

Rational and Practical Prerequisites of Socialism in Romania (1945 – 1989)

Eugen Ghiorghiță
Senior Lecturer Ph.D.
Spiru Haret University Bucharest

This paper is an attempt to organically integrate socialism into the evolution of Romania's economy during the last century. Grounded on normative and ethical prerequisites, the prevailing perspective in economic history during the last 16-17 years pointed out exclusively negative aspects and tried to cancel the socialist period.

We try to show that socialism (1945–1989) had the precise role of accelerating Romanian business environment's adaptation to the standards of the Western market economy.

An objective approach based on the existing documents, on the analysis of series of indicators, as well as of the historical evolution points out the mission of socialism as development accelerator aiming at making compatible/adapting the demand's structure with/to the offer of the industrialized countries.

The prerequisites of adopting socialism as a development accelerating solution of some "undeveloped" geo-economic spaces are systematized in this paper based on the analysis of some fundamental works, *programmatic* or at least *prophetic* for about forty-five years following the Second World War.

Among the works drawn up between 1920 – 1945 dealing with the necessity of an "integral command" system in certain countries of the globe we mention the following ones:

- a. fundamental works for the Romanian (protectionist) economic thinking, with special reference to the contribution of the Romanian economist Mihail Manoilescu¹;
- b. one of the syntheses achieved in 1945 within the framework of the League of Nations².

Following the logical clue initiated by Friedrich List, Mihail Manoilescu, like the prophets of the Old Testament, propagated and announced evolutions which had to unfold in an astounding way, almost identical to his predictions.

According to Manoilescu's view, one of the means of assuring the rationality of the protectionist policy might have been the *unique national plan*.³ The proposed solution starts with the observance of the major principles: (a) the private property over the means of production; (b) the individualization of the peasant's plot; (c) maximum liberty compatible with

¹ With special reference to Mihail Manoilescu, *Fortele nationale productive si comertul exterior* ("The National Productive Forces and the Foreign Trade") the Scientific and Encyclopaedic Publishing House, Bucharest, 1986, mentioned further on as "fundamental work" of the Romanian economist. The above mentioned edition represents the translation of the book *Théorie du protectionnisme et de l'échange international*, Giard, Paris, 1929, translated in 1931 into English, Portuguese and Italian, and in 1937 into German.

² *Industrialisation et commerce extérieur*, Société des Nations, Genève, 1945.

³ To this effect, see M. Manoilescu, *The Idea of Unique National Plan*, Imprimeria Națională, București, 1938.

the idea of plan; (d) the raising of the economy only by Romanian forces with a view to manifest the Romanian genius.⁴

So, Manoilescu opposed the planning specific to the system of *complete and pure corporatism* to the Soviet planning type. As it is well-known, Manoilescu's system wasn't put in practice in the form proposed by him. His hopes for achieving a harmony of the national interests by promoting a national bourgeoisie, which would have willingly obeyed the imperatives of the national interests in the totalitarian state, were to be mostly deceived.⁵

The efficiency of the industrial protectionism depended to a great extent on the achievement of a political-economic system of **highest integrality** of the national economic body. This supreme objective remained unreachable in the manner stipulated by the author of the inter-war protectionist theory.

It is of great significance that Manoilescu's vision was not only a source of inspiration for the South-American economists: the structuring of the totalitarian organization of the control economy in Romania after 1945 corresponded in a large measure to the majority of the arguments and "sketches" proposed by Manoilescu.

The situation of the less developed countries, experiencing themselves the process of industrialization, reflected in Mihail Manoilescu's works was ignored neither in Romania nor at the international level. One of the keen problems raised both by the international bodies and the leadership of the industrialized states was necessity to increase within the shortest possible lap of time the purchasing power of the population belonging to some large regions of East Europe and Asia. A higher purchasing power of the population in these countries would assure wider débouchées for the supply of processed industrial products.

Considering the economic life normalization after 1945, the rhythm of industrial growth specific to the big states was to become high according to the estimations of most specialists.

On the other side, as far as the countries with a prevalent agricultural economy were concerned, the studies carried out under the League of Nations during the third and fourth decades turned the balance in favour of a *forced* (or *artificial*) industrialization.

The integral protectionism achieved as socialism

In 1938, 80 years after the first trade treaty agreed on free trade basis, the international economic **relations** were far from the liberals' intentions of the 19th century. The fever of protectionism had involved most of the European countries. The imminence of war emphasized the promotion of autarchic policies especially for the states of Central Europe and for those supposed to be in their sphere of influence.

Some Western economists and politicians expressed several times their fearing concerning the consequences of carrying on the industrialization of the countries where this process took already off or of setting up industrial enterprises to some new agrarian countries or providers of raw materials. The *artificial* or *forced* industrialization by means of state encouragement was considered one of the reasons for the deterioration, in other word, the worsening of the international economic relations.

⁴ *Idem, op cit.*, p. 13.

⁵ See the chapter "The Failure of the Romanian Bourgeoisie". In: *The Sense and the Fate of the Romanian Bourgeoisie*, București, 1941, p. 262-264.

The experience gathered during the 80 years which had passed from driving the efforts of generalized application of the free exchange principles allowed to draw some inferences related to the risks brought by the industrial expansion of the developed countries as well as the *artificial* industrialization of the other ones in order to move off the international trade. If these inferences had stated the industrialization harmlessness, respectively the absence of the negative effects at the level of the international economic relations, it would have implicitly come out not only the *possibility*, but also - one have been made room to prove - the *necessity* of the industrialization of the “less developed” countries.

Trying to estimate the consequences of the industrialization of some countries producing basic goods - actually of the agricultural countries - might have got upon the international trade and the evolution of the industry in the developed countries, the study of the League of Nations – *Industrialisation et commerce extérieur* – from 1945 arrived to a series of conclusions, which connected to the results of our analysis, represents the ground for the hereby work.

The authors of the above-mentioned study attempted to express as clearly as possible that **there was no risk for the demand of processed industrial products to diminish during the following period in the conditions of the industrialization of other countries**, the arguments in favour of this *thesis* being explained further on.

Beyond this conclusion, in the end they were also systematized “the conditions required for the industrialization”, which means nothing but a setting up of the *necessity* of the industrialization in the less developed countries.

The risk of (carrying on) the industrialization of other countries

The endeavours of the researches undertaken for proving the lack of risk in the process of the industrialization of the agricultural countries – mainly producers of basic goods - was induced by the problems generated by the alarming diminution of the purchasing power of these countries as the result of the crisis during 1929-1933, that is to say the deterioration of the terms of change in the international trade.

That’s why the first question raised for discussion was just that of **the correlation between the offer of the basic items and of the manufactured goods.**⁶

The demand for manufactured products on the international market was dependent firstly on the export capacity of the countries producing basic goods. The countries which had not a developed processing industry generally could not acquire manufactured goods but merely owing to their exports of basic products. As their offer on the foreign market was restricted by the covering of the internal consumption, an eventual fluctuation of the value bulk of the production in the sense of diminution – specific mostly to the agricultural countries - would have caused a shortcoming in the demand for the processed products on the foreign markets.

⁶ We use the term somehow obsolete of “manufactured” taken from French as a synonym for the products of the processing industry just to enable a stylistic “aeration” of the text.

Secondly, the demand of the processed industrial products was also provided by the disparities appeared in the availabilities of consumption, in other words by the capacity of absorption of certain potential markets.

No matter how efficient the international labour division and international trade had been, they wouldn't have been able to succeed – or perhaps just **within a very long time** – to lessen the impressive differences between the quantities available to the consumption in different countries. The statistic researches made by the League of Nations showed that during 1926-1929 the production of industrial goods – excepting the edible ones – imported or processed in the concerned country varied between 250 dollars/inhabitant in the USA and 3 dollars in China. Even this only difference noticed for the third decade of the century reflects the huge potential of some markets which were not drawn to the turnover of the world market, yet.

In order to cover this potential demand correlated with the dimensions of the purchasing power the estimated solution could have been the industrialization of these areas. The high labour productivity specific to the mechanization would have induced goods supply increase as a consequence of the setting up of certain processing industry branches. Their products would have been changed for basic goods, which weren't produced prior to the industrialization or, if there was a certain production, they were exclusively consigned to the self-consumption of the rural population. **The industrialization assumes the existence and the growing of the basic items' production intended to be sold (as raw materials) and therefore a simultaneous development of the internal exchanges and of the foreign trade.**

As long as the increase of the national industrial production would have been followed by an adequate growing of the fabrics' imports (finished or semi-finished articles), **the production wouldn't have prejudiced the foreign market** of manufactured products.

Considering the advantages which might result for the country interested in **the carrying on the sale of the exportable surplus of the basic products abroad**, in normal conditions,⁷ **the production of the national industry** wouldn't have affected in a negative way the export of these products so, **it wouldn't act in the sense of diminution of the demand of manufactured products.**

Another reason for what one was estimated that the industrial development wouldn't have caused a reduction of the imports of manufactured products was that especially in the countries with dense population, “the most susceptible of progress” industry was **non-centralized depending on the local market** under which, before creating this industry, the purchasing power in order to acquire manufactured products was restricted.

The industrial countries would have got the time required to reorganize the offer as result of diminution of the demand for manufactured articles induced by the industrialization of other countries because within the framework of the last ones the setting up and development of the industry would have met enough hostile reactions being, in its turn, delayed.

⁷ Through “normal conditions” one is pointed out the conditions specific to the international trade until 1914, respectively until the breakout of the crisis from 1929-1933, when the reasonable tariff barriers did not induced stagnations or absolute diminutions of the foreign trade volume.

Under normal conditions the imports coming from the old industrial countries wouldn't have decreased as result of developing the industry in other countries. The industrialization of the last ones would have contributed to the diversification of their demand for consumption goods as well as to the increase of the demand for processed products on the foreign market. Different industrialized countries as providers would have been affected in different manners and even those with increased sales would have got to face certain problems of adaptation. However - we say it again – only by providing the normal conditions, respectively in the absence of the quasi-generalized policy of autarchic economy specific to the fourth decade – the interval required for this adaptation would have probably assured since in most of the countries, especially in those with dense population there were enough forces – agents, conditions – which opposed to the industrialization.

After the starting off the industrialization, a series of goods, which were imported before, would have replaced in the consumption by products of the autochthonous industry. Some countries in course of industrialization, which did not have enough devices would have got the opportunity to embezzle a certain part of their funds intended to buy manufactured articles in order to be consigned to the import of basic products. So, one would have obtained an increase of the purchasing power of the other countries which were exporting basic products, thus being assured at least a constant level to the demand for the processed products. In the same way, one was estimated that even the exports of manufactured products to the countries recently industrialized would have induced secondary effects which counterbalanced partially or totally the disadvantageous influence caused by the competition with the production of the old industrialized countries.

Another purpose of the international comparisons worked out in the end of the third decade referred to the setting down of the measure through which the countries where the industrialization was moved off almost recently had become independent of the import of the manufactured products. On the contrary, one was found that, as a rule, the small countries were more dependent on the imports of these products than prior to move off the industrialization and, for some countries of similar size, a high manufactured production per inhabitant was usually accompanied by large imports of processed products. The countries whose industrial development still was not started generally occupied the last positions as concerns the imports of manufactured products per inhabitant. They were excepted from this rule some regions of secondary importance which disposed of maritime communications favourable to sale a high percentage from their production of basic articles in exchange of the foreign processed products.

In order to provide suitable conditions for (carrying on) the industrialization of new regions of the world they were accepted only the tariff barriers. The import restrictions established as protectionist purposes were seeking to encourage the national industry to the prejudice of the imports, whereas **a reasonable protective tariff having in view just to allow the competition of the national processed industry on the internal market** couldn't have got but restrictive effects with limited and temporary character upon the imports. This conclusion is much more significant as long as it represents the effect of the researches made at the level of an international authority which had put great endeavours to assure the exchange freedom during the inter-war period.

The disturbances caused by the first war and the big crisis, as well, in 1929-1933 induced the moving off or the prominence of the industrialization bringing about **short-circuits** within the foreign trade of the old industrialized countries. Yet, one was estimated that **the industrialization generally assigns big sacrifices in the countries it occurs and when the economic and international relations had become normal it would have proved to be anti-economic through its artificiality.**⁸ In other words, one was admitted – and it was quite significant for the dominant conceptions in 1945 – that the artificial industrialization could be tolerated up to the limit of a new crisis of the international economic relations, and then through the removing of the protection and abrogation of the measures for stimulating the industry, “the equilibrium” at the international level could get re-established. The effect would have been obviously the collapse of the branches artificially created and maintained in the less developed countries - “in process of development”.

In order to prevent such consequences, one was estimated that **only a determined international action would have allowed to avoid and surmount the commercial perturbations of that type as well as to create the necessary conditions for an economic development fully satisfactory.** In other words, the ensuring of the artificial industries survival could have been done by bringing forth different international bodies (see, amongst others, the bringing forth of GATT) with the view to “harmonize” the interests of the countries involved in the international trade.

The modifications noticed in the activity of the processed industry as well as in the world trade on long term, 1870-1938, are self-evident to back up the same conclusion: until 1930, the development of the processed industry – far from conferring a certain independence to the countries in discussion as concerns the foreign manufactured items – had been stimulating the import of such items, the volume of the transactions on the foreign market tending to follow simultaneously the course of the activity of the processing industry.

The main distortions of this tendency were influenced by “external” agents like the changes occurred to the commercial policies and the perturbations induced to the international relations by the war during 1914-1918. After 1930, the former relation between production and trade was broken in some countries which took measures to develop their processing industry in the prejudice of the imports.

Similarly, the comparisons that were made showed that until the end of the period 1920-1930, the countries where the processed industry had developed most quickly increased - in general - to a larger extent the imports of the manufactured items. The exports of processed products tended, in their turn, to rise, at the same time, with the production of the processing industry. The evolutions specific to the period 1930-1938 led to the conclusion that the real danger for the old industrialized countries was not the expansion of the industry – respectively its development in other countries – but the impossibility to re-establish the multilateral trade or the eventual collapse of this trade, in case it could be rehabilitated.

The price competitions used by the recently industrialized countries, could have drawn losses on the market of certain articles considered separately but, in normal conditions, these

⁸ This point within the ensemble of conclusions of the study made by the Nations' Society is extremely important: the argument was “comforting” for the industrialized countries since one was provided their “recurrence to *normal*” in case of the “short-circuiting” of the international trade relations, by removing the conditions of encouraging the less developed countries.

losses would have been counter-balanced by the profits generated by the new offer, which the respective competition could create in different ways. Otherwise, these compensatory forces wouldn't have been able to act but in the conditions of a wholesome running of the international trade. Great Britain missed a series of markets achieved during the former periods in the areas which were providing raw materials – to the benefit of the competing countries that were industrialized later, mainly after the collapse of the multilateral trade regime, after 1930.

The processing industry, the commercial balance and the payment balance

The old industrialized countries were – and still are – the major importers and exporters of manufactured products. Since only the *net* exports of these articles ensured the subsidizing of the imports of the edible goods and of industrial raw materials, as well, it was necessary to analyze the **commercial balance** of the processed and basic products.

Thus, one was ascertained that the countries developed from the industrial point of view, which disposed of restricted natural resources in comparison with the population and their level of industrial development, usually had to rely on the increase of the net exports of the processed products as well as of the net imports of basic products.

However, one was estimated that such an evolution of the commercial balances was not incompatible with the industrial expansion which could occur in other areas. This assertion was grounded on the previous evolutions - precisely one was noticed that the countries favoured by the natural resources had increased their imports of manufactured products concurrently with the development of their processing industry. So, until 1923 nothing left to be seen that the progressive expansion of the industry could have unbalanced the scales of the old industrial countries up to the reduction of the economic development rhythm; on the other hand, the countries in discussion had kept their position, so they were able to turn it to better. The perturbations of the economic relations during the world first war and after it affected the commercial balances of these countries to a certain extent

After the cutting off the multilateral commerce, at the beginning of the fourth decade, the preponderance of the action of the disintegrating factors of the international economy created big obstacles in moving off the waves of elementary products towards the industrialized countries. The continuation of these waves was ensured either by embracing of commercial policies, which conduced to the breaking out of the general economic war or by more and more frequent subsidizing on the account of the diminution of capital exports or by clearing the external reserves.

As we have shown during the herewith work, during the regime of multilateral exchanges, the payment balances of the countries advanced from the industrial point of view were equilibrated by means of the active surplus stock of “the invisibles”, respectively of the incomes got from maritime transport and insurances, of the profits' repatriation of the capital investment abroad, etc. The massive withdrawal of capitals after the one by one collapse of certain number of big banks generated the impossibility to maintain - further on – of the commercial balance shortage. As result, some countries with tradition in the field of liberalism – Great Britain, for instance, was forced to adopt measure in order to restrict the imports.

Moreover, for the poor countries as concerns the device reserves, under the circumstances created by the crisis after 1930, the payment balance shortage could not be

covered but through serious surpluses of the commercial balance. Of course, the last ones could not be achieved on basis of increasing the value volume of export due to the catastrophic decrease of the costs of basic products (agricultural and mineral oil, as concerns Romania) as well as to the incapacity of structural adaptation of the (Romanian) agricultural production to the signals of the European and world market. Promoting the protectionism in a world “entered the delirium” – as a contemporary analyst noticed – was a secure measure in case of a country with a preponderant agrarian economy.

The necessary conditions for the industrial conditions

This point of the conclusions of the analyses made on the international level, just published in the end of the work from 1945 – already mentioned – of the Nations’ Society is extremely important to state the sense of the presumptive evolution of the economy of the agrarian states from South-East Europe after the world second war.

In the countries with dense population, where approximately one third of the inhabitants were working in the agricultural field, the industry development was generally delayed on account of the low standard of life – from where it came the weak accumulation of the capitals and the lack of inclination to savings - of the low productivity of labour as well as of the inert and obsolete social organization. The trade of these countries was not enough developed, the transport facilities were inadequate and the savings (accumulations) insufficient.

Their industrialization would have required particularly a radical change of the social values and of the administrative regime as well as a re-organization and a rationalization of the agriculture. Under these circumstances, one would have been possible the increase of the agricultural production concomitantly with the decrease of labour hand in the agriculture; a high proportion of the population involved in the agricultural work would have become available for industry and trade.

In the first stages of the industrialization, in the countries with large density of population, the development would have been facilitated if the industry had been non-centralized and the ampleness of the production relatively modest. In case of a non-centralized industry, in expansion, a social re-organization less profound would have been sufficient: the useless urbanization was avoided, the use of abundant resources of labour hand could have been easier and simultaneously the need of investments in the industry or in the utility services more reduced. In the same countries with dense population, would have been required to combine a program in order to comply with the industrialization including measures to pursue the braking of an excessive increase of the population

In these countries it was important that **the natural resources would be wasted as less as possible prior to enterprise a progressive industrialization.** One was estimate that some of these countries probably exceeded the stage when the industrialization could have been accomplished spontaneously. **In such cases, this was supposed to represent the object of a settled minute plan and to be watched with the government intervention and support.**

The affluence of foreign capital was of great importance for developing the foreign trade and the public utility services that formed a preceding condition of the industrialization. The experience of the inter-war decades showed that the foreign capital amounts available for building a processing industry were quite limited. **Most part of the industrial capitals had to**

be provided by the national accumulation. The possibilities to obtain these capitals, even in the countries where there was no limit of tolerance for repressing the consumption, were considered bigger than appeared at the first sight.

To count on a customs tariff as a unique or major means to stimulate the industrialization had become practically a utopia. In order to succeed, a plan of industrialization should have generally involved a vast program of social restoration, of improving the hygienic conditions of the technical and general education, of the agricultural reforms as well as of the investments in transport, in the production of energy and the rest services of public utility.

In this way it ends the conclusions of the study analysis – *Industrialization at commerce extérieur* - done by the Nations' Society.

Just one solution is left among the debated aspects: for a country being at the beginning of the industrialization or in process of industrialization it is not mentioned the necessity of the **nationalization of the means of production**. This way is only *suggested* by the severity and the rigour involved by the rest of the imperatives of interventionist essence from the last paragraph.

The subsequent evolution of the industrial protectionism in Romania, from the perspective of the inter-war experience

In 1935, within a conference organized by Kiel, Mihail Manoilescu has got to suggest the moving off the **development decades**.

“The eastern Europe of today is a poor customer for the Western Europe. Yet, the Eastern Europe of tomorrow could not become a rich customer? This is the main problem of Europe. If the customers are poor that who sells has to take care first of all to make them rich!”⁹

The analysis carried out by us during the work and the result of S.N. call for the following conclusions:

1. At short time after Romania was recognized as an independent state in 1878 and the proclamation of the kingdom in 1881, the trade foreign policy was directed after the dominant note become already specific to Germany: the customs tariff industrial protectionism. The arguments put forward, presented in the First Part, the sub-chapter 3 of our work, also were taken over the German doctrine and adjusted to the conditions of Romania.

2. The tariff protectionism from the period prior to the world first war wasn't aggressive. It perfectly registered its name in the tendency of the policies adopted not only by the states of Central Europe but also by Italy, Spain, Russia and France, commercial policies imposed by the efforts to settle, respectively to protect some enterprises and industrial branches in front of the pressure of the British industrial products or American agricultural ones, cheaper and present in large quantities on the European market.

3. Until 1914, the measure for protecting the national industry did not affect the volume of foreign trade in the sense of the imports diminution. As concerns Romania, one was recorded a tendency - similar to that specific at the European respectively world level – of

⁹ Mihail Manoilescu, “Zusammenarbeit zwischen Ost- und Westeuropa auf neuer Grundlage”. In: *Weltwirtschaftliches Archiv*, Bd. 41, März, 1935, Heft 2, p. 167.

simultaneous increase of the industrial production and of the foreign trade – with scarce digressions generated by the circumstances. The economy of Romania enjoyed the advantages common to all the countries at that time conferred by the conditions of the multilateral exchanges, which provided the well-balanced carrying on of the international currency exchanges and commercial ones, as well.

4. During the inter-war period, actually, in the first decade, the participants in the international economic exchanges kept on doing what they had already experimented with success: to apply reasonable customs duties and to give up – earlier or later – the restrictions adopted during the war or in the immediate post-war period (in other words, to come back to the monetary system of gold standard.

5. The effects of the crisis in 1929-1933 brought about the outbreak “of the war of all against all”; for the first time in the history, the protectionism registered barriers which were applied for the first time to the completion of others abandoned by the end of the mercantilist epoch.

6. Neither as concerns the non-tariff barriers Romania innovated, being applied – with big delay – the same methods promoted by the industrialized states: the control of money exchanges, operations of import-export in compensation, contingencies to the import, applying of the customs surtaxes and restrictions at the import, encouraging of the exports by all means. The delay with which Romania introduced the control measures of the currency exchanges caused the extremely fast weariness of the money reserves of the country.

7. The considerable diminution of the availabilities of capitals, respectively the onerous conditions specific when placing a sum to a foreign credit after 1930, both correlated to the disastrous situation of the payment balance, amplified by the deterioration of the exchange ratio as the result of collapse of the agricultural costs on the foreign markets induced the keen dependence of the payment capacity of Romania on the commercial balance.

8. The shutting off the commercial circuits during the crisis made the measures of the tariff protectionism to turn inoperative. The period 1933-1934 was marked by the efforts of import compressing and export stimulation. The aggressive protectionism applied this period did not have as direct purpose to protect the autochthonous industry, but to make disposable the foreign measures of payment intended mainly to the cover the annuities of the foreign public debt.

9. The question of the industrialization is brought forward once again since the third decade, the maximum aggressiveness being manifested on the occasion of promulgation of customs tariff, in 1927, whose main author was Mihail Manoilescu. Even this “aggressiveness” got to have merely temporary effects upon the volume of import: only the imports of a relatively restricted number of products pursued by the increase of the customs duties were elastic to their modification. Manoilescu’s argumentation on the industrial protectionism, although it also starts from the List’s doctrine, acquires specific notes related to the agricultural countries. Through this, the endeavours of theorizing the protectionism take out of the “patronage” of the innate doctrine: **the duration of maintaining the protection is not restricted just to the “childhood” of industry, being no more dependent on the measure of which a producer may become competitive on the foreign markets.** The stress moves from bringing forth competitiveness towards “the increase of the national productive forces” no matter the degree of artificiality proper to this way. Concerning the principles, the individual benefit has to be replaced by the imperative “profitableness at the national level”. It is

established the contradiction of the individualism – as predominant mentality – to the realities of Romania. The idea of totalitarian directing makes room in the works of several economists. Under the influence of the national-socialist doctrine and of “great achievements” from The Soviet Union, one is called forth the planning requirement.

10. The argumentation of the industrialization started from the question of exchange ratio in the international trade, respectively from the dissimilitude between the labour productivity in the agrarian countries and in the industrial ones.

11. Both in Manoilescu’ works and in the studies of the Nations’ Society – particularly those published since 1936 – one is raised more and more frequently the question of the low purchasing power of the agrarian countries as one of the reasons for decreasing the demand for products belonging to the processing industry of the industrialized countries and the virtual generator of extended lacks of balance in the international trade.

12. The decrease of purchasing power was related not only to the dramatic diminution of the world agricultural costs and their re-establishment to a short extent in comparison to those of the industrial ones after 1933, respectively to the extension of the agricultural crisis until 1936, but it was also related to the problem of the relative agricultural over-population as being the source of the decline and of the frequent crises of demand for products belonging to the processing industry.

13. **As it also results from the conclusions of the analysis carried out by the Nations’ Society, the forced industrialization had become an imperative of raising the bid - in a very short time - of the international economic exchanges.** Amongst all the solutions proposed – the recurrence to the regime of the multilateral exchanges on basis of gold standard, the liberalization through the diminution of the states’ intervention and of the international economic relations amongst the national economic agents, etc. – ***it becomes visible that the decisions, similar to the periods 1855-1866 and 1916-1919, were taken at the high level:*** this hypothesis leads to the substantiation of reconsidering the perspective of post-war organizing of Europe and of the world as well.

14. Instead of the recurrence to the gold standard, at Bretton Woods one was founded a new monetary system which, far from eliminating the danger of monetary inflation at the national level, reinforces the possibility of inflation at the world level.

15. The implementation of “the iron curtain” – approximately on the borders sketches by Francis Delaisi in the writing mentioned during our work, *Les deux Europes*, of the bound, in South, between the Roman empire of East and West – offered the opportunity of a distinct organization of those categories of countries, industrial and agricultural. As concerns the states under the tutelage of the Soviet Union, the new totalitarian regime corresponded to a great extent to the conclusions expressed in the studies of Nations’ Society:

- ***“a settled minute plan and to be watched with the government intervention and support”***;

- the industrialization on basis of the own forces;
- the increase of the rate of the internal accumulation;
- programs of health, hygiene, urbanization, electrification, etc.

The obvious reason for Europe’s and world division, as well, certainly was not the trust in the state qualities/virtues as organizer and enterpriser, but considering the important discrepancies ascertained in the last inter-war decade amongst the groups of states belonging to “the two Europes”. I have never found any optimistic mention in the literature “of the field”

concerning the attenuation of the differences without affecting the growth in the advanced/developed countries through the “total” liberalization of the international trade relations, no matter *on long term or short* .

And if, on idealistic level or concerning the principles, one could admitted that by means of “total liberalization” *on long term* one could have got an attenuation of the discrepancies, nobody could say either if this attenuation had been achieved through possible reductions of the increase rhythm of the industrialized regions or how long this term was.

After the painful experience of the autarchic policies specific to the fourth decade instead of “a total liberalization” one was chosen at the world level for building areas of ***integral protectionism***: to the customs protectionism and to that created through the legislation of encouraging the industry one was attached the system of organic, integralistic administration of the (national) states with the entire series of gradual objectives achieved – the electrification, agriculture collectivization, working out of large systems of irrigation and sewerage, urbanization, etc. – on basis of **unique national plans**. In order to provide a foreign market for the manufactured products of these countries, which would have got small chances to penetrate from the very beginning the Western markets – one was founded CAER market, and to regulate the international economic exchanges one was organized The General Agreement for Trade and Tariffs.

The most delicate problem was, at the European and world level, **the accelerated increase of the economies of these countries**. One was estimated that the high rhythm of increasing could not be provided on “free way”. This rhythm is required to reduce the differences especially regarding the compatibilities of the consumption markets with the offer from the industrialized countries. This idea can be seen – at least, if it’s not visible enough – from the conclusion of the study made by the Nations’ Society, above-mentioned.

It is likely that the forming of the consumption usages as well as the increase of the purchasing power of a huge rural population – if we take into consideration China’s potential – which in 1938 still was able to provide for itself the necessary living means out of consumption, one couldn’t have been achieved during the record time of fifty years by following the path of free evolution, from itself.

The arguments to the support of this hypothesis are clear:

A. As far as Romania is concerned, until 1859 there have been recorded small rhythms of growth, only with the help of the big European powers and **through** an interventionist economy it was possible the *take-off* of the process of country modernization. It is not hard to figure that without these intercessions, The Romanian Countries would have been “lain down” even today either under the Ottoman domination or in serene and quiet patriarchal life.

B. It seems that the introduction of the “institutions of freedom” – for 80 years (1860-1940) – after the western pattern did not give good results in case of the Eastern Europe. Only in this way one can be explained in a coherent manner the decisions taken – at world level – of expansion of the totalitarian Soviet system and, at the historical level, the evolution from 40’s correlated with the ones of the last half of ninth decade of the 20th century.

Of course, the object of this work is not the analysis of the measure in which the purposes fixed through world organizing after 1945 attained their goal. Nevertheless, it’s beyond doubt that at least one purpose has been accomplished - that of achieving the compatibility of the demand structure in the countries with an important consumption market

with the processed industrial products supply of the big producers belonging to the strongly industrialized countries.

To what extent will the purchasing power of the consumers from these countries satisfy further on the necessary of outlets of the big producing companies, still remains a challenge addressed to the specialists, politicians and the authorities of decision at the level of the concerned countries.