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A Review of Economic Data on the Capitalization of Agricultural Goods from Small-Scale Agricultural Holdings in the Kingdom of Romania after 1918

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ABSTRACT

The economic effects of the First World War included various direct and indirect dimensions. The war resulted not only in material and human loss but also in significant restructuring of economic flows and mechanisms; further displacements and reorganizations arose from the new political and economic order established post-1918. Discussing the direct impact of the war as well as the economic fallout from the 1918 Union of the historical provinces of Romania is necessary in this specific instance. Historiographically, it is important to acknowledge that the immediate repercussions of the war have frequently been examined, whereas historians have typically avoided scrutinizing the economic ramifications of the "Great Union" and have been even less inclined to regard the war's consequences as a cost of the 1918 Union. The significant endeavors to establish a state including all Romanian historical regions during the First World War were driven by national goals and should stay untainted by secondary economic factors. Historians` inclination to attribute the negative features to the conflict while deeming the positive ones as beneficial outcomes of the "Great Union" is, however, less legitimate. Had Romanian society and political entities not truly pursued the reunification of Romanian territory in Austria-Hungary with the "Old Kingdom", Romania would not have engaged in the war in 1916. Therefore, we consider that it is justifiable to include the economic implications of the war as integral to the comprehensive assessment of the Union of 1918.

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1. Introduction

Dedicated authors who have deepened/added value/further investigated the valuable content of interwar sources often present more comprehensive and intricate analyses. These assessments typically place the socio-economic development of the Kingdom of Romania between 1918 and 1939 within the broader European context, with the final statistical evaluation often being rather unfavorable. Therefore, it should come as no surprise that numerous academics, particularly foreign historians, who have provided a variety of reference works on Romania, tend to be more critical of the preference to romanticize Romania during the interwar period. As a result, in their most comprehensive and well-documented scientific works, critical and nuanced assessments predominate, often leading to unfavorable conclusions and findings. The rationales for this idealized representation of the interwar period are extensive (Murgescu, 2010, pp. 205-242; Axenciuc, 1997, pp. 393-427; Constantinescu, 1997, pp. 387-454). The appropriate investigation and clarification of this topic should, according to several committed researchers, primarily rely on composite indicators of macroeconomic development, specifically Gross Domestic Product (GDP) per capita and/or National Income (NI) per capita.

For a part of the interwar period, data and information on the annual advancement of GDP per capita is accessible in the reference work by A. Maddison (Murgescu, 2010, pp. 205-242). The data computed by A. Maddison significantly refutes the portrayal of robust economic growth in interwar Romania, both regarding the general trend and the evaluation of specific years as either economically/socially favorable or unfavorable. An initial response - particularly among those skeptical of historical statistics - might be to dismiss these figures as artificially derived from overly complex calculations (initially the nominal reconstruction of gross domestic product per capita, followed by the determination of coefficients for recalculation at purchasing power parity, and subsequently the readjustment of all data utilizing these coefficients), thereby rendering them susceptible to errors. Before dismissing the data produced by A. Maddison, one ought to compare it with information from other authoritative sources, derived from primary data series that are independent of Maddison's and computed using alternative methodologies (Maddison, 1995, p. 200; Maddison, 2003, p. 200). Interestingly, the works of P. Bairoch and D. Good, despite lacking annual estimates, provide a perspective that aligns with A. Maddison's calculations and indicate the decline of Romania's relative standing in comparison to the global context. Comparisons with the US are impacted by the fact that they did significantly better than Europe during the First World War and in the 1920's but then had a much more severe decline during the “Great Economic Crisis” that occurred between 1929 and 1933 (Good & Ma, 1999, p. 113). The same may be stated about the steep decline that Romania experienced in comparison to the global average between 1913 and 1929, which was brought to light by the statistics collected by A. Maddison. As a result, many researchers argue that comparisons with the European average are more pertinent when it comes to evaluating the overall economic performance of Romania during the interwar period (Maddison, 1995, pp. 200, 228; Bairoch, 1976, p. 297; Good & Ma, 1999, p. 111; Murgescu, 2010, p. 215).

This conclusion regarding the precariousness of the economic situation in "Greater Romania" is supported by other works that concentrate on international comparisons at the end of the interwar period since these works reinforce the conclusion. In light of this, M. Harrison reviewed the data and methodology used to calculate the GDP per capita in Eastern European countries for the year 1937. He then conducted an in-depth analysis of the various estimates and compared the findings with the GDP per capita in the UK. The GDP is a metric that emerged very late in economic statistical analyses (Harrison, 1994, p. 253). During the interwar period, another metric employed was National Income (NI). However, we lack comparable data on the NI for an extended period, and data from other European nations is also scarce, requiring a comparative analysis of the late interwar period. This approach is warranted by the consensus that 1938 represents the zenith of "Greater Romania's" economic development, hence an analysis of this year suffices for a synthetic evaluation of interwar Romania's economic progress. The figures presented in the various works, all denominated in US dollars adjusted to the value of 1938, exhibit considerable variation - some sources indicate that in Romania in 1938, the NI per capita was between 65 and 70 dollars, while others report figures of 70 to 75 dollars, 81 dollars, 90 dollars, 94 dollars, 107 dollars, or even 110 dollars (Kaser & Radice, 1986, pp. 31-532; Berend et al., 1977, p. 99; Teichová et al., 1989, p. 890; Marcu, 1979, p. 361; Olaru, 1999, p. 260). As noted by many authors *"The Romanian Historical Treaty"* offers limited assistance, after accurately stating that the GDP per capita was 76 dollars, it promptly qualifies this evaluation by including the phrase: "According to other sources, the NI per capita in Romania was 100 or even 110 US dollars" (Berindei, 2001, p. 123). In 1938, the NI per capita in Romania and various European nations (in U.S. dollars) was as follows: United Kingdom ($378), Germany ($338), Denmark ($318), Belgium and Luxembourg ($285), Ireland ($248), France ($237), Czechoslovakia ($174), Italy ($127), Hungary ($111), Poland ($104), Greece ($80), Romania ($76), Bulgaria ($68), Yugoslavia ($68), with an average for 20 European countries at ($222) (Dobre, 1996, pp. 37-38, 138-139; Murgescu, 2010, p. 217).

In addition to such methodological observations, the data provided by author Gh. Dobre substantiates the considerable magnitude of the disparities between Western and Central Europe. The discrepancies in his table are sharper than those observed in the one provided by M. Harrison. The distinction arises from the divergence in the indicators employed (GDP. and NI) and the methodology adopted by M. Harrison, who initiates his analysis with physical indicators subsequently adjusted to Purchasing Power Parity (PPP) (Harrison, 1994, p. 253). In contrast, Gh. Dobre establishes equivalences grounded in the exchange rate of the corresponding year. It is widely acknowledged that applying indicators in PPPs tends to diminish the disparities between the macroeconomic indicators of various nations. In examining the hierarchy among nations, discrepancies emerge regarding the standing of Yugoslavia, as the data employed by Gh. Dobre diverges from that presented in other authoritative sources, leading us to consider it inadequately substantiated (Dobre, 1996, p. 138).

Indeed, the disparities between Romania and numerous European nations expanded during the interwar period. This assertion is further substantiated by the calculations conducted by V. Axenciuc pertaining to the National Wealth (Axenciuc, 2000, p. 311). While the table compiled by V. Axenciuc regarding a comparative analysis of Romania's national wealth per capita concerning other nations encompasses data from a limited selection of countries, the overall depiction remains distinctly evident (Axenciuc, 2000, p. 273). Except for France, which suffered considerable devastation during the First World War and experienced a rather dismal economic trajectory in the interwar years, Romania's standing deteriorated in relation to all the other states examined. The concept of NW serves as a metric that reflects the stock of accumulated wealth in comparison to present activities. The table previously mentioned underscores the benefits experienced by nations that maintained neutrality during the First World War or successfully mitigated the adverse impacts of the conflict. A further synthetic table put together by V. Axenciuc provides an in-depth perspective on the progression of Romania's National Wealth from 1912/1914 to 1938/1939 (Axenciuc, 2000, p. 273). The NW of Romania (1912-1939) is expressed in gold lei per capita. It is essential to draw several conclusions - the relative stagnation of NW per capita throughout the period from 1914 to 1938 can be significantly attributed to its decline during the First World War. However, if we focus solely on the years from 1920 to 1938, the dynamics appear somewhat more favorable, with an increase of 29% in gross assets and 68% in net assets over 18 years, albeit still trailing behind the growth rates observed in other European nations. The subpar performance of the Romanian economy can be attributed to the decline in the agricultural sector's value, which was influenced by a reduction in production stemming from the war and the agrarian reform of 1917-1921, as well as a subsequent drop in agricultural prices following 1925-1926. Notable advancements were realized in the sectors of industry and commerce, particularly within the field of construction financing and long-lasting/durable consumer products. In this setting, it is imperative to consider V. Axenciuc's insightful observation: “The substantial increase in accumulation is due to the growth in the volume of construction, both quantitatively and qualitatively, especially in the urban environment, as well as the inclusion of an important heritage of civil and military public constructions, not estimated in previous periods” (Axenciuc, 2000, p. 281). Thus, a portion - likely minor - of the growth may be ascribed to modifications in the inventory system of the construction fund. V. Axenciuc highlights the “non-optimal ratio between the active and inactive funds of the National Wealth, which adversely impacted the efficiency of the national economy and the rate of accumulation” (Axenciuc, 2000, p. 280), as well as the withdrawals of credits and international capital, which subsequently undermined the development potential of interwar Romania. According to some authors the data and observations provided previously adequately convey V. Axenciuc's conclusion that notwithstanding various endeavors and certain accomplishments, interwar Romania “did not manage to transcend the lowest tier of European nations characterized by minimal national wealth per capita” (Axenciuc, 2000, p. 281). Nevertheless, comprehending the underlying mechanisms of this failure calls for a more nuanced discourse (Murgescu, 2010, p. 221).

It is difficult to summarize the human casualties and material destruction caused by the war in statistics, as the extent of the damage was considerable. Indeed, it is recognized internationally that even the human losses, which are easier to tally than the economic damage, can only be approximated. It is estimated that the human losses of the “Old Kingdom” included around 250,000 military and 430,000 civilian deaths, in addition to a shortfall of over 400,000 newborn babies missing during the war years. It is worth noting that the deficit of 14% of the pre-war population is exceeded in Europe only by Serbia and Montenegro with 31.3% and Russia with 18.5% (Fischer & Armengaud, 1987, pp. 10-221). However, it should be acknowledged that the deaths in Russia cannot be distinguished from those in the civil war. It is evident that these statistics encompass not only those who perished in the conflict but also those who succumbed to the devastating epidemics of typhus and “Spanish influenza” that emerged at the war's conclusion (Kirițescu, 1989, p. 496; Murgescu, 2010, p. 222). It is important to consider that a significant number of individuals were left with disabilities or other lasting effects from the war, which subsequently diminished their economic potential. The assessment of material damage following the war amounted to 31 billion gold lei (Axenciuc, 1997, p. 222). The figure is substantial, and verification proves to be elusive. Furthermore, in the aftermath of the war, there was a prevalent inclination to exaggerate the extent of destruction to secure greater compensation, with Romania being no exception to this trend. However, setting aside any overstatement, the extent of the destruction and the losses incurred were significant. The devastation caused by the conflict was further exacerbated by the disruption of economic systems and the occupation of approximately two-thirds of the "Old Kingdom's" territory by the Central Powers from 1916 to 1918. Romanian historians have emphasized the requisitions executed by the occupying authorities, cataloging 1.14 million tons of petroleum products, 2.6 million tons of cereals, 1.4 million cattle, 6.4 million sheep, over 1 million pigs, various foodstuffs, timber, salt, coal, tobacco, fodder, hides, and a significant quantity of industrial machinery. In Romanian historiography, there is a tendency to consider the figure of 31 billion gold lei as rather small, suggesting that the extent of destruction may have been even more significant (Kirițescu, 1989, p. 499; Puia, 1988, p. 341), who discuss the calculations conducted by G. M. Dobrovici in 1925. A rather useful analysis of these methodologies can be found in Axenciuc's book published in 2000, at page 202, note 2.

One of the repercussions of the war was inflation, along with a broader decline in the monetary stability that had previously defined the "Old Kingdom" Romania exemplifies this trend, as the majority of the warring nations opt to support their military endeavors through inflationary measures. In the instance of Romania, nonetheless, two complicating factors emerged. The initial issue pertains to the depletion of gold reserves - approximately 105 tons, estimated at 315 million gold lei, transferred to Russia during the conflict and subsequently seized by the newly established Soviet regime following the October Revolution of 1917 (Axenciuc, 200, p. 200). The second aggravating factor was the policy enacted by the German occupation authorities during 1917-1918, which implemented extensive and unsubstantiated occupation laws, thereby exacerbating the inflationary spiral. It is essential to note that inflationary pressures began to emerge during the neutrality period (1914-1916), and were further exacerbated by the issuance of banknotes, requisition bills, treasury bills, and other forms of payment by the Romanian authorities seeking refuge in Moldova during the war. Consequently, by the conclusion of the war, approximately 4.6 billion lei were in circulation, contrasting sharply with a money supply of merely 0.5 billion at the war's onset. Notably, German emissions via the Romanian General Bank amounted to 2.1 billion lei, indicating that the inflationary pressures experienced during the years 1916-1918 were largely attributable to both the German occupation authorities and the Romanian government (Kirițescu, 1997, pp. 118-131, 89-118, 134, 127, 288). The challenges of integrating the new territories post-1918 further exacerbated inflation. Typically, these issues are categorized under the appealing designation of "monetary unification". Indeed, the Romanian state was required to convert into lei the Russian rubles and Austro-Hungarian crowns that were in circulation within the territories restored to Greater Romania. At this juncture, some authors consider that it is advisable to refrain from delving into the intricate specifics of this operation (Murgescu, 2010, p. 222-223). It should be noted that the financial expenditure incurred by the Romanian state amounted to over 5.5 billion lei, comprising 1.2 billion lei allocated for Russian rubles and 4.3 billion lei designated for Austro-Hungarian crowns. Concerning the overall budget expenditure of 7.4 billion lei during the fiscal year 1920/1921, the undertaking seems substantial (Kirițescu, 1997, p. 288). This endeavor was essential for the sustainable integration of the regions that were formerly part of Russia and Austro-Hungary. Conversely, as historians have observed, the majority of the crowns were not exchanged by the inhabitants of the newly acquired territories, but rather by Romanian banks and various speculators with advantageous ties to the political elites in Bucharest. This provides a more nuanced understanding of the costs and beneficiaries associated with the monetary unification of 1920-1921 (Kirițescu, 1997, p. 287-295). Similar to the conflict, the process of monetary unification was underpinned by significant inflationary challenges. Despite a deceleration in the growth rate of the money supply post-1922, the challenges of economic recovery, coupled with strained relations with international capital that hindered access to foreign credit, resulted in the continued depreciation of the leu until 1925 (Axenciuc, 1997, p. 307). It was only in 1929 that the currency achieved stabilization (Axenciuc, 1997, p. 303-310).

Certainly, the economic balance sheet of the "Great Unification" encompasses more than merely the financial expenditures associated with the unification process. The territory of Romania expanded from 137,000 km^2 to 295,000 km^2, while its population grew from 7.7 million to 15.7 million. The economic potential of the territories integrated into the Romanian state was significant, albeit inconsistent. In summary, the integration of the historical provinces in 1918 resulted in a significant enhancement of the economic capacity of the Romanian state, alongside a diversification of this capacity and an expansion of opportunities for the advancement of the internal division of labor. Conversely, the newly established borders interrupted previously established economic exchanges, adversely affecting particularly the western regions of the country that had previously been economically aligned with Budapest and Vienna (Axenciuc, 1997, p. 225-231).

The involvement in the First World War and the achievement of the Unification of 1918 were underpinned by political reasoning and yielded economic advantages for the Romanian state as a collective entity. However, they exacted a considerable toll on the average citizen, significantly diminishing both their accumulated wealth and standard of living, alongside the profound human suffering inflicted by the conflict. In light of the prevailing standards of the era, wherein the collective interests of the state and nation were deemed paramount to those of the individual, the political class's decision to engage in warfare in 1916 seems to hold a degree of justification (Boia, 2012, p. 125). Considering the criteria of economic rationality prevalent in contemporary society, one might conclude that it represents a significant historical misjudgment. Romania's involvement in the First World War exacerbated its circumstances in comparison to both neutral nations and other belligerent states, which, for a variety of reasons, experienced less severe repercussions. This deterioration was not confined to Romania alone. Rather, it typified the broader trends affecting Eastern and South-Eastern Europe as a collective entity (Good & Ma, 1999, p. 136; Teichova, 1997, p. 14). Nonetheless, the decline in output was notably more pronounced in Romania compared to the majority of countries within the region. The pace of recovery varied significantly across different regions, with some experiencing a more rapid resurgence while others endured prolonged effects.

Ultimately, there are certain domains where it proves challenging, if not entirely unfeasible, to ascertain a specific moment when the detrimental impact of the conflict was mitigated. In the realm of finance, stabilization was officially attained in 1929. However, the value of the Romanian leu remained significantly diminished compared to pre-war levels. This precarious stability endured for merely seven years, as inflationary trends reemerged in 1936 (Axenciuc, 1997, p. 307). The challenge of evaluating the First World War's influence on the rise of economic nationalism and the subsequent detrimental climate for international economic collaboration is particularly complex. H. L. Roberts pointed out the “general stagnation” of agriculture, resulting, in his opinion, from the interaction of several factors, such as demographic pressure, which canceled out the effects of the gross growth in per capita indicators, the decline of the European grain trade and especially the fall in the price of wheat after 1929, the disadvantage of agriculture in domestic trade, capital allocation, and Romanian state policy, and the “residues” of the pre-1914 landowning system, including the fragmentation of holdings, the extensive system of cereal cultivation and archaic forms of agricultural tenancy (Roberts, 1969, p. 83). The review of interwar Romanian agriculture must occur on two separate levels. The evolution of physical production must be analyzed alongside the influence of price fluctuations on the value of agricultural output and its contribution to the overall performance of the Romanian economy during the inter-war period. The fall in the initial years of the inter-war period was partially attributed to the temporary reduction of cultivated lands. Nevertheless, the predominant factor affecting overall output levels throughout the inter-war period was the trend in yields per hectare.

In a technologically deficient agricultural sector, these yields were very susceptible to fluctuations in weather and natural conditions. Yet, multi-year averages distinctly indicate a decrease in yields during the early inter-war years, with only a partial recovery during the remainder of the inter-war period. The decrease was most pronounced for the primary cereals, namely wheat, maize, and barley, as average yields per hectare after the inter-war period continued to fall short of pre-World War I levels. International comparisons distinctly illustrate the degree to which Romanian agricultural productivity fell short during the inter-war period (Axenciuc, 1992-2000, pp. 516, 521, 645, 654). The decrease in yields per hectare has resulted in an expansion of the productivity gap with industrialized European nations and a setback relative to Romania's mostly agricultural neighbors (Bulgaria, Yugoslavia, Hungary, Poland) (Georgescu-Roegen, 1997, p. 29).

As to what caused the low cereal yields in Romania during the inter-war period, many explanations have been proposed by economic historians. Adverse weather conditions affected certain harvests; however, it is difficult to assert that these events were more prevalent or severe compared to other historical periods or neighboring nations, nor do they account for the decline in multi-year averages. The fragmentation of landholdings, exacerbated by the agrarian reforms of 1917-1921 and a growing rural population, was a more significant factor. This led to a reduction in large landholdings and a substantial increase in the number and proportion of small peasant holdings. Statistical data clearly demonstrate this significant fragmentation of land ownership (Șandru, 1975, pp. 238-360). Debates on the impact of agrarian reform on agricultural productivity remain contentious, shaped by the ideological biases of various authors and the ambiguity of scientific findings regarding the comparative performance of different types of agricultural holdings. Despite these disputes, it is indisputable that small-scale agricultural holdings were insufficient for cereal production, which remained the primary component of agricultural output in Romania during the interwar period. One contributing factor to the underperformance of Romanian agriculture at that time was the low agro-technical standard, particularly the insufficient adoption of innovations from the second agricultural revolution of the modern era. As a result, despite efforts by certain county agricultural chambers, supported by direct initiatives from the Ministry of Agriculture and Domains starting in 1929 to promote fertilizer use, Romania ranked last in Europe in fertilizer application per hectare by the end of the interwar period (Axenciuc, 1992-2000, pp. 99-101; Lampe & Jackson, 1982, pp. 445-446).

Despite significant advances in the technical equipment of peasant families during the interwar period, the degree of agricultural motorization remained considerably lower than in other European nations. By the end of the interwar period, Romania had 2,436 hectares of agricultural land per tractor, compared to an average of 598 hectares per tractor across 16 European countries (Axenciuc, 1992-2000, p. 361; Dobre, 1997, p. 183). In addition to inadequate technical equipment, interwar Romanian agriculture was further hindered by substandard agro-technical practices among many peasants, particularly in areas such as crop rotation, seed selection, and proper harvest storage. Other aspects of agricultural output similarly saw no notable growth during this period. The other components of agricultural output also showed little significant development during the interwar period.

While the cultivation of food and industrial crops expanded more rapidly than that of cereals, their share remained subordinate compared to cereals. Livestock production was relatively more important; however, it exhibited even less dynamism than grain production overall. This stagnation was due to the reduction in animal populations during the war and their limited recovery in the two decades following. V. Madgearu identified several key factors contributing to the decline in livestock populations, including the reduction of grassland areas, insufficient expansion of land dedicated to feed crops, and a decrease in crop yields per hectare. These factors limited the potential for improving yields per animal, making the production of meat, milk, hides, skins, wool, eggs, and other products more dependent on fluctuations in livestock populations rather than on the marginal increase in average output per animal (Madgearu, 1995, pp. 49-53). The decline in domestic animal populations also reduced the availability of natural fertilizers, further negatively impacting agricultural production dynamics. The agricultural sector of the “Kingdom of Romania” was consequently limited in its potential for expansion. While solutions existed, they required a significant reorganization of agricultural production, diversification of crop cultivation, and improvement in livestock farming, alongside the adoption of advanced practices and technologies that had proven successful in other regions. In this context, Romania's achievements in the 1930s were notably limited (Șandru, 1973, pp. 83-84). The subpar growth in agricultural production, measured in physical terms, represents only a fraction of the challenges faced by Romanian agriculture during the interwar period. An additional factor was the adverse global agricultural conditions that prevailed for much of this time (Madgearu, 1995, p. 65). V. Axenciuc asserts that Romanian agriculture during the interwar period not only suffered from its underdevelopment and exploitation by other domestic sectors but was also impacted by harmful external economic factors, particularly the global agrarian crisis of 1928-1936. This crisis worsened the existing deficiencies in Romanian agriculture and had severe consequences for the country's social fabric (Axenciuc, 1997, p. 244).

I. Svennilsson argues that, in the context of global developments, the recession in European agriculture reflects declining productivity and competitiveness compared to non-European exporters. By the mid-1920s, the continuous expansion of production outside Europe, combined with the recovery of agricultural output in many European countries and a decline in cereal consumption in developed nations, led to a reversal in price trends during 1925-1926 (Svennilsson 1954, p. 84). This, in turn, contributed to the gradual onset of a severe agricultural recession, particularly impacting the cereal trade. V. Bozga notes that, despite a decline from its peak in 1925, wheat prices across various markets remained relatively profitable in 1926 and 1927. However, a significant decline began in 1928, reaching unprecedented lows between 1932 and 1934, followed by a partial recovery until 1937, after which prices dropped again in 1938 and 1939. The fall in agricultural prices prompted many governments in importing nations to protect their domestic producers, either by increasing customs protection or implementing non-tariff measures, such as setting ratios between imported and domestic wheat for milling processors, regulating import-export conditions, establishing import quotas and licenses, and varying levels of direct state intervention to manage markets. Consequently, developed nations were able to maintain their agricultural production even during the most challenging periods of the recession, with the negative effects primarily impacting exporters, especially those unable to diversify into sectors less affected by the economic downturn than cereals. Despite a modest recovery in cereal prices between 1935 and 1937, the global agricultural market became significantly more fragmented and subject to greater state regulation and control than it had been before the First World War or during the 1920s (Bozga, 1975, pp. 38-42).

Despite having more than twice the territory and population of the "Old Kingdom", "Greater Romania" exported significantly lower quantities of grain than in the pre-World War I years, with 1931 being the only year when exports exceeded

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the 1910-1914 average. In the first decade of the interwar period, export volumes were largely dependent on production fluctuations, such as the drop in exports during 1919-1920 and the poor harvest of 1924 affecting 1925 exports. In contrast, the influence of demand fluctuations, as reflected in international market prices, was virtually nonexistent. This situation continued throughout the most severe phase of the agricultural depression, and it was not until 1933 that export volumes began to align with global market conditions. However, after 1931-1932, the importance of prices diminished as many Western European nations introduced non-tariff barriers to cereal imports. Romania either refrained from exporting or exported only modest amounts when global prices were high, while significantly increasing exports when prices were low. Romanian grain exports during the interwar period followed an even more detrimental pattern than in the 19th century. From an economic standpoint, it can be argued that Romanian cereal exports during this time were primarily driven by fluctuations in supply (output) rather than demand (global price levels), which is characteristic of economic underdevelopment. In addition to these objective challenges, political factors likely contributed to the delay and limitation of recovery efforts (Axenciuc, 1992-2000, pp. 373-374; Murgescu, 2010, pp. 234-235; Svennilsson, 1954, p. 243). The issue of inadequate and burdensome credit for agricultural producers was frequently emphasized by both interwar observers and later historians. The scarcity of financing undoubtedly hindered efforts toward agricultural modernization. D. Șandru, after thoroughly examining this issue, asserts unequivocally: "The inadequate financial resources available to agri-food sector producers are accurately reflected in the outcomes and development of this sector of the national economy" (Șandru, 1985, p. 169). While this observation is valid, it is important to emphasize that the financial resources needed for agricultural development could not come solely from credit. Access to credit was also dependent on the income levels of peasants, which, in turn, were influenced by the prices at which they could sell their products.

Despite frequent calls in interwar Romania for the intensification and diversification of agriculture, agricultural restructuring did not gain significant traction in public discourse. Instead, concerns about the deteriorating balance of payments took priority, as they posed a serious risk to financial stability, obstructed the repayment of foreign debts, and threatened the continued functioning of the state. In this context, political efforts focused on increasing the physical volume of conventional exports, regardless of cost, to generate the revenue needed to repay state debt and cover essential imports. N. Georgescu-Roegen praised "the Romanian economy's efforts during the crisis, striving to maintain the gold parity of its

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currency and meet its financial obligations abroad". He concluded that "the Romanian economy's battle against the 1929 crisis was ultimately successful through exports, albeit with considerable losses" (Georgescu-Roegen in Gusti, 1943, pp. 438-476, 489). M. Constantinescu explained the rationale for continuing to export cereals despite low prices, arguing that, otherwise, "our agri-food sector producers would have faced a difficult situation, our economy would have been deprived of a vital source of exchange value, and at times, even internal public order and national tranquility could have been at risk" (Constantinescu, 1943, p. 43). This final point highlights the social implications of agricultural exports and the reality that most peasants, driven by necessity, lacked the financial resources to invest in agricultural restructuring. Therefore, had such a strategy been pursued, significant state intervention would have been required to establish processing capacity and guide agri-food sector producers in adjusting crop ratios. Such an intervention would have required a considerable improvement in the state's administrative capacity and the allocation of substantial financial resources.

While it is true that the Romanian state lacked sufficient financial resources, this should not be overstated, as the state still allocated considerable funds for export premiums, and agricultural debt conversion, and allowed a reduction in tax revenue from agri-food sector producers. The issue was thus more rooted in economic ideology and administrative competence than in financial resources. In both cases, Romania faced the consequences of insufficient prior accumulation, particularly its inability to capitalize on the more favorable international prices of the 1920s.

2. Methodology

The juxtaposition of Romania's NW indicator against analogous metrics from other nations elucidates both the quantitative and qualitative dimensions of the accumulation and valorization processes pertaining to the country's material and human resources. It also reveals the efficiency of the driving forces behind material civilization and offers insights into the assessment of the development level of the Romanian economy, the economic disparities observed across various periods in relation to more and less advanced countries, and the extent to which historical developmental delays have been addressed. The comparative analysis may elucidate, contingent upon the availability of requisite information, the variances in the dynamics of national wealth within the examined timeframe, the quantitative disparities, the structural distinctions, and the hierarchical differences as measured against the scale of European values (Axenciuc, 2000, p. 286).

The statistical data regarding the NW indicator across various nations is only partly comparable, given that the methodologies employed for calculation differ among authors. For instance, W. Woytinsky's assessments of the national wealth of various nations during the same timeframe reveal discrepancies that are generally deemed acceptable for drawing parallel and pertinent conclusions. In his extensive seven-volume series on global statistics, “Die Welt in Zahlen”, a significant portion of the inaugural volume “Die Erde” is dedicated to exploring the National Wealth of diverse countries across the globe. They remain an important repository of knowledge for those who seek to explore this topic further (Woytinsky, 1925, pp. 1-137). The likelihood of compatibility increases significantly, within the widely recognized parameters, when a scholar employs a consistent methodology to assess the NW indicator across multiple nations, as demonstrated by the works of Mulhall, Stamp, and others (Axenciuc, 2000, p. 285; Mulhall, 1909, pp. 1-544; Stamp, 1919, pp. 156-181). While the divergence from reality may fluctuate in either direction, the resultant ranking coefficients, variations in size, and historical distances typically maintain consistency, thereby facilitating analysis and the establishment of quantitative value indicators. Typically, many authors, to circumvent overestimations, have opted for reduced values and have generally excluded from their assessments the complete national wealth of certain items due to the challenges associated with quantification. Consequently, the total accumulation of wealth is frequently undervalued for the group of nations adhering to the same evaluative framework. However, what influences comparability to a greater extent is the varying degrees of asset inclusion in the assessment of national wealth. Generally, throughout the extensive periods of development and enhancement of diverse economic methodologies, the range of inclusion continues to encompass the familiar elements, albeit to differing extents.

During the transition from the 19th to the 20th century, the predominant elements of NW, as assessed by various scholars, were primarily tangible goods or assets. This included land, encompassing both arable and perennial soils, agricultural labor, livestock, and, in totality and the valuation of agricultural households. Additional elements encompassed structures and residences, durable goods for consumers, infrastructure, industrial and commercial investments, holdings of precious metals, among other assets. In certain instances, the authors incorporated financial stocks, securities, and banknotes, occasionally neglecting the potential for double-counting. Certain studies also assess the worth of valuable geological and mineral resources found within the soil and subsoil, whether they are currently exploitable or present at that time, albeit with an approximate and somewhat limited scope. In examining the evolution of research methodology concerning national wealth, it is evident that post-war economics has significantly advanced in delineating precise categories and organizing concepts. This progress stands in stark contrast to the initial treatment of national wealth as an economic domain, which remained largely superficial until the conclusion of the fourth decade of the 20th century (Axenciuc, 2000, p. 310; Mulhall, 1909, pp. 1-544; Stamp, 1919, pp. 156-181).

The investigation into NI, which experienced a resurgence following the fifth decade, aimed to enhance and categorize the concept along with its calculation methodologies, was situated within the framework of the national accounts approach as a representation of flows. These studies have revived the examination of national wealth, reinterpreting it as a concept and endowing it with new roles within the framework of national accounts. Consequently, the terms stock, asset, and national capital have gained significance beyond their historical, traditional, and inadequately defined contexts. It is important to recognize that the evolution of the concept in this way has also led to essential definitions and delimitations for the functioning of the aggregated indicators, although this paper does not aim at an exhaustive methodological study. Consequently, NW is conceptualized as a repository of goods, characterized by its magnitude and extent, and is situated within the framework of documenting the dynamics and composition of national values, as articulated in the equation of stocks and flows (Axenciuc, 2000, p. 288).

In the inter-war period, the development of national wealth in Romania and other nations occurred against a backdrop of economic, national, and international dynamics that were fundamentally distinct from those preceding the war. During the fourth decade, there were notable alterations in the sources and methodologies employed to acquire information regarding national wealth, particularly in light of data scarcity. However, the fundamental aspect lies in the level of quality of the data. They appeared significantly later, during the seventh and nineteenth decades of the twentieth century, as a consequence of the refinement of methodologies within the comprehensive framework of national accounts (Axenciuc, 2000, pp. 288-289).

3. Results and Discussion

Any assessment of Romania's national wealth during the inter-war decades, as evidenced by the reference sources, has to be conducted in two distinct periods: 1920-1922 and 1938-1939. In the light of this framework, it is imperative to gather comparative data from other nations. During the years 1920 to 1922, the centralized data study conducted by “Dresdner Bank” offers significant quantitative insights. The years immediately following the war, from 1920 to 1922, are profoundly marked

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by the devastation wrought by the global conflict. The nations engaged in hostilities emerged from the conflict with substantial detriment to their economic capabilities and a reduction in national wealth, whereas those not directly participating in the war witnessed a notable enhancement in material production and the accumulation of goods, propelled by the demands and supplies directed towards the belligerent countries. Conversely, the triumphant belligerent states noted considerable credits in their financial accounts through reparations received from the vanquished states, which subsequently transformed into significant debtors to the victorious states for a period. Consequently, the national wealth of various states around the globe experienced remarkable transformations within a mere span of 4-5 years. While certain disparities expanded and others diminished, the overarching pattern indicated a decline in the economic capacity of the warring nations, contrasted by a rise in the prosperity of the non-belligerent countries (Axenciuc, 2000, pp. 298, 301, 305, 307, 308; Dresdner Bank, 1930, pp. 1-176).

It is generally accepted that the world war resulted in the obliteration of a significant portion of previously amassed wealth, alongside a considerable decline in the current NI indicator of many of the nations involved in the conflict. W. Woytinsky notes that prior to the war, the total wealth of the world was approximately 1,000 billion US dollars. The war incurred direct expenses totaling 260 billion dollars, alongside indirect losses of 90 billion dollars, culminating in an overall expenditure of 350 billion dollars. The same source illustrates the variation in the magnitude of wealth among the major powers, measured in billions of dollars (Axenciuc, 2000, p. 306). During the First World War, the main combatants suffered immense losses, amounting to millions of lives and material assets valued at approximately 125 billion dollars. In contrast, two nations experiencing significant growth, the USA and Japan, accrued a remarkable 85 billion dollars. The direct losses incurred by Romania reached 31 billion gold lei, equivalent to nearly 6 billion dollars. This significant figure had profound implications for the nation's wealth, resulting in a per capita decline of almost one-quarter during the years 1920-1922 compared to the period of 1912-1914 (Axenciuc, 2000, p. 306; Woytinsky, 1925, p. 197).

Nonetheless, Romania's standing regarding NW and NI per capita, in comparison to other nations, especially within Europe, seems to be distinctly established. Consequently, it can be observed that: (1) The national wealth of post-war Romania nearly doubled due to the economic contributions from the historical provinces that became part of the Romanian State in 1918; however, the per capita level of this indicator diminished, mirroring trends in other nations, primarily due to the devastation and lack of accumulation during the war; (2) This led to Romania's

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decline within the European hierarchy in aggregate terms when compared to the years 1912-1914; (3) As a result, the disparity with both developed European and extra-European nations widened. Unfortunately, the absence of comprehensive data regarding the structure of national wealth in the countries examined precludes any quantitative comparative analysis.

The subsequent phase of the assessment of Romania's national wealth encompasses the years 1938-1939, marking the conclusion of the interwar period. The national wealth of all countries on the eve of the Second World War was a culmination of the diverse economic processes that characterized that particular historical period. Alongside the typical trajectory of development, there were notable economic crises and periods of stagnation in growth, fluctuations in currency values, significant shifts in international capital movements, substantial reductions in prices, stringent protectionist measures in both industrial and agricultural sectors, and pronounced price surges for agricultural and industrial commodities in the global market, among other factors. Consequently, certain nations experienced greater losses while others faced lesser declines. Some countries diminished their national wealth, whereas others augmented their reserves and benefits, thereby enhancing their overall prosperity. The victors were the advanced, industrialized nations, whereas the defeated were the agrarian countries characterized by underperforming economies. Disregarding the broader macroeconomic and global economic shifts, one can arrive at a general conclusion - with certain exceptions, the inter-war period witnessed an unprecedentedly sluggish rate of growth and accumulation in material production, especially in the industrial sector, while national wealth expanded at a notably reduced pace. Consequently, the available data regarding the national wealth of different countries for the years 1938-1939 is lacking, which restricts the ability to compare Romania's metrics with those of other nations more than in earlier assessments conducted in Romania (Axenciuc, 2000, p. 210).

The inter-war period is marked by significant and tumultuous fluctuations in material production, distinguishing it from earlier historical epochs in the context of economic growth and accumulation. In a manner reminiscent of earlier periods, the techno-economic dynamics within the advanced nations leading the charge of progress have served as pivotal influences on global economic patterns, particularly regarding the trajectories of less developed economies. Sectoral estimates predominantly emphasize the wealth of the State, articulated through distinct modalities of activity and organization. A first inventory can be traced to 1929, from which it follows that, in accordance with the stipulations of the Public Accounts Act,

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the assets of the State ought to have undergone annual inventory or the balance of the current year should have been incorporated into the inventory of the preceding year. Nonetheless, this procedure was not adhered to. In 1938, the Ministry of State Property Inventory was established, subsequently evolving into the Undersecretariat of the Ministry of Finance, tasked with conducting this operation on an annual basis. The culmination of these endeavors was the cataloging of the State's assets in 1939, succeeded by those for the fiscal years 1940-1941, 1941-1942, and 1942-1943. The documents and statistical information pertaining to the previously mentioned records were preserved in the archives of the Ministry of Finance, which was under the purview of the Undersecretariat of Inventory, and partially in the National Archives of Romania, specifically within the archives of the Presidency of the Council of Ministers (Axenciuc, 2000, p. 213; Turdeanu, 1947, p. X).

The pertinent data originate from the comprehensive inventory of the State, finalized on 31 March 1940, by the Directorate of Inventory of Public Property under the Undersecretariat of State for Romanianizing, Colonization, and Inventory, with L. Turdeanu serving as the director of the Inventory of Public Property. The General State Inventory's data primarily pertains to the assessments of State property conducted in 1938 and 1939, with the centralization and calculation processes executed in 1939 and the early part of 1940. The estimates pertain to the years 1938-1939, which represent the focal period of the study. It should be noted that the figures pertaining solely to tangible assets have been derived from the State's inventory, excluding any cash balances. In accordance with established methodology, it is acknowledged that debts and credits among various institutions are regarded as being internally reconciled. Consequently, only those external claims and liabilities that have had a substantial impact on the magnitude of NW have been considered (Axenciuc, 2000, p. 213).

Further partial assessments pertained to the agricultural sector, leading the Ministry of Agriculture and Domains to evaluate, for the years 1927, 1935, and 1936, the worth of land, both living and non-living agricultural inventories, as well as rural structures, encompassing the majority of the nation's agricultural resources. The N. W. during the years 1938-1939 reveals an implicit valuation of material goods, which can be discerned through the prices and currency of that period. This necessitates a transformation for compatibility into pre-war gold lei, utilizing the general coefficient of wholesale prices. This procedure is acknowledged due to the inherent challenges in directly estimating prices in pre-war gold lei, which becomes flawed, if not unfeasible. The two decades from 1919 to 1938 were characterized by significant price volatility, inflation, and economic turmoil, leading to a severance of the direct and equivalent relationship between paper lei and gold lei. This occurred amidst shifts in price structures, particularly concerning the pricing of various groups of goods, including those related to import and export (Axenciuc, 2000, p. 218).

During the ten years leading up to 1938-1939, two notable trends in land prices became apparent. The initial factor, a contraction, arises from the agrarian crisis, notably exacerbated by the significant indebtedness of small peasant holdings to financial institutions and moneylenders throughout the initial post-war decade, particularly following the agrarian reform of 1921, which influenced land valuations. A survey conducted by the Ministry of Justice in 1932 revealed that 64% of peasant households/small-scale agricultural holdings possessing land of up to 10 hectares were burdened by a staggering total debt of 37.4 billion lei, averaging over 15 thousand lei per debtor. In certain areas, the debt has escalated to as much as 50-60% of the value of the land. In this context, the value of land decreased at a rate surpassing that of the overall price index, a situation further intensified by the significant reduction in the purchasing power of the peasantry, as agricultural commodities experienced a decline of 35 to 60% from their 1928 prices during the period from 1929 to 1934. The second trend in the evolution of land prices was characterized by a swift yet partial recovery, driven by the flourishing phase of the economy, the increase in agricultural product prices, and notably, the alleviation of the peasantry's debt burden due to the conversion of 1934. The rural debt was diminished to half its original size, with the residual amount distributed over a period of 17 years at an interest rate of 3%. During the initial years, specifically from 1935 to 1938, the substantial recorded debt imposed on the peasantry required them to pay less than 3% annually, a policy that significantly alleviated the financial burdens faced by rural households in an unprecedented manner (Axenciuc, 2000, p. 215; Georgescu-Roegen in Gusti, 1943, pp. 967-978).

Consequently, while certain household categories could benefit from their financial surplus for land acquisitions, the impetus to divest land to other groups decreased. Consequently, the demand for land experienced a resurgence, while the supply seemed constrained, leading to a more rapid increase in land prices compared to agricultural product prices. The researchers who assessed the NW indicator for the years 1938-1940 employed both primary sources and secondary calculations. The research presented in the Enciclopedia României (Encyclopedia of Romania) established the valuation of land through two distinct methodologies: (a) utilizing the average taxable income from 1930, capitalized at a rate of 5%; (b) drawing from N. Cornățeanu's analysis, which considered the average price of arable land during the economic downturn of 1932-1933, initially set at 11,600 lei per hectare, subsequently adjusted upward by 10%, culminating in a valuation of 12,800 lei per hectare. The valuation of pastures and meadows was similarly conducted, with an estimated worth of 8,000 lei per hectare. In the year 1930, vineyards were appraised at a valuation of 30,000 lei per hectare, while orchards were assessed at 20,000 lei per hectare, based on the capitalization of income method. Furthermore, the Romanian Institute of Agronomic Research (ICAR) provided approximate average general estimates for various categories of land in 1939: 14,000 lei per hectare for arable land, 10,000 lei per hectare for pasture and meadow, 50,000 lei per hectare for grafted vineyards, 25,000 lei per hectare for ungrafted producing vines, and 38,000 lei per hectare for orchards and trees (Axenciuc, 2000, p. 216).

In his analysis, L. Turdeanu employed the land valuation from 1940, referencing the 1935 price as documented in a Ministry of Agriculture publication. This assessment revealed notable discrepancies when compared to the figures presented in the Encyclopedia of Romania and the ICAR. Specifically, the rounded values indicated were: 10,000 lei per hectare for cultivated land, 8,000 lei per hectare for pastures and meadows, 40,000 lei per hectare for vineyards, and 20,000 lei per hectare for orchards. Some researchers suggest that both N. Georgescu-Roegen and L. Turdeanu employed a more straightforward calculation method, which may have led to an underestimation of land prices and, by extension, their value. The discrepancies in unit prices, particularly those derived from the economic crisis years or the 4-5 years preceding 1939, introduce a notable degree of relativity to the estimates provided (Axenciuc, 2000, p. 216; Turdeanu, 1947, p. 15). The survey conducted by H. Lupan, which stands as the sole study grounded in direct information and scientific calculations, reveals that in 1929, the average valuation of one hectare of arable land in the country was 20,240 lei. In contrast, one hectare of meadow was valued at 23,938 lei, pasture at 9,708 lei, vines at 55,984 lei, and fruit trees at 38,198 lei (Lupan, 1934, pp. 18, 20, 22-26). Notably, the authors did not assign value to this data. The rationale behind the solutions proposed for calculating land value by the aforementioned authors lacks persuasiveness, especially regarding the aspect of capitalizing taxable income. This approach possesses several fundamental limitations, imparting to it a sense of relativity. To begin with, the tax legislation stipulates that most of the peasantry/small-scale agricultural holders, possessing a taxable income below 2,000 lei, were entitled to a 25% reduction in land tax. A notable deficiency was the exclusion of extensive territories owned by the State, legal entities, and the Royal House of Romania, which were neither subjected to taxation nor incorporated into the income statistics. The taxable income was therefore significantly undervalued (Axenciuc, 2000, p. 216; Moldovan, 1983, p. 18).

Generally, specialized authors advise, to the extent that sources allow it, against employing this method due to its relative and situational nature, as well as the tax data on taxable income, which all experts regard as lacking in comprehensiveness and significantly underestimated, by as much as 40-50% of the actual situation. A study conducted in 1983 holds particular significance in this context. To achieve values that more accurately reflect the reality of agricultural incomes, R. Moldovan undertook a readjustment of the data derived from the nominal agricultural tax, which had been significantly underestimated according to official statistics. The author adjusted the agricultural income series for the years 1924-1938 as follows: for the years 1924-1929, the figures were increased by 100%; for 1930, by 80%; for 1931-1934, by 70%; for the period 1935/36-1936/37, by 60%; and for 1937/38-1938/39, by 50%. Consequently, the author, an expert in the discipline, posited that from 1924 to 1938, the tax data pertaining to agricultural income reflected merely 50-60% of the actual figures, and that for accurate application, these figures needed to be augmented by 100% to 50%. Given the ambiguous and overly vague data regarding land prices, one can only reach conclusions that align with the findings of the aforementioned studies, which are fundamentally significantly undervalued (Axenciuc, 2000, pp. 216-217; Moldovan, 1983, p. 18).

Examining the specialized literature to acquire direct information with enhanced certainty regarding land value reveals that the homage work from the Ministry of Agriculture, published in celebration of the tenth anniversary of King Carol II's reign, titled “Agricultural Achievements 1930-1940”, provides a significant evaluation of arable land value. The specialized directorate of the Ministry assessed their value in 1938 to be 286 billion lei. One can ascertain the origin of the data by conducting a thorough examination of the documents archived within the Agricultural Economics Directorate of the Ministry, found in the repositories of the present-day National Archives of Romania. The archival material delineates computations regarding the area and valuation of land, categorized by land types, price per hectare, and overall value across the 12 agro-geographical regions of the nation. The comprehensive data originate from the aggregation of county-level information, thereby substantiating the assertion that a more thorough examination of the national land fund's value was conducted for 1938, akin to the analysis performed in 1929 by H. Lupan (Axenciuc, 2000, p. 217; Lupan, 1934, pp. 18, 20, 22-26). In the interwar period, despite a significant drop in land prices during the agrarian crisis, they rebounded, reaching pre-crisis levels for some categories but remaining below this level for others. While land prices for the majority of arable and pastureland, which made up nearly 60% of the total, were expected to be similar,

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grape prices in 1938 were 58% lower than those utilized in 1920-1922. One reason for this is that in the interwar years, ungrafted producing vines, which were far less expensive, expanded and grew to account for roughly half of the vineyard area. The average pricing per country, in various categories, according to the utilization of agricultural lands, can be computed using statistical data. In 1938, however, the sources offer us with two sets of statistics on agricultural land. The first was compiled from 1919 to 1938 by the Ministry of Agriculture and Domains, while the second was compiled in 1937 and 1938 by the State Statistical Institute, which was tasked with compiling agricultural statistics for the country during these years (Axenciuc, 2000, p. 218).

Many authors suggest that the data pertaining to the various categories of land within the "Kingdom of Romania", as gathered by the Institute of Statistics, accurately reflects reality. This is due to the annual gathering process, which employed specific forms at commune level, subsequently county level and ultimately countrywide level. The Ministry of Agriculture and Domains typically employed a range of methodologies to gather different indicators of agricultural statistics. This included, for instance, calculating the difference between the area of the current year and that of the previous year, to which this difference was subsequently added. Additionally, statistical surveys were conducted periodically for orchards, vineyards, pastures, and meadows. Consequently, the figures for these categories of land remained consistent over several years, as evidenced by the Ministry's statistics (Axenciuc, 2000, p. 219).

The growth and development of the Romanian economy was shaped by the country's circumstances following 1938, influenced by external factors, the enhancement of economic capacity stemming from national integration, substantial financial responsibilities imposed upon the nation, the devastation wrought by war, the cyclical fluctuations of the global economy, the economic downturn of 1929-1933, the erratic trends in prices and currencies on the international stage, and the military endeavors of the major European powers. Consequently, global economic dynamics overlapped with the trajectory of Romania's social production, interrupting the development and accumulation of the NW. Numerous scholars assert that the trajectory of the Romanian economy during the inter-war period, devoid of external influences, would have exhibited a pattern of steady growth. This growth, while more gradual in the agricultural domain - encumbered by the inherent challenges faced by the prevalent small agricultural holdings - would have been more robust across non-agricultural sectors. These sectors were invigorated by the widespread adoption of capitalist economic mechanisms, which directly contributed to enhanced accumulations, particularly in capital stocks (Axenciuc, 2000, p. 210).

NW functions as a sophisticated and comprehensive macroeconomic indicator, capable of articulating and evaluating the economic and social well-being of a nation. Alongside other indicators such as GDP or NI, it can elucidate the possibilities and pathways for progress and efficiency within the community under consideration. The inter-war period experienced a notable increase in scholarly inquiry into the subject, primarily due to the assessments offered by G. D. Creangă, I. N. Angelescu, I. Adămoiu, and V. Madgearu. Subsequently, the contributions of N. Georgescu-Roegen and L. Turdeanu provided substantial clarifications and enhancements in this field, enriching the understanding of national wealth and Romania's economic dynamics within the complex context of the interwar and postwar periods. The recent thorough endeavors have been undertaken with a sense of heightened urgency, and their results offer an elevated degree of confidence (Axenciuc, 2000, p. 10).

Between the conclusion of the fourth decade and the events of December 1989, there was a span of nearly fifty years, during which, upon reflection, no thorough examination of the NW was made available. Nevertheless, in addition to the works that have explicitly tackled the subject of NW, numerous statistical and economic analyses have assessed specific components of the national economic heritage, including land, livestock, tools, agricultural machinery, and industrial capital. While not every study has explicitly tackled the notion of NW, certain referenced authors, acknowledged for their contributions to the economic and historical analysis of Romania, have deeply enhanced our comprehension of the dynamics within the Romanian economy and the elements that make up NW. Among them, Gh. Zane, C. Kirițescu, C. Murgescu, and L. C. Georgescu are particularly noteworthy for their comprehensive analysis of the nation's economic evolution, with a specific focus on the determinants of economic development and the processes underlying the accumulation of NW (Axenciuc, 2000, p. 10).

Victor Axenciuc is renowned for his significant contributions to the understanding of NW and the economic evolution of Romania. Among his most significant contributions is the work titled The National Wealth of Romania: Comparative Historical Research (1860–1939), a landmark study examining the framework and development of Romania's national wealth throughout its modernization phase; "Gross Domestic Product – National Income of Romania 1862–2010. Secular statistical series and methodological foundations" serves as a significant reference in the exploration of Romania's economic history, offering an

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in-depth examination of the country's GDP evolution from the mid-19th century through the post-communist era. Additionally, "Economic History of Romania, Volumes I, II and III" presents a comprehensive analysis of Romania's economic development, investigating various facets such as agriculture, industry, trade, and public finance. These works are esteemed for their analytical precision and significant contributions to the discipline of economic historiography, offering a robust foundation for comprehending the development of the Romanian economy during modern and contemporary periods.

An evaluation of Romania's long-term NW calls for a thorough examination and thoughtful critique of prior assessments. This requires a thorough examination for each era and for every component of the NW, as articulated by various scholars. Moreover, it calls for an in-depth exploration of international comparisons, which are crucial due to the assessments made by foreign researchers that offer a more expansive context for interpretation and analysis. The objective of this study is to explore the key quantifiable aspects of the nation's material wealth, to illuminate the national potential amidst the modernization of Romanian society, which is a result of the evolution of productive forces and the accumulation of material resources. It aims to uncover the composition of wealth and the transformations that have taken place, as well as to evaluate the country's level of prosperity in comparison to other European nations. Conversely, by juxtaposing the NI of various years with the NW, one can discern the potential for valorization of the national economic heritage, and, by extension, the effectiveness of the Romanian economy and the economic strategies employed by governments throughout different historical epochs (Axenciuc, 2000, p. 11).

The prominent American academic W. King, in his examination of the US economy, asserted at the onset of the third decade of the twentieth century: "It is absolutely impossible with existing sources to construct a precise statistical-technical answer to the question of wealth and income". The voicing of such a concern about the US, a country acknowledged for its extensive and meticulous statistical frameworks, further demonstrates the clear difficulties in assessing comparable metrics for Romania, where there is a significant lack of statistical information. Nonetheless, the undertaking of economic back-calculations in areas involving the reconstruction of historical or missing data conducted by numerous scholars, who have broadened their inquiries into macroeconomic indicators over the span of two to three centuries, indicates that such estimations remain feasible, even in the context of Romania. These estimates may be formulated with a degree of tolerance and relativity, which is permissible given the absence of comprehensive data. Nonetheless, the thoroughness of the inquiry, and consequently the reliability of the findings, is contingent upon both the adequacy and alignment with historical reality of the body of information, as well as the methodologies employed in assessing and evaluating wealth that have been formulated and utilized (King, 1915, p. X; Axenciuc, 2000, p. 11).

Consequently, as indicated by NW statisticians, regardless of the quality of the information sources and the methodologies employed, the resulting indicator possesses a considerable degree of approximation. The multitude of domains, the richness of information, the diversity and relativity of methodologies employed, along with the varying scope of coverage, indicate that NW cannot be quantified in precise terms. These values are consistently, as one researcher articulated, “indicative magnitudes, which merely reflect the scale of National Wealth” yet they may approximate reality more or less closely. In considering the breadth of NW and its various components, it is essential to recognize that modern research is perpetually broadening its framework by integrating novel elements, which consequently necessitates the development of specific new investigative tools. Initially, the focus was on material goods generated by human endeavor. Subsequently, natural resources were incorporated. The earth, with its soil and subsoil wealth, was then complemented by human contributions, encompassing the repository of production knowledge and the accumulation of scientific understanding. Eventually, this also included essential elements such as water and air, as well as cosmic resources like solar radiation. The primary challenge in evaluating NW resides in the potentialities and methodologies for quantifying these ever-expanding and varied components.

At the present stage of the investigation of the subject, looking back, the scope of estimation of NW is limited to the accumulated material goods produced by human activity and to the natural goods subject to valorization, following, more or less, the scheme that became classic from the 18th century until the middle of the 20th century and practiced by almost all authors until then. This provides two advantages: it is located in fields with quantifiable elements and statistical data that can be used, and the results can, within the limits imposed, be compared with the NW data, in terms of dynamics and structure, of the countries in which the aggregate has been studied and measured. These clarifications are necessary not in order to reduce the intensity of scientific efforts, but because estimation is one of the basic features and qualities of the NW indicator, unlike many other indicators, even macroeconomic and summary indicators, which rely on more precise or even exact statistical comparability. Given the limited availability of statistical information pertinent to the periods in question, it is essential to possess experience in scientific

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research, utilize established statistical methods effectively, and demonstrate the initiative to create and implement specific solutions that enhance traditional methods in the face of insufficient documentation. The methodology for formulating solutions can be refined as contemporary periods are examined and the precision of the data is validated. Upon the conclusion of this process, a comprehensive methodological framework may then be established for use. This image will illustrate the integration of conventional techniques alongside the emergence of innovative approaches designed to yield the most precise and pertinent assessments of NW (Axenciuc, 2000, p. 12).

The inter-war period, spanning from 1919 to 1939, requires the identification of both the commencement and conclusion of the NW as essential points for its assessment. Although proficient assessments have been conducted for the years 1938 and 1939, the circumstances are more intricate at the outset of the interval, particularly following the 1918 Unification, which brought together the comprehensive material and spiritual legacy of the Romanian nation. The era is notably marked by a significant deficiency in economic statistical data, pertaining to both the pre-war Romanian state and the provinces that were reunited in 1918. Furthermore, any economic data, articulated in terms of value, is compromised by the rampant inflation prevailing until 1926. An assessment of this heritage, albeit relative, is critically necessary for two primary reasons: to gauge the comprehensive economic legacy of the Romanian nation as a whole and to analyze the expansion of NW during the interwar years, achieved within the context of a unified national state (Axenciuc, 2000, p. 13).

Any examination of the subject should rely on statistical and analytical documentary sources, encompassing both Romanian and international economic information, as well as archival data, with a particular focus on the public economic patrimony. Throughout various epochs, for distinct facets of wealth, the lack of information was frequently addressed through indirect estimation and correlation techniques which, according to certain scholars, have effectively reconstructed the historical reality concerning the magnitude of wealth components. Overall, it can be noted that, based on the assurance of the calculations, the assessment of Romania's NW post-1918 is, within the accepted parameters of understanding, understated relative to the actual value of its constituent elements, with the evaluation consistently striving to prevent any material or value overestimation. The previously mentioned observations necessitate a discourse regarding the imperative for Romanian economic and historical scholarship to ascertain and quantify the NW during the relevant periods. The investigation ought to concentrate on understanding and quantifying the nation's economic prosperity, its development and expansion concerning both material and human resources, as well as its trajectories and long-term growth patterns. Concurrently, the research ought to focus on quantitatively assessing the capacity and extent of wealth accumulation, alongside the critical factors influencing the effective utilization of available resources. It should also seek to identify sectors that exhibit a multiplicative effect in the accumulation process, as well as those characterized by minimal accumulation (Axenciuc, 2000, p. 13).

Comparisons with other countries require, in addition to other macroeconomic indicators, the NW indicator, which is necessary to measure the material and value potential of the national economy, in order to reveal the dynamics, the pace of accumulation and growth of wealth, to expose its structures and their modification in order to define Romania's position in different periods in the European hierarchy. Thus, however relative this overall indicator may be, due to the many reservations generated by the different estimation methods used and the stock of information available, it can acquire, when obtained by reasoned methods, a particular importance in expressing the country's economic potential and the given stock of wealth. The most general known aggregate indicator of efficiency also shows the overall structural dimensions of the national economic wealth, its productive potential in peacetime and its resilience in times of peace or war. The relationship with macroeconomic indicators of comparable significance and value reveals a series of ratios that facilitate intricate examinations of the evolution, trends, capacities, and future prospects of the national economy. The volume and structure of NW per capita, when juxtaposed with similar metrics from industrially advanced nations, underscores the disparities in potential, accumulation, and the overall quality of Romania's wealth. It reflects the country's underdeveloped condition in the mid-19th century and illustrates the persistence, until the 1940s of a relatively low level and inefficient structure of wealth in Romania compared to that of more economically developed countries (Axenciuc, 2000, p. 316).

Despite the previously noted limited comparability stemming from varying estimation methods, the global indicator across different nations can still effectively quantify and articulate, in a straightforward and succinct manner, the disparity, in comparable value units, between countries or groups of countries. Furthermore, this gap can be conventionally translated into a temporal measure, expressed in years. It can therefore be inferred and recognized that the stage of underdevelopment and the disparity at that time with the level of developed economies hold particular significance for Romania's scientific landscape and its standing. As a result, particularly for nations with historical socio-economic disparities, such as Romania, the assessment and evaluation of NW in terms of its dynamics and structure over the long term assumes significant national, scientific, and political relevance. This analysis is crucial for understanding the positioning of these countries in comparison to their developed counterparts, as well as for formulating strategies, opportunities, and solutions aimed at fostering economic growth and narrowing economic disparities. The research holds potential value and serves to enhance the demand for economic insights and retrospective evaluations, facilitating a more profound and relevant comprehension of economic history. This understanding aims to refine strategies for the future of the national economic framework and bolster Romania's standing within the global economic hierarchy (Axenciuc, 2000, pp. 14-15).

Upon examining the size ratio of Romania's NW per capita in comparison to other nations within the available data, one can discern a significant relationship between non-reproducible assets, such as land, and reproducible assets. In all advanced European nations, the proportion of land value relative to reproducible assets is notably lower than that observed in Romania, highlighting their superior historical accumulation and the enhanced significance of such assets in developed economies. The reproducible elements articulated through means of production are notably more pronounced, with per capita figures indicating that Switzerland stands at 6.8 times higher, Germany at 6.6 times higher, the USA at 5.3 times higher, the United Kingdom at 3.7 times higher, and Denmark at 3.5 times higher. The ratio of merely 1:2.8 in France is also undervalued, as the data pertains to the year 1929. The ratios ranging from 3.5 to 6.8 times, which are unfavorable to Romania, also illustrate the considerable disparity in our nation's technical and technological resources when juxtaposed with those of developed countries. They also noted the significant duration required to align with these advanced economies. While the proposed efforts to bridge the gap were theoretically plausible, their practical realization was rendered unattainable given the constrained means and resources at Romania's disposal during that period. This highlights the economic and technological limitations of the era, which hindered the ability to modernize swiftly and significantly narrow the divide with advanced economies (Axenciuc, 2000, p. 314).

The conducted comparative analyses reveal that by the conclusion of the fourth decade of the 20th century, Romania remained on the periphery of Europe regarding the size and structure of its NW, which had been developed over eight decades of modernization. This positioning contrasts sharply with nations that boasted a tradition of industrial development spanning two to four centuries, alongside substantial opportunities for both external and internal wealth accumulation. This stood in sharp relief to countries that have enjoyed a heritage of two to four centuries of industrial progress, replete with considerable prospects for both external and internal wealth generation. This context underscores the economic and structural inequalities that exist between Romania and its Western European counterparts, which boast a well-established industrial framework, and an economy deeply anchored in sustained economic growth (Axenciuc, 2000, p. 315).

NW serves as a singular global metric that encapsulates both the magnitude and the composition of a nation's economic assets in terms of value. The outcome is derived from the accumulation of materials and the extent to which a nation's natural and human resources are utilized. It encapsulates the economic impacts of all contributing factors across various categories that have been amassed over time in tangible assets. The transmission of these assets to successive generations within a community plays a pivotal role in fostering enduring economic development and advancement. Consequently, NW represents not merely the available resources, but also the manner in which they have been harnessed and employed over the course of history (Axenciuc, 2000, pp. 315-316). Many authors regard the NW indicator as a valuable tool for enabling comparisons of value across various nations, as well as tracking the progression of a single nation over time. In particular, for R. Giffen, this indicator serves as a valuable tool for evaluating capital accumulation and analyzing the productive capacity and economic potential of the relevant nation. R. W. Goldsmith underscores the importance of estimating NW, highlighting the necessity of understanding its structure, including the various component elements and their respective shares, as well as the distribution across different sectors and branches of the economy. This enables the calculation of the level and rate of growth of its components, facilitating economic and financial analysis grounded in the tables of the balances of the national economy. According to various authors, an understanding of NW enables the quantification of tax obligations and the evaluation of private wealth's contribution to state revenues, serving as a crucial instrument for the formulation of fiscal and economic policies (Axenciuc, 2000, p. 315).

Upon closer examination over extended periods, the global indicator reveals, from a dynamic and foundational perspective, both the elements conveyed by synthetic indicators of similar or limited value, as well as distinct characteristics inherent to itself that may not be captured by alternative global value representations. Regarding its dynamic, structural, and constitutive dimensions, the NW indicator emerges as the singular metric capable of effectively gauging and articulating, in relation to other nations, the extent of a country's global development, implicitly referencing Romania. It reflects the capacity for material accumulation and, by extension, the cultural advancement and progress within contemporary civilization, as well as the potential for material production through the global values it encapsulates. The NW, when measured appropriately, can reveal at specific moments or historical junctures not only the progress made in the endeavor to align with advanced industrial nations but also the disparity that continues to exist between Romania and this benchmark category of countries, which alone reflect the extent of material advancement. It is important to observe that NW, in absolute terms, experienced a remarkable increase of 7.7 times between 1912 and 1914, and an astounding 20 times from 1938 to 1939, when compared to the years 1860 to 1864. In contrast, the population saw an increase of twofold and fivefold, while net wealth per inhabitant rose by 3.5 times and 3.8 times, respectively (Axenciuc, 2000, p. 317).

The dynamics of the synthetic indicator can be examined in both broad terms and through the lens of the balance of national accounts, encompassing reproducible and non-reproducible material assets, each serving distinct roles in production and social reproduction. Examining their ratio within the overall indicator, along with the dynamics and proportion between directly productive active wealth and indirectly productive passive wealth, holds significant importance for comprehending the economic framework of a nation. To fully grasp the quantitative evolution of the monitored indicator, it is essential to recognize that, while the currency remains unchanged, the prices employed for the estimates were those prevailing at the time. Their ascent reaches its zenith at the threshold of 1914, subsequently giving way to a decline during the inter-war years, characterized by the economic upheavals of that era (Axenciuc, 2000, p. 317).

Over the course of eight decades marked by social and technical-economic evolution, a notable decline in agriculture's contribution to NW has been observed. This period has witnessed significant capital accumulation in industry, transport, trade, and the construction sector, all of which have undergone modernization and partial mechanization. By 1938, these sectors collectively represented nearly 28% of the total wealth, surpassing the construction and durable goods sector, which accounted for 26%. This data reflects the developmental phase of Romania during this era. The significant dominance of the agricultural and construction sectors in 1938-1939, accounting for 71.2%, can be attributed to the inadequacy and underdevelopment of sectors that, in more advanced industrial nations, are prioritized within the national economy, including industry, trade, and infrastructure (Axenciuc, 2000, pp. 319-320).

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4. Conclusion

The expansion of NW throughout the eight decades of Romania's modern history, alongside the assessment of its level, structure, quality, and value in comparison to the wealth of other European nations, serves not merely as a ledger of the material investments made by the Romanian state, but also as a foundation for a novel trajectory of NW that emerged in the latter half of the 20th century. This emerging era presents novel avenues for inquiry into the economic transformations and future prospects of Romania, a topic of significant relevance that remains to be thoroughly explored by scholars at the dawn of the third millennium. The economic transformations and the documented evolution of NW are crucial for analyzing and comprehending Romania's efforts, or lack thereof, to bridge the economic disparities with other industrialized nations. Such an evaluation serves as a valuable resource for formulating future strategies aimed at economic development and modernization (Axenciuc, 2000, p. 325).

Studying the NW from a relatively new methodological perspective has always been crucial for Romania, a nation who was primarily agrarian for centuries and a whose long-term historical goal was to accelerate development, bridge gaps, and make efficient use of accumulated and natural resources. For this purpose, its constituents should be generally classified into two categories: passive wealth, which includes material things that do not directly contribute to social production, and active wealth, which includes material items that participate directly in social production and accumulation. The first group would consist of financial assets from the primary sector, which would include machinery, livestock, and agricultural implements, as well as assets from trade, commerce, transportation, and communications, along with related stocks. The second category is appropriate for construction, land in all its forms, and the remaining branches and sectors (Axenciuc, 2000, p. 322).

The initial and most overarching observation pertains to the passive elements of the economy, which have consistently held a position of dominance, as the largest portion of investments has been directed towards land, construction, and consumer durables. Over time, there has been a gradual decline in their proportion of total assets, decreasing from 73.9% to 65.1%, in favor of the active components. The active components consequently rose from 27.9% to 33.5% during the specified period, yet they continued to occupy a subordinate role, despite their critical contributions to production and accumulation. Moreover, fewer than fifty percent of the capital utilized was allocated to plant and equipment (Axenciuc, 2000, p. 322).

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It could be argued that for Romania, the proportion of manual work and manual technology on the one hand and mechanized work and mechanized technology on the other had a significant impact on the country's economic development. According to data from the general census of population and economic activities in 1930, it would appear that the active population working with manual labor represented 88% of the country's total, employed in a variety of sectors including agriculture, construction, handicrafts, local transport and trade. It is notable that only 12% of the active population was engaged in mechanized economic activities specific to large-scale industry, transport and communications, or other services. This distribution suggests that the yields of the 9/10 of the economically active population using manual labor, by branch, may have been 8-15 times lower than in mechanized industry (Axenciuc, 2000, pp. 323-324).

The extent of mechanization within Romania's national economy in 1938 is clearly demonstrated when the allocation of installed motive power across the principal economic sectors is examined. From the total of 5,363 thousand kW, the distribution reveals that industry received a mere 22%, rail transportation accounted for 73.5%, while agriculture was allocated only 4.5%. This distribution highlights a significant imbalance, reflective of an agrarian economy predominantly reliant on manual techniques, which defines the foundational productive sectors of the national economic legacy. The level of labor productivity, inextricably linked with the extent of mechanization, reveals notable disparities between Romania and more industrialized nations. A UN study indicates that in 1938, the annual output per capita in Romania's mechanized and non-mechanized industries was assessed at $290, while in agriculture, it was merely $80. In England, the per capita output in industry reached $910, while in agriculture it was $560. In contrast, Germany reported figures of $790 in industry and $290 in agriculture. The data indicate significant productivity disparities, ranging from 2.5 to 3 times in the industrial sector and 3 to 7 times in agriculture, which are unfavorable for Romania (Axenciuc, 1992, p. 253; Axenciuc, 2000, p. 324).

A significant factor in determining NW was the size and quality of the active population, as well as the qualifications held by this demographic. The 1930 general census revealed that the Romanian population aged 7 and over was distributed according to educational level as follows: 57.3% were book-literate and 42.9% were not. The population with book knowledge was grouped according to the level of schooling completed. 49.2% had completed elementary education, 4.9% had completed secondary education, 1.8% had completed vocational training, and 0.7% had completed university or other higher education programs. It can be inferred that the majority of the country's population, comprising the illiterate (42.9%) and those with four elementary grades (49.2% out of a total of 92.1%), had low and very low skills, with traditional agricultural and handicraft occupations being the primary source of employment. A significant factor of national wealth is the size and quality of the active population, along with the qualifications possessed by this demographic. The general census of 1930 disclosed the distribution of the Romanian population aged 7 and above in relation to their educational attainment as follows: 57.3% demonstrated proficiency in reading and writing, while 42.9% did not possess such skills. The population possessing literary knowledge was categorized based on the extent of their educational attainment. 49.2% of individuals had attained elementary education, 4.9% had achieved secondary education, 1.8% had undergone vocational training, and 0.7% had completed university or other higher education programs. It is evident that a significant portion of the nation's population, including the illiterate (42.9%) and individuals with only four elementary grades (49.2% of a total of 92.1%), exhibited low to very low skill levels, with traditional agricultural and handicraft occupations serving as the main avenues for employment (Axenciuc, 2000, p. 324; Gusti, 1938, p. XVIII).

The degree of utilization of this demographic potential further complicates the situation, contributing negatively to its overall impact. Specialized studies indicate that merely 51% of the 80% of the nation's workforce engaged in agriculture effectively utilized their working hours, largely owing to the sector's cereal-centric and seasonal characteristics. From the overall labor total, approximated at 1,041 million working days based on male standards, there were 519 million working days lost each year. This loss represented roughly half of the National Income generated in this sector, resulting in a comparable decline in the growth of material wealth accumulation. The issue of agricultural overpopulation presented a significant challenge and an ostensibly intractable dilemma for the Romanian nation during that period (Frunzănescu & Dumitrașcu, 1940, p. 15; Axenciuc, 2000, p. 325). The combined impact of inadequate labor endowment with mechanized techniques and technology, insufficient qualification levels, the underutilization of the working population's time resources, and other deficit factors has resulted in a low NI per capita and a reduced rate of wealth accumulation, particularly when contrasted with developed industrial nations. A compelling comparison can be drawn from the observation that in 1938, Romania's per capita NI was 60% of the corresponding figure in England during the years 1765 to 1785, and 57% of that of France in 1840 (Axenciuc, 2000, p. 325; Axenciuc, 1997, p. 403; Kuznetz, 1971, p. 24).

Between 1920 and 1922, Romania underwent land redistribution as part of the agrarian reform implemented in 1921. In accordance with the agrarian reform laws and various other legislative measures, provisions were established for compensating former proprietors for expropriated land, as well as for paying peasants who acquired land during the ownership transfer process. The expropriated area represented more than half of the nation's arable land; thus, the expropriation price could theoretically serve as a basis for assessing the value of the entire agricultural estate. However, the stipulations in the legislation regarding the evaluation of expropriated land restrict the use of this method. Firstly, due to the fact that prices were set at the local level, with each estate determining its own price based on a range of criteria, including regional and historical provincial factors, there was a significant discrepancy in pricing across the country. It was not possible to identify a single, unified price for land at the national or provincial level. In this regard, the data from the chapter entitled “The Price of Land” in D. Șandru's work, *The Agrarian Reform of 1921 in Romania* (Bucharest, 1975, pp. 213-237), are particularly illuminating, providing numerous examples of significant price differences.

The most recent legal provisions stipulate that the price for expropriated land received by large landowners shall not exceed 40 times the rent per hectare, as determined by the Regional Commissions in 1916 for the period between 1917 and 1922. However, the prices that peasants were required to pay for land were typically calculated in a manner that was advantageous to them, with a maximum of only 20 times the average rent per hectare in the respective locality. Consequently, the aforementioned calculations resulted in a multitude of disparate local land prices. Moreover, the reform and the calculation of land prices were carried out over an extended period, resulting in significant fluctuations due to inflationary pressures. It is also noteworthy that, in addition to the numerous criteria - including average rent, average income, pre-war average land prices, and others - introduced into the calculations, beyond the general criteria stipulated by law, prices were also negotiated and disputed by the two interested parties - on one side, the expropriated landowners, and on the other, the peasants receiving the land. Both parties sought to increase or decrease the land price, resulting in disparate land prices even within the same village. We concur with the general observation of the cited author, namely that “the pricing standards were set in such a way that the price paid by the peasants and even by the state to the landowners was below the current value of the land” (Șandru, 1975, p. 220).

With regard to the agrarian reform of 1921, including the expropriation price and the price paid by small-scale agricultural holders/peasants for land, a

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considerable body of literature has been produced, encompassing dozens of works and hundreds of studies. A review of the literature in this field reveals no viable solution for estimating the real price of land on a national scale. Therefore, it is evident that any attempt to calculate the price of the country's agricultural land - and, by extension, its NW (national wealth) - based on the prices set by agrarian reform laws or the rates applied by the land redistribution commissions will not yield accurate results.

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