1918 to shift the character of the economy in favor of industry and services and to use available economic resources for the modernization and development of an economy that was imminently about to prove its capabilities within a new world war.

6. CONCLUSION

The economic evolution of Romania between 1918 and 1940 represents a significant, albeit unfinished, transition toward a modern European state. While agriculture remained the dominant sector, burdened by low productivity and demographic pressure, the period was marked by an unprecedented industrial leap fueled by a sophisticated legislative framework. The transition from the neoliberal "by ourselves" principle to the state-directed economy of the late 1930s reflects the state's adaptation to global economic instability and the imminent threat of war. In conclusion, the interwar Romanian model proved that a complex agrarian-industrial structure was not only a theoretical necessity but a functional reality that ensured the country's economic survival and national integration during a volatile century.

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