2 Setting the Scene: Problems of Cohesion, 1918–1938

Romania came out of the First World War with double its former population, territory and industrial capacity – 7.3 million Romanians had by 1919 increased to 16.2 million, but they still lived mostly on the land. The economy was characterized by agricultural overpopulation and low productivity per acre – about half that of Western Europe. The newly enlarged provincial Romania with its legacy of a different historical experience, coupled with the diverse ethnic mix of the significant minority Hungarian, German and Jewish populations which it contained, posed major problems of harmonization and consolidation which, in the brief interlude of the inter-war period, the country’s leaders had little time, capacity and will to address. A failure to solve these issues blighted the country’s progress towards modernization and the exercise of genuine democratic rule.

There were contrasts in the pattern of economic development. Transylvania had benefited from Austrian and Hungarian investment until 1914, but the rest of the country remained underdeveloped. Although it possessed great natural wealth, with fertile soil and raw materials such as natural gas, lignite, oil, metals and forests, Romania lacked the industrial capacity to use these resources to the full. Industrial development was confined to an east-west axis from Timișoara to Brașov in Transylvania, and a north-south axis from Sighișoara in Transylvania to Ploiești and Bucharest in Wallachia. This left the country predominantly agriculture-based, with great variation in standards of living between town and country.

According to the 1930 census, almost 80 per cent of its working population lived on the land in villages that were poorly served by transport and communications. Its total population in 1939 was calculated to be just over 19.9 million.1 Few villages had piped water or electricity, health services were primitive, especially in the more backward regions of Moldavia and Bessarabia, and in such conditions it is hardly surprising that with a live birth rate of just 17 per cent, Romania had the highest infant mortality rate in Europe.2 Only 13 per cent of the adult population were employed in industry, commerce and transport.3 The 1930 census registered this number as 947,739 persons.4 The corresponding German figures were 42 per cent in
industry and 26 per cent in agriculture (1930). In 1936 there were 440,000 persons in state employment in Romania compared with only 250,000 in Germany.\(^5\) Whereas illiteracy in Germany had virtually disappeared by 1900, Romania’s census of 1930 registered an illiteracy rate of 43 per cent amongst those over the age of seven.\(^6\)

These problems were of a complexity which would have taxed the most far-sighted government and the most thoroughgoing cadres of administration. In the interwar period Romania had neither. The greatest discrepancy, from a Western point of view, lay in the gulf between word and deed. Behind the facade of political institutions copied from the West the practice of government was subject to patronage and to narrow sectional interests. Under the constitution of 1923 the king had the power to dissolve parliament and to appoint a new government. The monarchy, which under King Carol (1881–1914) and King Ferdinand (1914–27) had won the trust and affection of the Romanian population, soon lost much of its prestige through the antics of Carol II, who returned to the country from exile in 1930. Hugh Seton-Watson, a gifted young contemporary analyst of Carol’s exploits, described him thus:

Superficially brilliant and basically ignorant, gifted with enormous energy and unlimited lust for power, a lover of demagogy, melodrama and bombastic speeches, he was determined to be a Great Man, the Saviour and Regenerator of his country. His impressionistic mind was filled with admiration of Mussolini, then still the most picturesque figure on the European political stage, and he set himself to imitate him. In his untiring work, which lasted ten years, he combined a little of the terrorist methods of the Duce with much of the well-tried Balkan procedure of corruption and intrigue.\(^7\)

Institutionalized corruption was matched by examples of a personal variety. The exploitative rule of foreign princes in Wallachia and Moldavia in the eighteenth and early nineteenth century had helped to create a culture amongst the dominant elite in which rapacity was regarded as proof of dexterity and cunning, and therefore corruption of principles had become widespread. This culture had been assimilated by the small, bureaucratic middle class who expected to rely on unofficial remuneration in the form of favours to supplement their meagre salaries. There was no native economic middle class to act as a check upon the elite since commerce had fallen principally into the hands of the largely disenfranchised Jews who were barred from public service.

Idealism was scorned and those who searched for it, the young, were driven to the sole parties which seemed to have any on offer, those of the Right. Although a radical land reform programme was introduced soon after the First World War, many peasants were unable to afford the loans