BUKOVYNA IN THE STRUCTURE OF GOODS EXPORT OF INTERWAR ROMANIA

Abstract. With each year of the reign of the Romanian authorities, the trade relations of the region expanded. Despite the loss of Bukovyna’s niche in the trade of Austria-Hungary, after World War I it was possible to establish quickly trade circulation both in the middle of Romania and abroad. The geography of business contacts became extremely wide and was not limited to the domestic market, but also included connections with the countries of Europe, Asia and America.

Customs in Chernivtsi and Grigore Ghica Vodă (Nepolokivtsi) became the «northern gates of Romania». Growth of trade through them caused the strengthening of the role of the commodity exchange and shops, which allowed Chernivtsi to establish itself as a commercial centre of the region. Grains, poultry, livestock, meat, eggs, skins, fruits, forest and minerals became the export items. The development of the region’s export trade in the specified period was characterized by cyclicity.

Keywords: Bukovyna, Chernivtsi, Grigore Ghica Vodă (Nepolokivtsi), interwar period, goods export.
Formulation of scientific problem and its significance. The development of trade relations is a reflection of the state of the economy of any region. Having one of the most developed production spheres of the economy, transport infrastructure, and advantageous geographical position in interwar Romania, Bukovyna played an important role in the formation of internal and external trade relations of the country. Despite the terrible consequences of World War I for the region’s economy, the change in its traditional trade relations after the end of hostilities and the establishment of international relations, the revival of domestic and foreign trade began.

In particular, Bukovyna played an important role in Romania’s foreign trade during 1918-1940. All foreign trade of the region went mainly through two customs: in Chernivtsi and Grigore Ghica Vodă (Nepolokivtsi). Due to its geographical location and transport connections, Bukovyna was an intermediate link for the export of goods from Romania to a number of European countries. In addition, there was a commodity exchange in Chernivtsi where all goods for export were bought and sold. The local banking infrastructure also contributed to the development of export operations.

Analysis of recent research. But until now, the problem remains poorly studied (we have almost a complete lack of publications). In addition, after February 24, 2024, the importance of the studied region in the export trade of Ukraine increased significantly (in connection with the reorientation of trade flows), which also contributes to the return of scientists to the experience of previous years regarding the establishment and expansion of export operations. Therefore, the aim of our article is to analyze the export trade that passed through Bukovyna, which was a part of Romania in the interwar period.

Presenting main material. Traditionally, the region was an intermediary in the trade of agricultural products, forest and livestock. During the Romanian rule, local merchants, investing their own funds, purchased grain, fodder, poultry, eggs, skins in production sites in different regions of Romania (primarily, in Bukovyna itself and Northern Bessarabia) and exported them at their own expense to other countries.

Bukovyna’s export trade began to improve in 1919. Since the mid-1920s to the beginning of the 1930s, it was on the rise, which corresponded to the dynamics of Romania’s foreign trade. Further, during the years of the global economic crisis, there were significant difficulties in the export of certain goods due to the introduction of protectionist laws at the customs of many European countries that were trading partners of the region. It was only in the mid-1930s that it was possible to overcome the negative consequences of the Great Depression in the field of trade. Although at the end of the 1930s, the industry was adversely affected by a new economic crisis.

Let’s consider the main categories of goods exported from the region. By 1927, there was an active increase in the export of grain through the customs of Northern Bukovyna to Europe. With all the chaos in the grain trade in the late 1920s and early 1930s, grain export trade was dominant in the province compared to other areas of trade.

Grain exports were mainly concentrated in Chernivtsi, where there was a respectable community of merchants and an old commodity exchange, where most sales and purchase agreements were concluded. The main highway for the export of grain from Romania, passing through Chernivtsi, was especially actively loaded in the winter period, when navigation on the Danube was stopped due to the freezing of the channel. The export of grain by land made it possible to sell the product in smaller parts in different places. This type of export reduced the risk and did not require a lot of financial costs, in contrast to the sea, where only large batches of goods were traded in ports. Thanks to the export of grain over the years, a group of grain traders (not very rich, but very well versed in foreign markets) formed in Chernivtsi.

By 1927, grain exports were on the rise. Since 1927, the decline begins. In 1930, the consequences of the protectionist measures adopted in Germany in April were felt. The new German customs tariff provided for a sharp increase in the import duty for all types of grain. At the same time, a corn import company was created in Germany, which was a monopolist in the purchase of corn. This monopoly was introduced to prevent the importation of corn in order to make it possible to raise the consumption of rye in Germany. The export of cereals suffered greatly after the monopolization of corn imports in Germany, because it played a leading role in the Romanian export trade. Only during 12 months of 1930, the export of corn decreased from 1014 to 285 railway wagons (1 railway wagon – 10 tons), although compared to
the beginning of the year, an increase was observed in the export of beans, barley, bran, and sunflower at the end of the year. In total, in 1930, 8127 railway wagons of grain were sold at Chernivtsi commodity exchange. Moreover, 6145 railway wagons of them were corn. Another 1000 railway wagon of corn did not pass through the hands of Chernivtsi merchants, but directly through the customs office of Grigore Ghica Vodă (Nepolokivtsi). If we compare with 1927, when 22000 railway wagons of corn passed through Chernivtsi commodity exchange, then in 1930 – almost 3 times less. In total, in 1927, more than 30000 railway wagons of grain were exported through local customs.

In addition to the fact that the export of corn and other grains was minimal during the crisis years, grain exporters and merchants also suffered losses due to price instability, in particular, their decline. Prices fluctuated every month, falling on average 2 times a year on foreign markets. And domestic prices were subject to even greater fluctuations. At the end of 1930, the law on the pricing of agricultural products was adopted, but it did not improve the situation, on the contrary, it suppressed the freedom of entrepreneurship and hindered exports.

The crisis also contributed to the fact that businessmen began to look for alternative ways of earning. So, in addition to the traditional types of grain exported, millet, pumpkin seeds, oats, peas, buckwheat, groats, flax, poppy, mustard and rapeseed began to be exported from Chernivtsi in 1931. After the loss of Germany as the main market for the sale of corn in 1931, it began to be exported to Czechoslovakia (4200 railway wagons), as well as to Poland (2156 railway wagons). By 1935 there was a decline in grain exports, and in 1936 things improved. Only 6500 railway wagons were exported then. Soya began to be exported for the first time – 880 railway wagons. Despite the difficulties of the economic crisis of 1937-1938 in Romania, grain exports continued to grow and amounted to 12931 railway wagons in 1937 and 10755 in 1938.

An important category of goods export was chicken eggs. Before the war, eggs were exported mainly from Bessarabia. In different years after World War I, up to 2000 railway wagons of eggs per year were exported only from Bessarabia to Germany, Switzerland and France. The year 1930 became a landmark for the export of eggs not only from Northern Bukovyna and Khotyn region, but also from the whole of Romania, because on September 1 the law on standardization was adopted, which forced to raise the quality of the exported product. At that time, 220 million 575 thousand 142 eggs passed through local customs (the highest figure since the territory entered Romania). Almost everything was sent to Germany, because the prices there remained quite high. However, if during the 1920s, the export of eggs could only be hindered by Soviet commercial rivalry, then since November 1930, American eggs producers began to intervene in European markets, and for the first time exhibited their products here. But in general, this is a product that was successfully exported throughout the interwar period. In addition, thanks to the efforts of Chernivtsi Chamber of Commerce and Industry, the export tax (0.25 lei per egg) was abolished, and this made it possible to increase the competitiveness of Bukovynian and Bessarabian eggs producers (until then, Romania remained the only country with such a customs tariff).

In 1931, the price of eggs fell 2 times during the year. At all 177 million 230 thousand 614 of eggs were exported in 1931, which is 20% less than in 1930. In March 1933, Germany, the main market for eggs, introduced a high tariff, due to which chicken eggs from Romania could no longer withstand competition. Their import was not profitable, so export fell by about 2 times compared to previous years. For example, if traders bought a tray of eggs from the manufacturer for 1000 lei, then due to high prices for transport services and customs duties abroad, it already cost 3000 lei. Despite the drop in exports in the following years, Chernivtsi merchants exported more than 85% of eggs from Romania. 1936 was a turning point, when thanks to the increase in demand for eggs on the markets of Great Britain, Czechoslovakia and Spain, it was possible to sell 164 million 730 thousand 655 units of products abroad. At the end of the 1930s, about 85% of the foreign trade in eggs was accounted for by Great Britain.

Poultry export was significant in terms of volume, which grew steadily during the 1920s, and even in 1930 compared to 1929, they increased by 25% (752 thousand 996 pieces in 1929 and 1 million 11 thousand 729 – in 1930). Almost all the products of the brunch were of Bessarabian origin and were exported to Germany, in particular to Berlin. At the end of 1931, an abattoir (a specially equipped enterprise for slaughtering poultry for meat) was built in Novoselytsia, which made it possible to export slaughtered poultry. During the first year of its work, 316 thousand 830 kg of chicken meat was exported. In addition to the Novoselytsia abattoir, only one in Iași was valid for the whole of Romania. Also, in 1931, the export of live poultry continued to grow, reaching 1 million 506 thousand 305 pieces. In 1933, indicators for
live and slaughtered poultry amounted to 1 million 858 thousand 600 units and 563 thousand 771 kg. In 1934, both the amount of exported poultry (live – 3 million 214 thousand 470 pieces and slaughtered – 837 thousand 681 kg) and the number of countries to which it was exported also increased (for the first time the export of chicken to Palestine was opened). But the industry was not able to achieve stable indicators, because there were not enough special railway wagons.

In contrast, exports of livestock and meat, although showing growth in the 1920s, experienced certain difficulties since 1930 onwards. Traditionally, livestock and meat were exported from the region to Austria and Czechoslovakia. However, the change in customs and trade legislation in Austria in 1930 slightly reduced export to this country, but positive growth trends were maintained due to the increase in the number of livestock and meat exported to other countries and the emergence of new states that began to import products of this industry from Chernivtsi. Thus, in 1930, 16000 cows, 50000 pigs, and 750 tons of fresh meat were exported to Czechoslovakia. And to Austria – 8000 cows, 18000 pigs, 230 tons of meat; to Italy – 9000 cows and 25 tons of meat. However, already in 1931, exports decreased by 15-25%. In 1933, due to the further decrease in the export of these types of products to European countries, new markets for the sale of livestock were opened in the Middle East (Palestine and Egypt). Goods were sent there through Romanian seaports.

In the following years, due to the further reduction of livestock and meat exports to the markets of Western and Central Europe, new ones were added: Greece, Syria and Malta. Strong commercial rivalry from Poland was felt in this direction of livestock export. In 1936, the brunch continued to experience difficulties. Only 32000 cattle heads were exported.

The impact of the economic crisis affected the export of skins, which during the 1920s was constantly growing, and already in 1930, due to the crisis in the USA and Germany, it decreased by 30% (in all 625 tons were exported). In 1931, 685 tons of different types of skins were exported. Most of them were of scribble and rabbit. In addition to them, skins of sheep, foxes, as well as ferrets, martens and cattle were exported. The economic crisis also forced exporters to look for new sales markets, so in 1933 most of the skins were exported to London, and later to the USA, Poland and France. At the same time, in the reports of Chamber of Commerce and Industry in the list of exports appear feathers, down and guts for the first time. In general, it was not possible to reach the pre-crisis indicators even in 1935.

Regarding to the export of fruits, the centre of which became Chernivtsi, it depended, first of all, on the level of the harvest in the region (most of the fruits exported from Romania were grown in Northern Bukovyna and Khotyn region). But dependence on the situation in foreign markets was also observed. Thanks to the existing treaty with Poland, 1930 was the most successful year since the beginning of Romanian rule. In particular, the export of grapes was on the rise: 2986 tons 870 kg in 1930, compared to the highest indicator of the 1920s – 640 tons 499 kg. The export of apples reached 1400 tons, the export of pears decreased from 666 tons 269 kg to 382 tons 850 kg. The export of fresh plums doubled. However, the export of dried products has almost completely stopped. 2000 tons of nuts were exported in 1929, then in 1930 – 5000 tons 700 kg. Fruits were mainly exported to Poland and Germany. Despite the deepening of the economic crisis, positive tendencies in fruit export were maintained in the following years. Thus, in 1931, 3015 tons 362 kg of grapes were exported, and Germany and Czechoslovakia were added to the importer countries of this type of product. Although the export of fresh apples decreased by a third, the export of pears increased by the same amount. The good harvest of nuts in 1931 made it possible to export 7744 tons 992 kg of nuts to Germany, Poland and Czechoslovakia. However, due to the weak harvest of apples, pears, and nuts in 1933, their export fell sharply. Instead, apricots began to be exported to Poland. In 1931, merchants also began to export vegetables. In the first year, 7000 tons of them were exported, mainly to Germany. In 1936, thanks to the assistance of the Ministry of Agriculture and the Ministry of Industry and Trade, a large part of the harvest went to the internal Romanian markets. In the late 1930s, fruit export stabilized at the level of 8000-9000 tons.

Similar tendencies were observed in the timber trade, with the difference that the crisis in the timber trade began somewhat earlier – at the end of 1929. Its condition worsened even more during 1930. Especially due to the construction crisis in Germany (a sharp reduction in construction), the agrarian crisis in Romania (the fall in prices for agricultural products, which reduced the ability of peasants to buy construction timber) the industry was on the edge of disaster.

Thus, in 1929, 17000 of railway wagons of Bukovynian timber were exported, and in 1930, the demand for it on the Romanian market fell by 40% and on foreign markets by 30%. At the same time, the price also decreased by 15-25% compared to 1929. High tariffs for railway transportation did not
contribute to trade either. So, in 1930, only 10000 railway wagons of planks were taken out of the territory of Bukovyna. Most were taken to Germany, and the rest via Gdańsk – to England and other countries.\(^{56}\)

In 1931, the lowest export of timber from Bukovyna was recorded. 6580 railway wagons were transported by rail and 2500 – by sea. In addition to the difficulties of previous years, new requirements were added to the quality, sorting, and dimensions of timber. Because of this, a part of the firms disappeared from the market (mainly merchants who started to export timber in the early 1920s and had neither proper training nor serious monetary capital), and only those that were able to overcome the difficulties of the crisis remained.\(^{57}\)

In 1933, due to problems in European markets, Bukovynian timber began to be exported by sea to Palestine via Galați and Constanța. Unlike other countries, here they exported not just raw materials, but ready-made boxes.\(^{58}\) Since 1935, the situation began to improve (14000 railway wagons were exported), and the ratio of the amount of Bukovynian timber exported through Grigore Ghica Vodă (Nepolokivtsi) and Galați became 1:3.\(^{39}\) In 1936, 23448 railway wagons were exported. Despite the general decline in timber export, at the end of Romanian rule, Suceava District (formed in 1938 as a part of the counties of Northern Bukovyna and Khotyn region) accounted 38% of the Romanian timber trade.\(^{60}\)

Unfortunately, there are no data on the export of minerals for the 1920s, but it is known for certain that in the early 1930s, manganese ores from the deposits located in the south of Bukovyna were exported through the customs office in Grigore Ghica Vodă (Nepolokivtsi). Thus, in 1933, 3000 tons 70 kg of manganese ore were delivered to Germany, 4375 tons 500 kg to Poland, 5010 tons to Czechoslovakia and even 20 tons to Argentina. In all for the year 12405 tons 570 kg. Zinc ore and gypsum were also exported.\(^{61}\)

**Conclusions.** The transport system, a good geographical position and a change in territorial affiliation allowed Bukovyna to strengthen its role in European trade. In addition to the fact that through the local customs in Chernivtsi and Grigore Ghica Vodă (Nepolokivtsi), locally produced products were sold to European countries, Chernivtsi merchants sold goods from other regions of Romania in the same way. Thus, the region became the «northern gate» of Romania’s export trade. Mostly grains, poultry, livestock, meat, eggs, skins, fruits, timber and minerals were exported from here.

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