

ROMANIAN-BRITISH ECONOMIC AND MILITARY POLICIES IN THE INTERWAR PERIOD

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Abstract. The article entitled *Romanian-British economic and military policies in the interwar period* emphasises important areas of diplomatic, economic and military cooperation between Romania and Great Britain in the 1920-1939 period. Throughout this period, Romanian diplomacy tenaciously pursued international cooperation and equality among states, fighting revisionism and eliminating war from the international life. In order to fulfil these designs, Romania cooperated with democratic countries (Great Britain, France, and others). Thus, the main issues of Romania's relationship with Great Britain – in the 1920-1939 period – concerned: *the settling of Romania's war debt to England; the issue of war reparations; the economic and financial rapports; the mining subsoil regime (especially that of oil) in Romania; trade treaties and customs tariffs between the two countries.* In the 1934-1939 period, relations between the two countries were directed at furthering their economic cooperation by: *improving Payment Agreements; increasing commercial exchanges in a significant manner;* as well as more extensive *military cooperation* (by shipping military technique to Romania and building a commercial and military naval port on the Black Sea).

Keywords: Romania, the Black Sea, Taşaul port, Tăbăcăriei Lake, Payment Agreement, the mining subsoil regime, Financial issues, Cernavodă Canal

During the interwar period, Romanian diplomacy focused on three directions: strengthening ties with the Great Powers allied during World War I, maintaining good rapports with neighbours and cultivating relations with all countries, both enemy and neutral.¹ At the same time, the main objective of Romania's foreign policy throughout the interwar period was to preserve the borders drawn at the end of the First World War.² Speaking about these objectives, I.G. Duca – minister of Foreign Affairs (19th January 1922 – 27th March 1926) – emphasised that it was imperative to strengthen ties with the Great Powers and “maintain cordial relations with neighbours to whom we are bound by common interests.”³ In their foreign policy, Romanian diplomats upheld both

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¹ *Istoria Românilor*, vol. VIII, *România Întregită (1918-1940)*, coordinator Ioan Scurtu, Editura Enciclopedică, Bucureşti, 2003, pp. 445-447.

² David Britton Funderburk, *Politica Marii Britanii față de România 1938-1940. Studiu asupra strategiei economice și politice*, Editura Științifică și Enciclopedică, Bucureşti, 1983, pp. 29-32.

³ *Reprezentanțele diplomatice ale României*, vol. II, 1911-1939, Editura Politică, Bucureşti, 1971, p. 10.

Romania's interests and their genuine European membership. In its international endeavour, Romania had to take into account several threats which were depicted and summarised in the documents of the Foreign Ministry in the following way: "its politico-geographic position; the ever-present likelihood of an aggression from Soviet Russia, who never rightfully recognized our territorial status; our neighbourhood to certain states who were defeated at the end of the war and who secretly plan and openly request a revision of the territorial status sanctioned by treaties; finally, the absence of a national arms industry capable of supporting the needs of our army in a moment of crisis."⁴

During the same period, the United Kingdom was interested in keeping good relations of cooperation with the countries of the world on the basis of the following foreign policy directions upheld by government: the security of the United Kingdom; the defence of the main commercial routes; the defence of the empire; the decision to cooperate in securing the defence of Great Britain's allies.⁵ These directions of Great Britain's foreign policy during the interwar period were clearly depicted on 17th July 1933 by Ralph Wigram, the head of the Central European Department within the Foreign Office, who emphasised that "Great Britain's policy targeted the protection of British interests, British territories, British independence and especially peace in Europe, Asia and on the sea."⁶

Anglo-Romanian relations after 1920 were mainly directed at economic, financial and military cooperation. In this period, through the accreditation of Nicolae Titulescu as Minister in Great Britain's capital⁷, an important stage in the history of relations between London and Bucharest was inaugurated. During his mission, the Romanian diplomat succeeded in solving a series of financial, economic and military problems that interested the two countries. Referring to Great Britain's interests in Romania, the great diplomat Nicolae Titulescu summarised that "Romania is not situated in a region where British interests are particularly at stake and is neither frontager to a sea which Great Britain is especially interested in. Consequently, if Romania maintains good relations with all its neighbours and is not peace-upsetting, if it avoids inflated ideologies of any type, if it pursues a politics of morality, if it is closely related to the states that

⁴ Apud Maria Georgescu, *Franța și România în sistemul de securitate colectivă europeană în anii '20. Speranțe și iluzii*, în *Diplomație și diplomați români*, vol. II, coord. Gh. Buzatu, Valeriu Florin Dobrinescu, Horia Dumitrescu, Editura Pallas, Focșani, 2002, p. 259.

⁵ Alan Farmer, *Marea Britanie: politica externă și colonială, 1919-1939*, Editura ALL, București, 2000, pp. 11-45; Marusia Cîrstea, Gheorghe Buzatu, *Europa în balanța forțelor. 1919-1939*, vol. I, Editura Mica Valahie, București, 2007, pp. 130-105.

⁶ Apud Bogdan-Alexandru Schipor, *Politica Marii Britanii la frontiera de Vest a Uniunii Sovietice: 1938-1941*, Editura Junimea, Iași, 2007, p. 48.

⁷ Valeriu Florin Dobrinescu, *Relații româno-engleze (1914-1933)*, Editura Universității „Al. I. Cuza”, Iași, 1986, p. 89; Ioan Scurtu, Gheorghe Buzatu, *Istoria Românilor în secolul XX*, Editura Paideia, București, 1999, pp. 12-14.

interest Great Britain directly, such as France, and if it acts according to the great principles of the League of Nations, then Romania can obtain Great Britain's moral support."⁸

The main areas of cooperation between Romania and Great Britain – in the 1920-1933 period – concerned the following: *the settling of Romania's war debt to England; the issue of war reparations; the economic and financial rapports; the regime of the mining subsoil – especially that of oil – in Romania; trade treaties and customs tariffs between the two countries.*

A first issue over which Romania and Great Britain held a heated debate was the one pertaining to the *loans contracted by Romania on English markets* during the First World War. A significant share of the external public debt had been accumulated by our country in the form of long-term loans of treasury bills in foreign currency compared to which the Romanian currency was continually devaluing. Smooth running of the economic and financial rapports between Romania and England depended on solving the pending issues of the earlier period, among which the settling of the coupon payment.⁹ In order to resolve these problems there were numerous negotiations with the representatives of great finance and the British government. On 15th December 1920, N. Titulescu was writing to T. Ionescu that “the future of Romanian interests depend upon” the payment of coupons.¹⁰ As a result of lengthy negotiations with the Chancellor of the Exchequer, Chamberlain, and the representatives of the Foreign Office, an agreement was signed enabling the Romanian state to obtain the postponement of its war debt, as well as an extension of the deadline for the liquidation of Treasury bills.¹¹

Following these negotiations, on 19th October 1925 an Agreement was signed for the settling of Romania's debt to Great Britain (who owned £18,448,200 worth of Romanian Treasury bills). It should be mentioned that during the economic crisis the Romanian government was authorised under the provisions of the 23rd March 1932 law to ratify a new protocol, signed in London on 4th August 1931, on Hoover's proposal, regarding the suspension of the financial commitments resulting for Romania after the 1925 Convention.

As regards *the issue of war reparations*, Romania acted carefully, as our country's right to *reparations* greatly exceeded what it owed Great Britain or France, the United States and Italy.¹² According to certain calculations, Romania's claims concerned over 31 billion lei in gold, while the entire external

⁸ Nicolae Titulescu, *Politica externă a României (1937)*, ediție îngrijită de George G. Potra, Constantin I. Turcu, Ion M. Oprea, Editura Enciclopedică, București, 1994, p. 195.

⁹ Valeriu Florin Dobrinescu, *Relații româno-engleze (1914-1933)*, pp. 130-132.

¹⁰ Apud Tiberiu Velter, *Relațiile româno-britanice între anii 1914-1921*, Presa Universitară Clujeană, Cluj-Napoca, 2000, p. 211.

¹¹ *Ibidem.*

¹² Gh. Buzatu, coordonator, *Titulescu și strategia păcii*, Editura Junimea, Iași, 1982, pp. 112-132.

floating debt was 2876 million lei in gold on 1st March 1921.¹³ Thus, it is very clear that if Romania had received from its former enemies the payment of reparations together with a settlement of its debt to the West, then the liquidation of its external floating debt would have posed no problem.

The financial problems Romania had to solve were closely related to those of the petroleum industry. After the First World War, Romania had to face a strong offensive – an “attack”, as it was called during those very days by the Bucharest newspaper “Adevărul”¹⁴ – coming from the international oil companies. Thus, on 24th April 1920 a French-British petroleum agreement will be signed in San Remo, delimiting spheres of interest in some of the world’s oil regions, including Romania, through the introduction of the *fifty-fifty* principle in all possible combinations, but only after previous “mutual consent.”¹⁵ It was not at all inconsequential that Romania was first and foremost in the attention of the signers of the agreement that established the following: “Romania – The British and French governments will support their nationals in all common negotiations engaged with the Romanian government with a view to: a) purchasing oil claims, shares or other interests belonging to their subjects or old seized companies such as, for example, *Steaua Română*, *Concordia*, *Vega*, etc., which represented *Deutsche Bank*’s and *Disconto Gesellschaft*’s oil groups in this country, as well as any other interests that could be obtained; b) leasing oil fields belonging to the Romanian state. All shares belonging to the former enemy concessions which may be purchased and all other benefits resulting from these negotiations shall be equally divided between British and French interests.”¹⁶ As a result of such agreements between international trusts, English capital managed, in 1920, through the agency of “Anglo-Persian Oil”, to come into possession of a large part of the shares of the largest ex-German company, “*Steaua Română*”; “the British also held special interests in the Sospiro company.”¹⁷ During the same period, the “*Phoenix Oil and Transport Co.Ltd.*” group, which controlled a number of oil companies in Great Britain, opened their own enterprises in Romania, such as “*Unirea*” or *Unirea Petroliferă Română*”.¹⁸

During the economic crisis, numerous complicated problems faced Romanian governments, among which the most obviously difficult, the constitutional issue (the succession of King Ferdinand), the relationship between the political parties and, in particular, the economic and financial aspects. In July

¹³ Valeriu Florin Dobrinescu, *Relații româno-engleze (1914-1933)*, p. 137.

¹⁴ Apud Gh. Buzatu, *O istorie a petrolului românesc*, ediția a II-a, Casa Editorială *Demiurg*, Iași, 2009, p. 124.

¹⁵ Virgil N. Madgearu, *Imperialismul economic și Liga Națiunilor*, extras din volumul *Politica externă a României*, Cultura Națională, București, 1924, p. 19.

¹⁶ Gh. Buzatu, *O istorie a petrolului românesc*, p. 128.

¹⁷ Tiberiu Velter, *op. cit.*, p. 204.

¹⁸ *Ibidem*.

1928 a convention between the Romanian government and the representatives of foreign bankers was signed in Bucharest. On this occasion, the group of London bankers attending the financial negotiations expressed their “desire” that their representative, alongside the Romanian government representatives, examine the foreign oil companies’ “causes of dissatisfaction”, with the aim of reaching a mutually acceptable solution; this, London bankers reckoned, was *the sheer provision* for pursuing “the successful launching” of Romania’s loan in Great Britain.¹⁹

Another delicate issue for the bilateral economic relations was the government’s attitude towards *the mining subsoil regime*. The 1923 reform in the mining subsoil regime created uneasiness in British economic and financial circles and elsewhere. For international trusts, Romania’s intention to nationalise its mining subsoil in 1923 (statutes contained in both the Constitution and the 1924 mining law) will constitute an opportunity to appeal against the Romanian government policy and also exercise political and economical pressures on the state. To that effect, the British Legation in Bucharest sent an *Aide-mémoire* to the Romanian government on 22nd February 1923, expressing concerns regarding the intentions of our country to nationalise the subsoil, and punctuating London’s “keen interest”, as there was “a huge amount of English capital placed in Romanian enterprises.”²⁰ The Mining Law was of interest for the Prime Minister of Great Britain himself, Ramsay MacDonald (23rd January – 4th December 1924), who, in May 1924, was “asking” N. Titulescu to “reveal to him straight his entire design” regarding this law, inviting him to a discussion in Chequers, the Prime Ministers’ residence outside London.²¹ In 1925 N. Titulescu was also drawing attention to the fact that interested oil companies were readying themselves for a strong offensive against which “no one knows how Romania will hold up.”²² British bankers and oil trusts – *Anglo-Persian Oil Co. Ltd.* and *Royal Dutch-Shell* – were also applying financial pressures in order to induce the Romanian government to amend the mining regime established in 1924. In 1929, the national-peasant government will impose a new law for “the amendment of the 4th July 1924 Mining law – which inspired foreign capital’s “confidence” in Romania as it had a “very refreshing” influence on the oil industry.²³

Between 1920 and 1928, the Romanian *customs regime* was commanded by the 23rd July 1921 decree-law that regulated imports, the 26th August 1920 law for the regulation of exports and especially the 6th October 1920 law that authorised

¹⁹ Gh. Buzatu, *O istorie a petrolului românesc*, p. 255.

²⁰ Valeriu Florin Dobrinescu, *Relații româno-engleze (1914-1933)*, p. 125.

²¹ Arhiva Ministerului Afacerilor Externe al României, București [The Archives of the Romanian Foreign Ministry, Bucharest] (A.M.A.E.), fond 71 Anglia, vol. 39, f. 72.

²² Gh. Buzatu, *România și trusturile petroliere internaționale până la 1929*, Editura Junimea, Iași, 1981, p. 210.

²³ Idem, *O istorie a petrolului românesc*, p. 266.

the government to set up import and export duties, by which the Parliament authorises the government to increase, decrease or establish import duties above, under and apart from the general customs tariff. During this period, Romania's customs policy was determined by two series of trends²⁴: a) continuous adaptation of customs duties to variations in the value of goods; b) adaptations of customs nomenclature and the level of protection to the new structure of the national economy, resulting from the industrial profit of the new provinces united with Romania.

As a result of the Romanian state's new customs policy, Great Britain and Romania held numerous discussions and negotiations in the first post-war decade, pertaining to *customs tariffs*. The actual circumstances – regarding the economic/commercial relations between Romania and England – required the two countries to sign a new trade treaty. On 18th April 1921 Romania denounced the old trade treaty with Great Britain which had been concluded in 1905. Shortly after, on 30th July 1921, the British government draw attention, in a note submitted by its Legation in Bucharest to the competent authorities, to the fact that the old trade convention (from 1905) remained effectual until 18th April 1922, by which date customs duties imposed on goods contained in the 1905 Convention were imposed on the basis of their value in gold. Ultimately, discussions held in May 1923 between the Ministry of Foreign Affairs and Great Britain's representative in Bucharest led to the establishment of trade relations between the two countries through a provisional agreement based on the most favoured nation clause.²⁵ Referring to the implementation of agreements settled by the two countries with respect to customs tariffs, the commercial attaché in London – Grigore Mihăescu – reported on 15th September 1924 that “England, like any other country, has a general (or ordinary) tariff and a preferential tariff. General tariff is applicable to goods of any provenance subject to customs duty, for whose import customs duties are stipulated [...] Preferential tariff is applicable to some of the products of the Dominions and Colonies that are specified in the Tariff and only if they prove to have been grown and shipped, produced or manufactured in the British Empire.”²⁶ On 6th August 1930 the United Kingdom and Romania signed a new Treaty of Commerce and Navigation for a period of three years, which gave us the right to denounce the agreement in the event that English customs measures would harm and encroach upon our export of agricultural products.²⁷ The treatment of goods was based on the most favoured nation clause. In 1932, the Ministry of Industry and Trade will issue a “circular

²⁴ Virgil N. Madgearu, *Evoluția economiei românești după războiul mondial*, Editura Științifică, București, 1995, p. 160.

²⁵ „Monitorul Oficial”, partea I-a, nr. 78, 10 iulie 1923.

²⁶ A.M.A.E., fond Londra, vol. 149, nepaginat.

²⁷ *Ibidem*, vol. 95, nepaginat.

note”, in order to re-examine our international trade policy and become closely acquainted with the trade conventions we signed.”²⁸ The purpose of these reviews was an import quota system which was introduced in December 1932 to stimulate exports. “On the other hand, the quota system policy on agricultural goods – specified a 1933 *Report* on Romania’s trade relations – must be enforced at any rate to maintain the achieved state of affairs (with England). No clause in our trade convention makes provisions for a special treatment for our agricultural goods in case of a quota system, apart from the vague formula of the most favoured nation. The fact that the expiration of the Convention coincides with the institution of this policy will allow us to make the appropriate defence measures on its renewal.”²⁹ Following these measures imposed by Romania there was “an evident increase in both our exports to England and our imports from England.”³⁰

After the great economic crisis (1929-1933), economic relations with Great Britain continued at a satisfying level and British capital retained its important positions in certain economic areas.³¹ Analysing the structure of imports and exports from/and to Great Britain, we can state that for Romania the period of 1935-1936 represented an opportunity to consolidate its commercial relations: exports increased from 1.615.000.000 lei in 1935 to 3.005.000.000 in 1936, while imports underwent a slight reduction from 1.064.000.000 lei in 1935 to 868.000.000 in 1936; subsequently, Romanian-British trade continues in well-balanced limits until 1938 (approximately 10% of Romanian exports headed towards England, while 11% of its imports came from Great Britain).³²

An important aspect of the Romanian-British economic relations in the 1934-1938 period was the signing of payment agreements which regulated imports and exports between the two countries, as well as the problem of paying off arrears by the Romanian party. Negotiations were held in December 1934 in the “Board of Trade” by Manolescu-Strunga with W. Runciman and F. Leith Ross to ratify a commercial agreement between the two countries (signed on 8th February 1935). It established that “The commercial arrears owed by Romania on 1st November 1934 were valued at 2½ million pounds³³ and they (arrears) had to be liquidated in several stages.³⁴ Gradually, following intensive negotiations, the two parties signed new Payment Agreements (on 2nd and 28th May 1936) “with a view to setting the entire system (including the payment of commercial arrears) on

²⁸ *Ibidem*, vol. 158, nepaginat.

²⁹ *Ibidem*.

³⁰ *Ibidem*.

³¹ Aurelian Chistol, *România în anii guvernării liberale Gheorghe Tătărescu (1934-1937)*, Editura Cetatea de Scaun, Târgoviște, 2007, p. 223.

³² Apud Ion Pătroi, Valeriu Florin Dobrinescu, *România și Anglia în anii '30*, Editura Scrisul Românesc, Craiova, 1997, pp. 87, 88.

³³ A.M.A.E., fond Londra, vol. 161, nepaginat.

³⁴ *Ibidem*.

new bases” and opening “a new chapter in the commercial relations between the two states.”³⁵ The negotiations were held in Bucharest; Great Britain’s representatives were: Sir Reginald Hoare, minister plenipotentiary of Great Britain to Bucharest, Adams, trade counsellor, Waley, financial Treasury expert, and Lee, the head of the Economic Agreement Department within the Board of Trade; Romania’s representatives participating in the negotiations were: Ion Constantinescu, Minister of Trade and Industry, who also acted as head of the Romanian delegation, Gheorghe N. Leon, undersecretary of state, G. Gheorghiu, general secretary of the Ministry of Industry and Trade, I. Cristu, head of the Economic Department within the Ministry of Foreign Affairs, Ioan I. Lapedatu, deputy administrator of the National Bank and E. Marin, manager of the Institute of Export.³⁶ The proposals put forward by the British government to ratify a new payment convention were carefully examined by the Romanian government. On the one hand, the British considered that the liquidation of the £270.000 debt, whose deadline had been 1st December 1935, represented an obligation of honour for the Romanian state, whose payment could suffer no further delay; on the other hand, a request was made that 25% of the value of Romanian exports to England should be transferred into the arrears’ account, but the Romanian delegation was not willing to accept more than 5%. The Romanian-British payment agreements – from 2nd and 28th May 1936 – stipulated “the setting of a clearing account in the Bank of England into which the sterling product of our exports to Great Britain was to be transferred and out of which the availabilities thus created would be distributed, in proportions settled through agreements, to the different categories of payments we have to make in this country (payments of arrears, imports of British goods, financial arrangements, commission payments, insurance premiums etc) [...] The whole performance of the agreement allows strict supervision by the British authorities, whose main concern is that the entire sterling derived from our exports to England should be used for payments in this country.”³⁷ What follows is that Great Britain was the beneficiary of Romanian exports and Romania had an indirect benefit, derived from the liquidation of a substantial part of its commercial and financial burden from previous years. This drawback, created by the Payment Agreement, was also emphasised by the commercial attaché to London, A. Bianu, who reported that “at present (30th November 1936) the clearing balance (special account) is as high as £1.200.000, an exceedingly high amount, which is the best evidence that the Payment Agreement, in its present form, exceeds its purpose considerably and that the clearing, instead of remaining a collecting and distributing organism, has turned into one for useless treasure

³⁵ Idem, fond 71 Anglia, vol. 31, ff. 408, 409.

³⁶ Vezi Sorin Arhire, *Relații economice româno-britanice între anii 1936-1938*, în „Annales Universitatis Apulensis”, Series Historica, 8, 2004, p. 199.

³⁷ A.M.A.E., fond 71 Anglia, vol. 31, f. 409.

hoarding that does not even bear interest, which is an aggravating circumstance.”³⁸ The two parties – Romania and Great Britain – gradually resumed negotiations to amend a few articles in the Payment Agreement signed in 1936. During negotiations, the British delegation “made up of Messrs. Waley, Wills, Lee and Twentyman” required – as early as the first session of 26th April 1937 – that the £50 000 limit be suppressed in Subaccount “B” (short-time bank loans); that the amounts destined for the liquidation of arrears be increased from £400.000 to £600.000 annually; that the surplus from subaccount “A” (coupon) be used for payments for British goods.³⁹ However, the Romanian delegation considered “these proposals completely unacceptable” and, among other things, called for “a decrease in the current percentage of 35% to 20% in the payments to the Special Account” and an adjustment in the arrears quota “from £400.000 to £300.000 (instead of the £600 000 required by the British).”⁴⁰ Discussions in London revealed that the English were interested in guaranteeing “enough liquid in the clearing for imports to Romania of British goods, to the detriment of Romanian ones.”⁴¹ The Romanian delegation reacted to this tendency of the British by emphasising “the unfair nature of a mechanism that would not distribute risks evenly, all the more so as the favourable evolution of exports has almost exclusively benefited England so far.”⁴² Following several series of negotiations between the two delegations, a new Anglo-Romanian Payment Agreement was signed in London, on 27th May 1937, amending the Agreement on 2nd May 1936 and its supplements on 28th May 1936 and 5th December 1936. A new payment agreement between Great Britain and Romania will be signed in 1938.⁴³ Talks commenced in August and were conducted in Bucharest, in the Ministry of National Economy, the British delegation being led by Lee, economic counsellor with the Foreign Office, and the Romanian one by I. Cristu, minister plenipotentiary.⁴⁴ The basis of the Payment Agreement with England stipulated *the regime of oil; the clearing allocation; the regime of compensations; arrears; the regime of grain crops.*⁴⁵

Another important aspect of the relation between London and Bucharest was *the military component*, Romania being interested in developing its military potential with a view to defending its national borders. In order to endow the army with modern weapons, warships and fighter planes, Romania intensified its diplomatic-military, economical and technological-military cooperation with

³⁸ Idem, fond Convenții, A. 20, vol. 6, f. 153.

³⁹ *Ibidem.*

⁴⁰ *Ibidem.*

⁴¹ *Ibidem.*

⁴² *Ibidem.*

⁴³ Idem, fond 71 Anglia, vol. 40, ff. 92-95.

⁴⁴ Sorin Arhire, *art. cit.*, p. 201.

⁴⁵ A.M.A.E., fond Londra, vol. 165, nepaginat.

countries belonging both to the Little Entente and the Balkan Pact and also the democratic Great Powers – England and France.⁴⁶ In the interwar period, Romania's military cooperation with Great Britain consisted in: appointing military attachés specialised in aeronautics and maritime navigation; purchasing military technology for the endowment of the Romanian Army; ordering and purchasing British aircraft; supplementing the maritime naval fleet with modern warship brought from England; joint projects to build naval bases on the Romanian Black Sea coast.⁴⁷ In an attempt to ensure the defensive protection of the Romanian coast and along the Danube, the Romanian state spared no effort in creating a military fleet able to prevent the landing of foreign troops on its territory. Referring to the role played by the navy in a *Report* to the President of the Council of Ministers, Radu R. Rosetti emphasised on 16th February 1920, that “our Navy's main role in the future will be *to safeguard communications between the Bosphorus and the Danube mouths at all costs*. The other tasks of the Navy being: to ensure defence of the Black Sea coast between the mouth of the Dniester and the Bulgarian border; to ensure control of the Danube between Baziaş and its mouths; to co-operate in defending the Dniester; to guarantee water transports.”⁴⁸ An interesting naval programme in the interwar period, adopted in 1939, stipulated that the Royal Navy be endowed with 180 ships with a total displacement of 70.054 tons and total power of 543.655 HP.⁴⁹

In order to put these plans into practice and also modernise the maritime fleet war ships were purchased from abroad. In the Council of Ministers' Journal no. 881 and 1526/1920 issues, it was approved that the War Ministry purchase from the British Government for the Romanian Navy a GORDON heavy monitor and 7 class M. anti-torpedo boats, for the sum of £600.000 from the war credit.⁵⁰ The ships, exchange parts, moving materials, tools needed by the Armoury in Constanța, as well as the costs for bringing the ships in the country, were all to be paid from the sum of £450.000, to be provided in three instalments, starting with 1st October 1921, while the remaining £150.000 was going to be allotted for the development of the naval base in Constanța.⁵¹ Multiple rounds of negotiations were conducted to ensure payment for the ships and materials pertaining to them.

⁴⁶ Mitică Detot, Filip Anghel, Nicolae Ilie ș.a., *Diplomația română a apărării. Un secol și jumătate sub zodia Minervei. Scurt istoric*, Editura Medro, București, 2007, pp. 69-95.

⁴⁷ See Valeriu Florin Dobrinescu, Lenuța Nicolescu, Gheorghe Nicolescu, *Relații militare româno-engleze (1918-1947)*, Editura Cultura, Pitești, 1998, pp. 7-34; Marusia Cîrstea, *Atașaji militari români în Marea Britanie (1919-1939)*, Editura Universitaria, Craiova, 2009, pp. 77-110.

⁴⁸ A.M.A.E., fond Londra, vol. 248, nepaginat.

⁴⁹ Apud Marian Moșneagu, *Progresele aviației în perioada ministeriatului generalului adjutant Paul Teodorescu*, în vol. *Generalul adjutant Paul (Pavel) Teodorescu (1888-1981). Vocația creativității*, coord. Valentin Ciorbea, Emilian Lovișteanu, Marian Moșneagu, Editura Ex Ponto, Constanța, 2013, p. 169.

⁵⁰ A.M.A.E., fond Londra, vol. 306, nepaginat.

⁵¹ *Ibidem*.

As a result, Commander I. Bălănescu reported on 17th December 1920 that the British government put forward a number of proposals for the negotiations regarding the purchase of British warships and, consequently, requested the following: postponing negotiations for the acquisition of the ships until Romania's financial situation was stable; sending Romanian Navy Command-endorsed officers to study in England; Romania accepting a commander captain on active service and two British Navy military officers as liaisons.⁵² The British government also requested through its representative, A. Leeper, that Romania didn't purchase other ships until the conclusion of negotiations for the acquisition of warships from Great Britain.⁵³

In 1921 negotiations were conducted with the aim of signing a "Navy agreement between England and Romania for the acquisition of maritime ships."⁵⁴ A significant event was the signing, on 25th July 1921, of the Paris Convention between Belgium, France, Great Britain, Greece, Italy, Romania, the Kingdom of Serbs, Croats and Slovene, Czechoslovakia, establishing the definitive status of the Danube, which stipulated that navigation on the Danube was free and open to all colours under conditions of complete equality on the entire navigable course of the river⁵⁵ and later, on 24th January 1923, the signing of the International Convention between Great Britain, France, Japan, Bulgaria, Greece, Romania, the USSR, Yugoslavia and Turkey regarding the regime of the straits between the Bosphorus and the Dardanelles, stipulating their demilitarisation and freedom of navigation for all commercial and war ships of all countries both in times of peace and in war.⁵⁶ The newly created situation – in the context of the latest international conventions – caused the Romanian government to adopt for the Romanian navy a more complex approach of the logistic system and also measures towards the modernisation and the update of its technology and stock. At the beginning of the third decade in the previous century, the defence of the Romanian maritime coast had relied on two destroyers "Mărăști" and "Mărășești", three torpedo boats "Sborul", "Smeul", "Năluca", four gunboats, along with several auxiliary ships.⁵⁷ Consequently, Romanian governments decided to modernise and increase the number of warships and, on 5th October 1926, the order was approved for two torpedo boat destroyers, a submarine and a store ship from Italy, then the contract with House of Pattison was drafted.⁵⁸ England also

⁵² *Ibidem.*

⁵³ *Ibidem.*

⁵⁴ Arhivele Militare Române, Pitești [The Romanian Military Archives] (A.M.R.), fond Cabinetul Ministrului, dosar nr. 381, ff. 288-289.

⁵⁵ Ioan Scurtu, Gheorghe Buzatu, *op. cit.*, p. 11.

⁵⁶ *Ibidem.*

⁵⁷ Ion Iliescu, *Politica navală a României între anii 1919 și 1941*, Editura Companiei Naționale Administrația Porturilor Maritime Constanța S.A., Constanța, 2002, p. 70.

⁵⁸ *Ibidem*, p. 71.

showed great interest in the way the Romanian Royal Navy units were organised. For that purpose, in the summer of 1938, the English naval military attaché visited the Royal Navy units in Galați and Constanța. Thus, he visited the Navy Armoury in Galați and asked about the Armoury's capacity to repair military ships on the stocks, and also the Destroyer Squadron in Constanța. The aim of these visits was "to form a general opinion about the Armoury's working capacity and the Maritime Force."⁵⁹ In order to ensure better cooperation and mutual understanding of the organisation of the two armies – Romanian and British – adjutant army General Florea Țenescu was also invited by the British government in September 1939 to attend the British army manoeuvres in England.⁶⁰ In November 1939 Romania requested that Great Britain provide five anti-aircraft command devices and four destroyers. On 6th November British Admiralty agreed with the production of the four destroyers, but on 20th November 1939, the Romanian government was notified in a letter that it was only possible to produce them "for the allies of Great Britain."⁶¹

At the same time, Great Britain was interested in its position in the Black Sea basin and in this context, was forced to take into account Romania's geostrategic position as well as its economic power. Consequently, at the beginning of 1930 a proposal was made to build a naval base on the Black Sea.⁶² Romania needed a war fleet as well as a naval base to "guarantee safety against invasions or merely against a diversionary enemy force landing [...] and to offer reasonable safety to the commercial navy."⁶³ Therefore, R. Goodden – London's military representative in Bucharest – advised, on 13th February 1930, that he had discussed this topic with Admiral V. Scodrea⁶⁴ to build a modern harbour in Tașaul, designed to serve as a military naval base, too. This proposal was in agreement with *The Objective of Modern Naval Policy*: "Wherever there's water to float a ship, the English flag should not miss."⁶⁵ In connection with the interest shown by Great Britain in the Black Sea, the Romanian naval attaché to London reported on 20th July 1930 that "in accordance with His Excellency Minister N. Titulescu's instruction and directions, I had talks at the Admiralty [...] who are willing to make all accommodations for us and lend their full support in finding a

⁵⁹ A.M.R., fond Ministerul Aerului și Marinei, dosar nr. 1 303, ff. 36-38.

⁶⁰ Alesandru Duțu, Lenuța Nicolescu, Alexandru Oșca, Andrei Nicolescu, *Atașajii militari transmi...*, vol. II (1938-1940), Editura Europa Nova, București, 2002, pp. 26-27.

⁶¹ Apud Ion Pătroi, Valeriu Florin Dobrinescu, *România și Anglia în anii '30*, pp. 258, 259.

⁶² David Britton Funderburk, *op. cit.*, pp. 43-45; I. Ciupercă, *Construcția bazei navale Tașaul – un proiect abandonat*, în „Arhivele Moldovei”, I-II, 1994-1995, Editura Fundației Axis Universitaria, Iași, 1996, pp. 118-127; Cornel Țucă, *Din nou despre „Proiectul Tașaul*, în „Document”, nr. 1 (47), 2010, p. 66.

⁶³ A.M.R., fond Secretariatul General, dosar nr. 1 433, ff. 89, 90.

⁶⁴ Marian Moșneagu, *Dicționarul marinarilor români*, Editura Militară, București, 2008, p. 429.

⁶⁵ A.M.R., fond Secretariatul General, dosar nr. 1 433, f. 120.

solution to our problems (in building a naval base)”⁶⁶ At the British Admiralty talks were held with Admiral R.G. Henderson – assisted by Commander G.P. Hayes, the Admiralty’s liaison officer for Romania – who specified that “during the summer and autumn campaign a technical committee should check estimates and geological difficulties so that in the auction the Romanian government will possess comprehensive information regarding even the last cent that was spent and the capability of covering expenses from the resulting revenue when the entire system becomes operational.”⁶⁷ Admiral Henderson also suggested that the Romanian state order two destroyers “to be built according to the latest plans of the Admiralty”⁶⁸ – their purchase, the *Report* specified, will attract the British Admiralty’s amiability, which is extremely important because “England’s politics are entirely guided by the politics of the Admiralty and Bank of England, who are the two regulators of world politics.”⁶⁹ Following these negotiations, a British mission made up of Admiral Henderson and Engineer Hayes came to Romania on 3rd April 1930. After several investigations of the Romanian seashore,⁷⁰ in late June 1930 Henderson filed a documented report, accompanied by plans for the construction of a naval port.⁷¹

As a result of these examinations and proposals, in June 1930 the Army Ministry – and under “the High Presidency of H.M. the King,” – the High Council for National Defence approved the plans put forward by Admiral Henderson, from the British Admiralty.⁷² The justification for this endeavour was that “This contract – commercial in appearance – is underlaid by a naval connection with England – still the Great Master of the Seas. Along with other advantages, it gives us the most urgently needed protection today, of taking our country out of the campaign and plan for the revision of treaties – which Europe cannot not escape, no matter what she does.”⁷³ Consequently, on 26th August 1932, the military attaché in London, Gheorghe Niculescu, was ordered to reopen negotiations with the British on the following basis: a concession agreement for the development; the concession of the commercial exploitation.⁷⁴ The said order was backed by “high instructions” received from Carol II and Prince Nicolae; and they were in turn “repeated verbally – in Paris – by the ministers: of the National Defence and

⁶⁶ A.M.A.E., fond Londra, vol. 259, nepaginat.

⁶⁷ *Ibidem*.

⁶⁸ *Ibidem*.

⁶⁹ *Ibidem*.

⁷⁰ Valentin Ciorbea, *Evoluția Dobrogei între 1918-1944*, Constanța, Editura Ex Ponto, 2005, pp. 138-140.

⁷¹ A.M.A.E., fond Problema 71, vol. 135/3, f. 163.

⁷² *Ibidem*, f. 118.

⁷³ *Ibidem*, f. 128.

⁷⁴ Apud Cornel Țucă, *Canalul Cernavodă-Constanța-Tașaul și baza navală Tașaul în negocierile româno-engleze din 1935*, în vol. *Canalul Dunăre-Marea Neagră între istorie, actualitate și perspective*, coord. Valentin Ciorbea, Ovidiu Sorin Cupșa, Editura Ex Ponto, Constanța, 2008, p. 55.

the vice-president of the Council, G. Mironescu.”⁷⁵ A new proposal for the building of a modern port in Taşaul was put forward in 1934. To that effect, Commander Eugeniu Roşca remarked that “Romania needs a war fleet, as well as a naval base.”⁷⁶ In selecting the location for a new naval base, a number of factors had to be taken into account: the position of the harbour has to be chosen so that it can cover any area of the coast that comes under attack, as well as the main communication ways; the safety of the harbour in case of an attack on land; the construction and maintenance costs should not be too high; communications with the rest of the country should be safe and fast.⁷⁷

In the meantime, the project stagnated mainly because of lack of funds. Therefore, in 1933, on Navy Day (15th August), in His royal message, Carol II turned the government’s attention to the necessity of solving “that famous matter that has been stagnating for a few years” – the construction of the naval base – “in the absence of which our navy cannot survive.”⁷⁸ As a result of this urging, negotiations with England are resumed. In a 16th March 1934 address, British Admiralty confirmed that Lake Taşaul would be the proper place to build the military naval port. This address emphasised that: „The Taşaul Project answers issues of high interest for the safety of Europe [...] and the moment (of construction) is appropriate – now – as money can be found easily and cheaply with the budget surpluses announced this year.”⁷⁹

Unfortunately for Romania this project was never carried out because the Romanian state opposed “that their exploitation (of Lake Taşaul and the Cernavodă-Taşaul Canal) be left in the hands of a foreign enterprise, who could impose such conditions and taxes to encumber the national economy.”⁸⁰ The implementation of this project was also delayed because of the insecure situation of the Straits and France’s opposition.⁸¹ However, in January 1937 Lieutenant-commander Matilda Costiescu Ghyka showed in two memoranda addressed to King Carol II that the Admiralty in Great Britain continued to be interested in the execution of the Taşaul project. Consequently, in March 1937 a British delegation led by Sir Leopold Savile and A. Maunsell went to Bucharest to visit Constanţa and the area of Lake Tăbăcărie – suggested as alternative potential naval base. Romania was represented in the negotiations by: Radu Irimescu, Minister of Aviation and the Navy; vice-admiral Bălănescu, commander and General

⁷⁵ *Ibidem*.

⁷⁶ A.M.R., fond Secretariatul General, dosar nr. 1 433, f. 93.

⁷⁷ *Ibidem*, ff. 93-94.

⁷⁸ I. Ciupercă, *art. cit.*, p. 121.

⁷⁹ A.M.R., fond Secretariatul General, dosar nr. 1 433, f. 182.

⁸⁰ Marusia Cîrstea, *Un proiect anglo-român privind construcția portului de la Taşaul*, în „Analele Universității din Craiova. Seria Istorie”, Anul XIV, Nr. 1(15)/2009, p. 215.

⁸¹ Marian Moşneagu, *Politica navală postbelică a României (1944-1958)*, ediția a II-a, Editura Mica Valahie, București, 2006, p. 19; idem, *Dicționarul marinarilor români*, p. 48.

Inspector of the Navy; Koslinski, Chief of the Navy General Staff; Captain-commander Stoianovici, Chief of the Navy Hydrographic Office.⁸² Following talks in Bucharest, the British delegation went to Constanța, where “they visited the area of the quarry and its installations where good stone could be obtained for the works in question [...] and received valuable information about the cost of such works in the area, at the same time being shown the results of drilling operations done in the lake area under their supervision.”⁸³ Subsequent to their visit of the Romanian seaside, the British delegation gained a hearing by H.M. King Carol II, who “showed his interest in the manifest plan”⁸⁴ and then requested the Minister of the Air and Navy execute this project.

Between 15th and 18th November 1938 King Carol II visited Great Britain. King Carol’s talks with Prime Minister Chamberlain and Lord Halifax undoubtedly contributed to a better awareness of the two parties’ positions on the approached topics, revealing that, because of its Munchen policy, the British government refrained, under different pretexts, from proceeding towards an extension of Great Britain’s collaboration with Romania. Referring to these talks, Matilda Costiescu Ghika, minister plenipotentiary to London (appointed on 15th November 1936), showed that “after His Majesty the King’s departure both Mr. Bianu, our commercial attaché and Commander Dumitrescu, naval and military attaché, maintained contact with the English departments which are responsible for the economic, naval and military affairs – brought up during His Majesty’s stay – and for which the atmosphere seems quite favourable at present, due to the international state of affairs.”⁸⁵ Nonetheless, the outbreak of the Second World War and the fall of Carol’s regime caused the suspension of works on the Tașaul-Gargalâc-Tăbăcărie system, in 1939.

Under the influence of political and military events, in 1939-1940 Romania gradually comes out from under the influence of democratic Western powers (Great Britain, France, the USA, and others) and enters the space dominated by Germany, at a slower pace until the spring of 1940, but precipitously and massively after this date.

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⁸² A.M.A.E., fond Londra, vol. 308, nepaginat.

⁸³ *Ibidem*.

⁸⁴ *Ibidem*.

⁸⁵ A.M.A.E., fond Problema 71, vol. 135/3, ff. 220-223.

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