

**Romania's Foreign Trade.
The Role of Braila City in its Progress**

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Abstract: If the period at the end of XVIII century and the beginning of sec. nineteenth century can be considered as "adolescence" economy and contemporary society, the period 1850-1914 should be seen as "youth" of today's economy. During this period no great changes occurred in the economic system, it was rather a period of growth, invigorate, expand and close to maturity.

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1. Introduction

The period 1859-1877 is the decisive period in amplifying the process of Romanian national economy organism, by structural reforming of the state, of the economical and political life institution, in developing and consolidating the economical base of the Romanian modern state. A special place belongs to the Princely Message on December 6, 1859, that comprised a vast programme, and, from economical point of view was suggesting two large objectives: to bring economical independence to the country and to develop her productive forces.

Gaining the economical independence, at that moment, had a double aspect - the relationship with the Sublime Porte and with the Guaranteeing Forces. Confronted with the Turkish Porte's claims to consider the United Principalities as vassals and tributary, and confronted with the ambiguities of the Paris Treaty's provisions in 1856, and the ambiguity of the Paris Convention in 1858, the proclamation through the Princely Message of his own external policy, based on the free trade, had a double significance: on one hand, it was an act of suzerainty towards the Turkish

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Porte and, on the other hand, an act of opportunity towards the European context, because it could awaken and stimulate the interests from abroad regarding selling goods and investments in capital in our country, and inside the country, the interests of our makers and exporters.

In order to develop the productive forces, the Princely Message announced the construction of railways, that the credit and the public finances were reestablished, there would be a strict accounting and a Control Court, a Bank of Issuing and Discount, Land Bank, specialists would be prepared, etc.

2. Romania's Foreign Trade between 1877 – 1918

The labour social division, after 1877 materialized in developing new branches in industry and in extending the existent ones, in differentiating the peasants and specialization of some areas in certain agricultural products, in using in a wide area of the paid work. (Clough & Cole, 1967, pp. 532-559)

So, between 1865-1914 the total population of the old Romania increased with 88%, while the urban population increased with 115.8 %, from 648.6 thousand inhabitants to almost 1,400 thousand inhabitants. This fact together with creating, especially at the city, of some industries, stimulated strongly the exchange of goods between city and village. In the same period of time the number of traders increased almost 5 times. The internal market was stimulated also by the creation and the extension of the institution network, of credit instruments (bill of exchange, check, mandate), of the national currency, by introducing the decimal system for measures and weights, etc. A great role in the developing of the internal market had the expansion abroad the transport network. As this was extending to new areas, the volume of goods transported by railways increased. Crossing the country from one end to another, tying different regions of the country, as well as the most important ones to Bucharest, with the main ports and with the maritime port of Constanta, the railways allowed a much rapid and a cheaper transport. This took both to the development of the production but also to the intensification of the circulation of goods. After 1863 and until the First World War the Romania's foreign trade increased permanently in volume (between 1863-1913 by 6.5 times, from an import amounting to 72.1 millions lei in gold and an export amounting to 120.9 millions, to an import of 590 millions and an export of 670.7 millions lei in gold). (Bozga, Puia, Vasile, & Ribczuc, 1996, p. 133)

Between 1897-1906 there was ascertained a reducing of the volume but this did not affect the general tendency. The commercial balance is in surplus between 1863-1876, very adverse between 1877-1899, and then with large surplus between 1900-1913. By the new tariff in 1904- 1906 the custom taxes were situated between 10-25% compared to the value of the goods. The custom taxes were very low at the

machines, systems, semi-manufactured goods and raw materials that were not found in the country or they were excepted from taxes. In exchange, the goods that were made also in our country or at those that was the possibility to be produced in our country the custom taxes were a little higher. The tariff that was applied in that period of time made a separation between the countries with whom Romania had trading relationship and those who had not: to the first ones greater advantages were given, the other ones were granted limited advantages. Although critics were brought, some of them true, the customs and the industrial protectionism proved it selves objectively - in the conditions of that time - as the only ways to promote and to defend the Romanian economy. (Marcu, Puia, Bozga, Cherciu, & Vasile, 1979, pp. 380-412)

The total volume of the foreign trade (calculated as a sum of export and import), compared to annual average of the period 1872-1876(=100) increased to 225% in 1901 and to 439% in 1913. Compared to the same period of the year 1913 taken as a base the value of the export was amounting to 399.6%, and of the import to 494.3%. So while the export increased by 4 times the import increased almost 5 times.

Regarding the commercial balance, until 1877 it was in surplus, between 1877-1899 it was adverse year by year. Between 1900-19 13, excepting the years 1904, 1908, the commercial balance was again in surplus. The causes that produced the deficit of the commercial balance during the period 1877-1899 were numerous. Among them we can number: the negative results of the Customs Convention with Austria-Hungary Empire, the customs war that followed up and the unfavorable economical connections with the Large Powers. The agrarian crisis in the last third of the XIXth century that reduced considerable the price of the cereals, our main item exported, by the difference between the price of the products exported and the price of the imported goods. Between 1880-1913 Romania had reduced more from the difference between the prices, but her economy, mainly agrarian, her poor industrial development exposed her still at the effects of the non-equal exchange with even stronger partners and more developed partners from economical point of view. (Zane, 1930, pp. 390-397)

In the last decades of the XIX-th century, but especially at the beginning of the XXth century, the Romanian foreign trade knows a large development, reflecting the rhythm of the Romanian economy's evolution in these decades. Analyzing, even briefly, the volume and the structure of the foreign trade, it is necessary to have in view the following factors: it was an increasing demand of agricultural goods on the external market, that made the prices to grow with 15-25%; the quality of the Romanian wheat was one of the best; the making of a technical base for the transportation and industry needed to import equipment, harbor equipment, means of transport, etc. The economical development imposed also the import of capital that was invested in industry, commerce, and banks.

Accepting the idea, according to which only a correlation with the country's balance of payments by knowing all the credit and sold accounts- that, in condition that the values were passed over the border with no obligation to declare the values, it is impossible - could of remade and reevaluate in real terms the Romania's commercial balance, we can still ascertain that increasing of the foreign trade volume, the changes occurred in the structure of the imported exported, within the structure of the group of commercial partners, suggest sufficient data for demonstrating the dynamics and to point out the dimensions of the Romanian economy's evolution in that period of time. (Marcu, 1979, p. 64)

Regarding the structure of the export, in that period it was ascertained - more in the last period of time- an increase of the petroleum industry share, of the forestry industry compared to cereals (the percent decreases from 84% to 77%). The quantity of oil exported will increase continuously until the beginning of the First World War: 77,756 tons in 1990; 214,345 tons in 1905; 586,151 in 1910; 1,036,446 tons in 1913.

When importing, the share belongs to the equipment (the percent is doubled from the end of the XIXth century until the First World War). Developing new branches in the national industry- textiles, leather, glass, paper, etc.- lead to decreasing the percent- not of the entire quantities- the imports of common goods, from 82.4% to 57% in that period of time.

Until the First World War the major part of the import continued to be made from Germany and Austrian-Hungarian Empire. Regarding the export, the structure in those years was the following: Austrian-Hungarian Empire 30%, Germany 11%, Belgium 14%, France and Italy 17%. The share of Austrian-Hungarian Empire in the Romania's foreign trade had on its basis the traditional economical relationship between Romania and Transylvania; this is confirmed by the fact that limitation of this economical relationship in the years of the „customs war” determined an economical crisis both in Romania, but also in Transylvania.

In a last evaluation, that suggests very well the dynamics and the dimensions of the foreign trade, in 1912, the value of the Romania's foreign trade was bigger than the sum of the values registered by the Bulgaria, Greece and Serbia's foreign trade. (Beaud, 2000, p. 157)

In that geographical orientation of the foreign trade, modifications were registered regarding the place occupied by the capitalist countries in Romania's import and export. The period 1900-19 14, reported to the last quarter of the XIXth century, point out that the number of the countries with whom Romania had trade did not increase very much. These exchanges reflect also the fight lead by the main European countries for conquering the Romanian market, both for placing their industrial products, and for supplying them with the raw industrial and agricultural materials they needed. Both when exporting and when importing the major part of

these exchanges was concentrated in the hands of a small number of countries. Valuing of the oil rebalanced the export possibilities of Romania, maintaining the positive tendencies and masking the negative ones. (Sută, Drăgan, Mureșan, & Sută, 1998, p. 56)

Near the period of the First World War, Romania represented one of the important components of the world's market: is one of the main exporters of cereals (4 place), being a great importer as well (especially of industrial products with a high degree of processing). Romania was on the 8-th place in the world (after Argentina, Holland, Belgium, England, France, Germany and the USA) because of the foreign trade volume. For some of the products (wheat) the Romanian prices influence the world price.

3. The Role of Braila City in Developing the Romanian Foreign Trade

Braila, the Most Significant Port of Wallachia, the Main Fishing Center

The importance of the Braila port, the multitude of boats that came here is proven documentary in the period of Mircea the Great. The German Hans Schiltberger, taken prisoner by Turkish people in the battle of Nicopole (1396), comes back to his country in 1420, after a long period of detention passes through Braila. "Here - shows him in the story of his journey - stop the boats and the galleys that bring goods from the heathendom". By heathendom it is understand the regions over which, at that time, the Turkish, Arabs, and Tartars (mahometans by religion), so the coasts of the Black Sea, the Western and South coasts of Asia Minor, as well as the southern and eastern coasts of Mediterranean Sea. "More precise data are mentioned in a Turkish official act in April 15, 1520, so when the city had not fallen under Turkish domination; it is mentioned there the following: Ships in the Black Sea, coming from Trebizonda, from Caffa, from Samsun, from Istanbul, from other regions of the Turkish Empire, are going on the Danube, towards Braila. Sometimes 70 to 80 ships arrive at Braila from the Black Sea, loaded with merchandise. These are sold and instead the merchants load cereals and go back ". But besides the ships coming from "heathendom", also Greek ships arrived from the Byzantine Empire, Genovese and Venetian ships from Italy or ships from Dubrovnik from the Eastern cost of the Adriatic. The traffic was so big and the trade so flourishing that the Greek chronicler Laonic Chalcocondil, in the XVth century, shows that, regarding the expedition in 1462 of the Sultan Mahomet the 11-nd, the conqueror of Constantinople, against Vlad Tepes, that it was burned by the Turks the city of Braila, city of the Dacians, in which they make a greater trade than in all other cities of the country" The statement of this chronicler was rigorously exact: the commerce in Braila surpassed the commerce in all Wallachian cities, including the capital, that, at that time was still in Targoviste.

So we can see immediately the special importance the Braila presents for the economical life of Wallachia. (Giurescu, 1968, p. 152)

3.1 Braila a Turkish Fortified Town Important Strategic Point

Taking possession of Braila city took place in the period of June-October 1540. The city and the Wallachian main port at the Danube got under Turkish occupation. Taking possession of Braila by the Turks did not mean an interruption of her economical life, of the export, and of the import. A substitution of the custom income's beneficiary happened, also a modification of the way or the direction the export happened, this heading more and more to Istanbul, the capital of the Turkish Empire.

Braila was an important military center, situated in a region where there were neighbors Wallachia, Moldavia, and the Turkish Empire, it was normal that by this center to be related some military and political events.

It is important to mention that Braila was one of the major objectives during the long chain of wars between the Russians and the Turks, chain that starts with the war in 1711, during the reigns of Dimitrie Cantemir and Constantin Brancoveanu. During the XVIII century, the role of gathering the cereals destined for the Turkish Empire, that it had Braila in the previous centuries continued. (Gorincu & Gorincu, 1993, p. 39)

The decisive event, that determined the future faith of the city, is the war in 1828-1829. The war declaration of Russia against Turkey was issued on the 26 of April 1828; over only 5 days, at 1 of May, the siege of Braila starts. After a month of siege, Braila is conquered with an important war trophy. The Russians decided that after Braila is conquered to be demolished. (Cernovodeanu, 1986, p. 60)

For three years, important human forces worked to demolish the city. So the city that over three hundred years kept under threat both Wallachia and Moldavia, that contributed essentially to maintaining the Romanian countries under Turkish suzerainty, was disappearing¹.

3.2 Retaking the Right to Wear the National Flag on the Danube

The Russian and Turkish Empire plenipotentiaries conclude a convention regarding evacuating of the Romanian Principalities by the Russian troupes, at 29 of January 1834. According to the treaty, the Turks acknowledge the Organic Rules adopted during Russian occupation, and Russia engages herself to evacuate the troops from the Principalities in two months from the date the rulers were appointed. The treaty

¹ P. S. Aurelian (1889). Romania's economic situation in terms of passageways. *The "National Economy"*, XIII, No. 5-6, II, p.105 and no. 6/13, II, p. 126.

also comprised the obligation of the Turks to “give their own flags to the Moldavian and Wallachian commercial vessels on the Danube”¹.

3.3 Free - Port Condition

By Princely order given on the 13 of January, 1836, Braila was declared free-port-the goods arrived here from over the border, in order to be consumed on place or for being re exported, were exempted from custom taxes. In these conditions they could be imported and deposited in Braila, but only within the city, not beyond the margins, any kind of goods and products without paying any custom tax or any other tax. (Ionescu, Demetriad, & Marinescu, January - March 1938, p. 35)

3.4 The Port and the City of Braila between 1859 – 1893

After the Union of the Principalities new perspectives opened in the port activity. A greater number of ships, having different flags, came or left from the export. In 1859 until the 26 of October, 1,408 vessels arrived and 1,360 left loaded, thus being exported 76,000 kg of wheat, 1,498 kg of corn, 108,443 kg of barley, 3,888 kg of millet and others. Between 1867-1893 the port got an entire new aspect compared to the previous one; the quay and the docks were built, the storerooms were demolished and new ones were built made of brick walls; for depositing in good conditions the goods they were connected to the railway network. The new docks started to be built in 1886, and the works made under the management of Anghel Saligny were completed in 1892. Modern equipped, these were situated in the Northern part of the port on 1 km length and occupied a surface of 38.5 ha, from which 11.5 were forming the basin with a width of 12-12.20 m and 12 berths. Nearby, at a distance of 33 m it was the store that comprised 334 silos with a total capacity of 2,560 wagons. In the port activity the first place was held by the trade with cereals, Braila, being the first among the all ports of the country. There were exported also cattle, not so many, (4,791 ox, 1,346 pigs). The export value rose in 1888 at 8,083,681 lei in gold, and the number of the vessels that visited the port was especially high, getting in 1890 at 6,395 arrived and 6,599 left. (Florinescu, 1911, p. 42)

3.5 Between 1893 – 1899

During 1893-1899 the Braila economy develops continuously putting a special accent on the alimentary industry. The census in 1894 showed that here there were 7 mills with vapors, and three years later other three more modern mills, of big capacity, of which products were requested for export: Millas, Galiatzato and Zerman. At the end of the century the Violatos mill started to work, with the most modern equipment, it was the largest vapor mill in Romania of that time, with 200 workers and a daily grist capacity amounting to 20 wagons (of 10 tons each). (Olaru, 1998, pp. 96-97)

¹ Arch Ministry of Foreign Affairs (MFA), fund Ports, 1861-1888, vol. 57, p. 4

4. The Naval Traffic and the Commercial Importance of the Braila Port in the First Two Decades of the XXth

At Braila, the unanimously recognized specialization of the port as exporter of cereals established for the beginning a tight connection between the level of the annual agricultural production, on one hand and intensification of the naval traffic and the commercial trades in that year or the following year, on the other hand. For the first decades of the XXth century, to this determinant factor, it was added the evolution of the internal and international life, having sometimes a stronger impact than other times. That is why, influenced decisively by the agricultural production in the period of 1900-1913, the traffic of ships knew fluctuant levels from year to year, but with a tendency to increase per ensemble, coming to a head in the years 1910-1911. With 6,859 maritime and river vessels that entered, besides the 6,766 coming out in 1910 and 7,331 entered, compared to 7,126 coming out in 1911; the two consecutive years detach themselves as the most "full" years of that period, taking benefit from the great agricole productions gained than. The affluence of the vessels was so great in one day in 1911 that in the port there were 68 maritime vessels, half of them operating at quay, and both anchored. (Platon, Russu, Iacob, Cristian, & Agrigoroaiei, 1993, p. 142)

Loaded with significances the fact that from 1910 the traffic surpassed the total tonnage of the year 1893, when, it is true, the number of vessels entered and coming out was bigger. Even so, in 1910 the 6,859 maritime and river vessels entered had the net capacity of 2,826,218 tons, compared to 1,775,529 tons, the value of the 7,913 vessels entered in 1893; when coming out the situation was the same: 6,766 vessels had together 2,804,999 tons in 1910, while in 1893, 9,695 vessels registered not more than 2,699,686 tones. The explanation of the phenomenon consists in increasing the number of high capacity vessels and, in the same time, decreasing the number of the sailing vessels that were smaller vessels. As a matter of fact, in the last years of the last century, the frequency of this type of vessel decreased evidently. About the entries in Braila port, from 5,905 sailing vessels in 1882 we come to 3,163 in 1897, and about coming out there were registered 5,832 sailing vessels in 1882 compared to 2,937 in 1897, that means in both cases that their number almost get in half. (Axenciuc & Tiberian, 1979, p. 257)

The remarkable technical progresses that humanity registered at the border of the two centuries condemned the sailing vessels, these vessels with almost the age of the human society, to lent but sure disappearance. As motives, it is enough to remember the higher speed, the safety of navigation and the increased capacity of transport given by the modem boats, called simple steam vessels. The years 1912 and 1913 were remarkable, as well, for the traffic level, but not as the preceding ones, they were "supported" only by a medium agricultural production. Although the figures here above were not reached at the chapter entered and coming out

vessels, the values made were relatively superior to the years at the beginning of the century at the river navigation and quite close to the maritime navigation. (Giurescu, 1968, p. 198)

Coming back to the naval traffic itself, we signalize its perturbation by the political events, which manifested as unfavorable towards the port movement. In the first decade of the XXth century the interstate relationships evolved to a constant increase of straining and suspicions in the world's political life. As foreplay of the first military confrontation of our century, the Balkan Wars (1912-1913), through and due to the restriction of the Turkish Empire at passing through Narrows, they had a bad influence over the navigation on Danube and the Black Sea. This thing explains why, although the river traffic was maintained at high values, closed to the previous years, the maritime one did not even reached the figures registered at the beginning of the century, being more close than it was the naval circulation in the after the World War. But the stronger stroke was to be received by the traffic of the vessels and the goods together with the beginning of the First World War. Date 29 of September 1914, the Turkish Empire forbidden even the commercial navigation through the Narrows, the only naval commercial gate used by the East —European countries for exchanging the goods with the West being thus blocked. By the way, not the commerce became the main preoccupation of the states, but the modality how to draw one another into the conflict or how to provoke one another.

In 1914, in the Braila port the traffic of goods decreased suddenly with approximately 1/3 at entries and in half at coming out; the maritime reduced at half on both. The decreasing is catastrophic in the next year, and in the period 1916-1919 the commercial traffic to be suspended due to entering Romanian to the War and due to extending the military operations.

In order to find another angle from which to look towards the economical importance of Braila lets use some indicators, the year of maximum affirmation, 1911. This time we will make the comparison putting together the homologous indicators of Romania. The commercial surplus of the entire country was of 121,975,381 lei, and the surplus of Braila was of 105,359,744 lei, that means that the port and the city contributed to the Romanian surplus with the incredible percent of 86%.

Before we go to a last aspect that the Braila commerce knew we can not resist to the temptation to make another comparison using the data above, not only because there is about two years in row, but also because they represent the higher point of the naval and goods traffic development in that period of time. (Portocală, Demetriad, & Marinescu, January-April 1939, p. 13)

At first sight it is a remarkable progress at all chapters. But the data also say that Braila imported goods with 44,077 tons more than in 1910, for which it was paid

supplementary 15,599,413 lei and exported 87,079 tons more goods than in the previous year, getting a surplus of only 2,963,983 lei.

If in this way, in essence inefficient, it was materialized at Braila - the custom that brought 86% of the commercial surplus of the country in 1911- the effort of the Romanian society from the beginning of the century to participate at the world trade. Than any other commentary over the national foreign trade in that period, becomes useless. (Giurescu, 1968, p. 264)

5. Conclusion

In a possible historiography of the Braila port the first two decades of the XX-th century could be the one of the most dynamic and contradictory period, for if in the first half the naval traffic and the volume of goods transited reached the peak, in the second half, especially after 1914, the essential problem seems to become the surviving. The First World War meant, in spite of many opinions of our contemporary people, only one of the numerous factors of economical, social, and political nature of which manifestation had a destabilizing impact over the port and the city. After all, the unanimous recognized glory of Braila - specialization as a cereal exporter- represented the environment in which causes germinated and destroyed her supremacy, in the context of changes suffered by the entire Romanian society after war. So, the agrarian reform between 1917-1921 determined Romania's transformation from a cereal exporter, as it was at the beginning of the century, in one more modest, in the period between the two wars. In the new conditions imposed by the disappearance of the great estates, was neither easy, nor possible the mobilization of substantial quantities of agricultural products for export, but it was registered their orientation mainly to the internal market, thus becoming very abundant. Also, following a natural evolution in the new completed state, with a superior potential, other economical domains, non agricultural, gathered momentum and providing a beneficial diversification of the Romanian export, in compensation.

At the same time, after the war, the Great Romania established new commercial relationship, first with the young states in Central Europe, and a part of the trades, moved to land, by force of facts. The terrestrial transport, where the railways provided a plus of speed and safety won, the competition with the naval transport not only here but also almost everywhere. The new capitalist world, more pragmatic, claimed increased rapidity and efficiency in circulating the goods for maintaining the markets and the commercial connections. The major share of the water transports in the communication system of the country - indicator for which Romania at 1900 was situated at 80%- is now a fact of the past. So, at Braila, after century of feeding the city, after it provided remaking, developing and its fame, the

port had become just an ordinary economical objective, but caressed by the nostalgia of long gone age.

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