

# TRANSPORTS AND ROUMANIAN PROVINCE'S LINKS WITH THE EUROPEAN SPACE. THE DEVELOPMENT OF THE TRADE AND THE FORMATION OF THE ROMANIAN NATIONAL MARKET (1821 – 1877)

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## Abstract

*The study is the fruit of some in-depth research on an extremely interesting period, which should carry the reader on several different plans at the same time. I refer to the fact that the whole content interferes with the judgments of the study, having as informational support, such as: history, economic thinking, history of economic thinking, entrepreneurship, economic policies, strategies, sociology elements etc., specific to the period of transition, , to capitalism, by the more cumbersome renunciation, to the means of production of evuluimediū and to the adaptation to the new ideas and currents, specific to capitalism, which created serious prerequisites for the development of the south-eastern part of Europe, where the Romanian principalities were. We have used as sources of information - - published papers, periodicals, general and special works, and is intended to be a synthesis of the most important legislative, economic, financial, social measures that have been necessary to restructure the romanian society and not only,*

**Key words:** *transport, navigation, rail way, trade*

**JEL Classification:** N2, N4, N7

## 1. Introduction

Between 1821 and 1878, the modern infrastructure was lacking and the precariousness amplified the inefficiency of means and transport routes, representing a real brake on the development of the economy. After the opening of the trade to the western markets, in all the Romanian historical provinces, as well as between the regions, the transport problem was put, for the first time, in modern terms. The emergence, the maturity and the penetration into the Romanian space, of the modern economic ideas and trends, had created solid convictions of material prosperity and hurried the adaptation to the modern era, more than the local entrepreneurs expected, with the open mind, eager for what was new and especially, profitable.

## 2. Timid beginnings on the first transport modernization projects

At the end of the eighteenth century and the first half of the nineteenth century, were usually arranged roads, with the help of the corvee work and robot work. Interestingly, in 1848, at least, in some areas, such as Dolj, there was "the abolition of the six days of work at roads and the payment with money for the work done, during the revolution." [Bodin 1959, p. 944] Although the transport of persons and goods did not escape the concern of the authorities, in practice, the carriage consisted of an activity belonging to individuals.

There have been modernization projects for both at road as well water transport, but in practice, none has been applied. Of the many causes, lack of capital was in the forefront.

Some successes have been achieved, along with the development of the some roads, in Moldova (about 300 km of paved roads, in 1848) and Transylvania.

On this general background, freight and passenger transport started be carried to out by specialized transport organizations employing paid work.

## 3. Formation of the mail and courier service

In 1827, some Romanian merchants from Braşov formed a collective company, organizing an office for the expedition of goods, and in 1848 Franz Kerner (Braşov) set up a fast-track race, Braşov - Ploieşti - Bucharest, to which was added a service, with foreign

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capital, organized by the Austrians. A system for transporting people and messengers, called the "fast mail system", was created.

This postal service also links the appearance of the first Romanian postage stamps. They had printed a aurochs head and the Romanian postal insignia. The initial issue was very small, and 5% of the letters were taxed. For this reason, philatelic head marks are one of the largest but most rare philatelic values, in the world.

#### **4. The appearance of the first steam vessels**

The transport of materials was running, also, by the means of the rafts on the inner rivers of Transylvania and Banat: Sebeş, Mureş, Bega, etc., the number of raft workers, in 1847, amounted to 20,000-22,000, their employment being "paid" [Constantinescu 1998, p. 242-243]. In the same context, the rafting, on the Bistrita and Siret rivers, was practiced, to Moldova, until the port of Galati.

The year 1829 marked the beginning of the steam navigation on the Upper Danube, due to foreign capital. The first initiative to introduce the expansion machine was in England. In the same year, Austria, also, encouraged the establishment of the first shipping company\* on the Danube to carry passengers and goods [Atanasiu 2003, p. 25. Popescu 1929, p. 5]. In exchange for support from the Austrian state capital, the company was obliged to set up two lines of navigation: one for the Romanian ports from the Lower Danube to the mouth of the river and the other, between the mouths of the Danube and Constantinople or ports of Asia Minor. [Baicoianu 1917, p. 27]

The transport on water by Romanian ships, met a certain development, only after 1834, when Wallachia obtained the freedom of navigation on the Danube and in 1837, together with Moldova, when they will obtain the same rights and on the sea The declaration of the ports of Braila and Galati, in 1836, as free ports (porto franco), led to the increased traffic and implicitly, to the need for transport, the ports starting to receive, in addition, river ships and maritime ships.

In 1834, Alexandru Vilara started in Giurgiu, the construction of a ship, under the Romanian, which, after launching on water, carried out goods and passenger races in Constantinople. Gradually, other ships, though not many, began to appear under the "Romanian Flag". In 1838, a ship was built in Braila, for the benefit of a sardinian merchant and in Galati, in 1839, seven ships were also, built and the following year, ten. In 1847, of the total of 964 entered ships in this port, 28 were Romanian (20 Wallachians and 8 Moldovans).

On the Danube, there is still the practice of transporting goods with caics\*\*, the most, foreign property. In 1846, a transport company with two tugs, the grain on the Danube, was set up in Craiova, until Braila. Having privilege for navigation on the Prut, a young boyars' society (1844), headed by Vasile Alecsandri, carried with dozens of workers, oriental merchandise, from Galati. to Sculeni.

On the Nistru, the transport of goods was facilitated by rafts and galleys, these reaching, in 1846, at a number of 380, some of them with steam. From 1840, yet, from Cetatea Alba port, began steam racing to carry out activities in the ports of Reni, Ismail and Chilia, where the import of wood played an important role.

The water transport benefited, only of minor improvements. In 1858, the first steamed ship, the Siret, was used to tow up, to five barges for transport of salt. This ship, subsequently, became the first military ship of Romania.

#### **5. The emergence and evolution of rail transport**

Rail transport has developed slower compared to the shipbuildings. The real modernization of this type of transport took place when the Iron Route System was built on Baziaş - Oraviţa distance, in 1856, which served the interests of S.T.E.G. society. In Transylvania came into operation, the first line on the Arad-Alba Iulia route, in December

1868. This experience will continue to the south of the Carpathians, by building the Cernavodă-Constanța iron road, in 1860.

In Romania, the construction of railway lines was granted to foreign firms. In 1865, an agreement was concluded with J. Staniforth and J. Barclay in London, for the construction of the Bucharest-Giurgiu railway, inaugurated in October 1869. To an Anglo-Austrian group, was concessioned, in 1867, to build the Roman- Ițcani railway, with the Pascani-Iasi and Veresti-Botosani branches, all 225 km long.

In 1868, a Berlin-based company, headed by Strusberg, obtained the right to concession-for 50 years-a nine19-kilometer-long railroad line starting from Roman on to Marasesti, to Tecuci. From here, a branch headed for Barlad, went further to Galati, then connected the cities of Braila, Buzau, Ploiesti, Bucharest. This line was opened in 1870, when Railway Station -North Bucharest, entered into operation. In 1872, the Bucharest-Ploiesti line was opened and in the following years the construction of the Pitești-Vârciorova line, continued.

The Romanian entrepreneur Grigore Heliade built the Iasi-Ungheni line between 1870-1874, connecting it, with the Russian railways. Also, the railway lines Ploiesti-Predeal and Adjud-Targu Ocna were concessioned in 1875, to the English company Grawley Company in London, which due to the war of independence, could not be terminated until 1897, this time under the guidance of a French company, represented by the engineers Gouilloux and Bresson.

## **6. The trade hastened the formation of the Romanian national market**

In the general context, in a careful analysis, we can say that in England, with the great agriculture, the big industry has grown. In fact, the industrial revolution was not a political revolution, but there was a transformation of the economy, first slow, then between 1760 and 1815, much faster. In this way, the development of the capitalism, ie the exploitation by a contractor, of collective labor, has begun. For example, this trend towards a large enterprise, has been stimulated by increasing the number of consumers and implicitly, by the opening up of new markets and by mechanical [Maurois, 1987, p. 539.] interventions. This is how England became the "world factory".

This pattern was followed everywhere, because the same principles applied the same laws, and consequently, were the same effects. This great leap of Western European production forces, was extended later in other countries, and will generate a gradual economic growth process.

## **7. The first forms of modern economic unity in the Romanian space**

In the Romanian countries, the consolidation of the internal market was based on the increase and diversification of production, stimulated by the growth of the population, in general, and of the urban population in particular. Also of particular importance was the achievement of the customs union, between Muntenia and Moldova, from January 1, 1848, which was an additional premise for the creation of a unitary market before the achievement of the 1859 political union.

The permanent, ancient links between Transylvania and the United Principalities has continued with increased intensity, placing beyond the political impediments, the economic unit that underpinned the national unity of the Romanians in all the provinces of the country. The economic links of Transylvania were and remained, until 1918, stemming from the organic and complementary character of the Romanian territory. Even when the Vienna government introduced Transylvania (since 1850) into the customs system of the empire, these links could not even be limited.

## 8. Free trade policy and the need to strengthen domestic markets

The decreeing of the free trade, as the only system of exchanges, in the United Principalities (decided on 6 December 1859), was another very courageous measure to support the national market, but the action was blocked by the guarantor powers. [Zane 1980, p. 173]

The process of consolidating of the internal market has been further emphasized by other factors of economic nature: transport modernization, abolition of the domestic customs, the achievement of the national monetary system.

On this background of market consolidation, the gradual transition to modern forms of internal trade took place. Thus, the chambers of commerce (in Transylvania - after 1850, in Small Romania - 1864), a commercial code was adopted and the delimitation, between the wholesale and the retail trade, increased and the need for to move to stable forms of trade.

Although the forms of periodical commerce, practiced in fairs, continued to maintain the economic importance and towards the end of the period the new forms of modern trade based on samples, began to manifest through the organization of the first national exhibitions, in Iasi and Bucharest. Also, the participation of our country, at the first international exhibitions, in London (1851) and Paris (1867), made the country's resources better known abroad at that time. [Puia 1991, p. 123-124.]

## 9. Foreign trade

Foreign trade has been an essential link, both in the process of capital formation and in the changes in agrarian structure. In the conditions favorable to the sale of cereals, in the last decade of the eighteenth century and the first fifteen years of the next century, the prices increased de 6.4 times and for this reason, in Banat and other areas it grew to such a kind trade.

In the second decade of the nineteenth century a favorable conjuncture appeared for wool, which reached significant quotas, so that the people of Brasov exported to Western Europe at least one million funt\* wool blanks of about 560,000 of florins.

The trade balance was active as imports remained relatively low.

A profitable export item, from the areas that had access to waterways, was the wood. Then the cattle traders from Transylvania, were famous abroad. The shepherds in Transylvania dominated the prices of horses in Arad and Timisoara, but also. in Szeged and Debrecen. In Brasov there was a large trafficking with cattles and sheep bought from Wallachia.

The trade balance was active, as imports remained relatively low.

### Foreign trade of Wallachia and Moldova until 1867 (lei – 1867)

Years	Export	Import	Balance
1832	21 155 777	17 975 092	+ 3 180 685
1833	24 573 881	18 831 011	+ 5 742 870
1834	24 648 433	36 064 205	- 11 415 772
1835	15 874 655	17 794 889	- 1 920 234
1836	27 842 774	20 741 568	+ 7 101 206
1837	23 020 972	15 925 161	+ 7 095 811
1840	35 413 299	19 673 176	+ 15 740 123
1850	47 151 889	28 262 614	+ 18 889 275

Source - [Constantinescu 1991, p. 208].

## 10. Conclusions

Until the achievement of state independence in 1877, can not speak of a specific infrastructure policy or a commercial one, own, unitary and coherent, because Romania was not sovereign and the general framework of economic and financial conditions were too early, the stage of the development of the means of production, being precarious. However, during this period there was a constant effort of Romania to distinguish itself from the economy and the customs system of the Ottoman Empire through the endeavour of the bourgeois class in order, to acquire technical means, compatible with those in the center and west of Europe and the attempts of Prince Alexandru Ioan Cuza, to modernize the institutions and impose different customs duties through the Customs Act of 1860, which established a 5% ad valorem duty, but which ultimately, did not was successful due to the opposition of the great powers.

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\* The society was called "Erste Donau Dampfschiffahrt Gesellschaft"

\*\* caic - narrow boat, with two masts, with sails, with sharp prorate and stern, higher than the rest of the shell; Light, long and narrow boats, bent at the ends (used in the Orient).

\*\*\* funt - English and American unit of measurement, equal to 0.453592 kg.