

THE GRAINS TRADE IN GEOGRAPHICAL AREAS INHABITED BY ROMANIANS

Merce C. Cristian*, Merce Emilian**, Roman Lucian***, Ladar Călin ****

* University of Agricultural Sciences and Veterinary Medicine, 3-5 Calea Mănăștur St., Cluj-Napoca 400372, Romania, e-mail: cristiancmerce@hotmail.com

** University of Agricultural Sciences and Veterinary Medicine, 3-5 Calea Mănăștur St., Cluj-Napoca 400372, Romania, e-mail: merce@usamvcluj.ro

*** University of Oradea, Faculty of Environmental Protection, 26 Gen. Magheru St., Oradea, 410048, Romania, e-mail: lucianroman54@yahoo.com

**** University of Oradea, Faculty of Environmental Protection, 26 Gen. Magheru St., Oradea, 410048, Romania, e-mail: ladarcalin@yahoo.com

Abstract

Throughout world history, and the present makes no exception, the countries of the world were dichotomized into dominating and dominated countries. In modern times, dominating countries secure their supremacy through highly sophisticated persuasive psychological weapons. The slogans that have invaded the media in Romania after 1989 are powerful weapons of the lords of psychological warfare and they are obviously distorting the presentation of historical realities. They had and have as sole purpose to imply that pre-communist Romania was ahead amongst European states in terms of economic and social development and thus to stimulate, on that basis, the desire to return to interwar "heaven", thus stimulating hatred against everything that was achieved during the communism and proclaiming the demolition of such achievements. In order to counteract the harmful effect of such slogans, one should flatten excessive delusion and suppress the hollow pride present in Romanians' state of mind. An objective analysis of historical facts is of paramount importance for the truth to will out. Falsehood of the slogan on the role of Braila Grain Exchange in setting the wheat price in Europe and worldwide is proven by the history of foundation of commodities exchange and stock markets, including grain exchange markets: Japan in 1697; Antwerp in 1531; London 1554; Paris, Lyon, Toulouse, Montpellier and Rouen in 1639; Augsburg, Nuremberg and Hamburg in 1550; Berlin 1610; Basel (1699), Paris (1724), Vienna (1761), New York (1792), Brussels (1801), Rome (1827), Madrid (1831), Milan (1833), Geneva (1850), Tokyo (1855); famous grain exchange in Chicago (1865). Braila is not mentioned in the history of world stock markets. Moreover, until 1859 Romania was not constituted as national state and Braila was a stronghold of the Ottoman Empire through which taxes from Moldova and Wallachia were collected for the benefit of the Sublime Porte.

Keywords: Grains trade, slogans, psychological weapons, manipulation.

INTRODUCTION

Shaping the human nature and character, and manipulating the masses according to certain interests have become insidious weapons to be brought to light. Masters of manipulation are perfectly aware of the fact that mythologizing is a flattering practice in order to compensate powerlessness, which is why they reach easily the souls of human beings. *"The human being can be defined as a fabulating being. There is nothing more specific to humans than fabulation, this endless game played with everything*

surrounding us, often extended to the edge of exiting any tangible or demonstrable relationship "(Boia L., 2013).

Some people often convey the idea according to which Romania fed the whole Europe with bread. In fact, statistics prove that the country was not able feed its own people with bread on daily basis. *"It is widely known that the Romanians, especially the peasants, were eating polenta and cornmeal in the interwar period, but not hearty. It is ridiculous to claim that a nation of polenta makers was the breadbasket of Europe.*

Despite this endemic poverty, Romania, through its very rich landlords, exported much of its grain production. In the social context of specific interwar period, the export of grain was, however, a negative social phenomenon (Merce E, et al, 2015)."

The frequent **slogans** that have invaded the media in Romania after 1989 are powerful weapons of the lords of psychological warfare. The aim of such catchphrases was to imply that pre-Communist Romania was a leading European country in terms of economic and social development. Amid such hollow reverberations the desire to return to the interwar "heaven" was stimulated as well as the hatred against everything that was accomplished during the communist period, the ultimate goal being to demolish the economy and destabilize the country.

This propagandistic act starts from a relative truth which has been brought to the state of absolute certainty. In order to counteract the harmful effect of such slogans, intellectuals have the duty to reconcile the present with the past, to show the lines of continuity and cleavages, to weight, to review, but not to make ultimate judgments. The intellectual with objective visions and approaches of the social and economic phenomena is neither prosecutor, nor a communist; s/he is neither a worshiper of the Boyar reign regime nor an Europeanist; neither a nationalist nor an internationalist. However s/he can be any of them given that s/he is primarily a good Romanian with a balanced state of mind in the assessment of our own history and the global historical context of mankind.

Patriotism inspired to the people during Ceausescu's dictatorship had no doubt its exaggerations. Nowadays, after a quarter-century after his execution, some events that took place during the "golden age" appear to us in a different light, and the excesses of the communist regime were reabsorbed into the nation's great effort to overcome the sad reality of its precarious past. Ceausescu's era is an age of great tension, with impressive tangible accomplishments that an objective observer can not simply overlook.

However Romanians must discard from the damnation of priding themselves with unlimited resources and achievements that we only praise and validate. It requires a paradigm shift that would crystallize the belief

that, in fact, the greatest wealth of a nation are intelligence, wisdom, truth, hardwork, order, discipline, punctuality, perseverance, entrepreneurship, and combativeness.

MATERIAL AND METHOD

It is considered that the roots of trade on futures markets are in the medieval Japanese fair system which allowed Japan to develop and organize a first futures market in 1697, so nearly a century and a half before United States did. But the first exchange market (bourse) in the modern sense was opened in Antwerp. Established in 1531, it had its own building, where traders negotiated transactions with colonial goods. Then, in 1554, a bourse named London Royal Exchange was established, and which in 1773 became specialized only on the exchange of securities and thus becoming London Stock Exchange.

By 1639, in Paris some “brokerage” agencies were established in the field of negotiating securities and then they expanded to Lyon, Toulouse and Rouen, and by the end of the eighteenth century, to Montpellier. The first bourses in Germany were founded in middle of the sixteenth century in Augsburg, Nuremberg and Hamburg and at the beginning of the eighteenth century the Berlin Stock Exchange was established. In the meantime, in **Amsterdam** the priced of goods could be negotiated based on options contracts. By means of the contracts abovementioned it was possible to agree on a price under which the purchaser acquired from the seller the right to buy a quantity of goods at a fixed date in the future. **Only a century later, in the same large trading center i.e. Amsterdam, the first commodity exchange specialized on grain was established.** Similar exchange were established in Basel (1699), Paris (1724), Vienna (1761), New York (1792), Brussels (1801), Rome (1827), Madrid (1831), Milan (1833) Geneva (1850), Tokyo (1855), etc.

In 1865 some of the most skilled American grain traders decided to join in a grain exchange that would become the most important stock of cereals in the world i.e. the famous **Chicago Product Exchange**. With the occurrence of a stock-exchange, providing a centralized venue, investors saw an opportunity to build huge silos where to store their grains to secure the consumption for a full year. They helped to solve problems regarding the grain supply in America and helped to establish prices for cereals throughout a year. In these new conditions the "spot" transactions translated to "futures" transactions which first appeared in a form similar to that existing today in the Chicago Board of Trade in 1865. **Chicago had become at that time the world capital of grain.** This trade was then extended to Liverpool, London, New York, New Orleans, Berlin, etc.

Over time, the range of products traded in futures transactions on commodities stock-exchange has extended. Industrial raw materials (oil, copper, lead, zinc), pig carcasses, live cattle, timber, citrus juice, etc. These are only part of the list. It is worth noting that although the CBOT (Chicago Board of Trade) launched futures contracts for grain since 1865, the first law that came in force to regulate "futures contracts market" was adopted only on September 21, 1922 i.e. the Grain Futures Act of 1922. The act oversaw grain futures transactions, but did not address thoroughly problems such as regulating the trading mechanism and preventing market manipulation. The stock market crash in 1929 and the economic crisis from the early 30's pushed for the adoption in 1936 of The Commodity Exchange Act of 1936.

As reported in Nicolae Iorga's "History of trade" (1937), in 1840, the Code of Commerce was published in the newspaper "Mercurul Brăilei". It includes the first general regulation of trade exchange in Walachia. The code was implemented in Moldova, where it was officially widespread and enforced after the unification of the Romanian Principalities. The Code of Commerce of 1840 constitutes a reproduction of the French Commercial Code of 1807. Later on, in 1865, the first act for the establishment of trade exchanges in Bucharest, Iasi, Galati and Braila is published in the newspaper "Monitorul". The Act on commodity traders and exchange traders of 1881 (*Legea asupra burselor mijlocitorilor de schimb și mijlocitorilor de mărfuri din 1881*), was adopted following the model of French legislation and laid the foundation for the commodities exchange and stock exchange. One year later (1882) the Bucharest Stock Exchange and Grain Exchange, and Braila Grain and Commodities Exchange were launched.

Indeed, since the late fourteenth century, under the suzerainty of the Ottoman Empire, the city of Braila became an important commercial and crafts center. Trade activities at that time were controlled by the Sublime Porte. Turks built a formidable and impregnable fortress here and the wealth of Romanian Principalities took the Stamboul way via Ibraila's port.

"If, as some propaganda shows, in early last century Braila Commodities Exchange actually was dictating the price of wheat in Europe, why today a Romanian exchange, wherever this might be, would not succeed to better control a grain market which seems at traders' hand in a too large extend? (Calotescu T., 2014)"

The answer derives explicitly from the question itself. Because the Romanian grain exports was at the mercy of traders i.e. Armenians and Greeks who came from the Ottoman Empire and the Hebrew traders who came mainly from the Russian Empire. Because of its primitive social structure consisting of over 80% poor and illiterate peasants, Romanian

ethnics could not influence in any way the conduct of grain trade. They remained captive suppliers of grain, mainly of poor quality, which has been emphasized by scholars of high professional standing.

"Especially after the Agrarian reform of 1921, the Romanian peasant and the domestic farmer were about to face, on the global market, the producers from Canada, SUA, Argentina, Australia, Russia etc. [...] The condition of the Romanian peasants' crop and even the crop's state of other Romanian farmers which stood in competition with producers from the countries above mentioned is the painful story of our grain exports during the interwar period, [...]The inferiority of our products was clear" (Dropu C., 2011).

RESULTS AND DISCUSSIONS

Falsehood of the appreciative assessments regarding the economic condition of the Romanian provinces, and hence the significant role that ostensibly we had in the grain trade both in the pre-war and interwar period has been emerging as convincingly as possible from the statements of the new propagandists: *"At the end of nineteenth century and early twentieth century, **grain production provided to Romanian State over 2/3 of its social income and represented 83% of its total exports.** In 1884, 13,381 grain wagons transited through the port of Braila, 23,348 next year and reaching 97,852 wagons in 1901. In 1888, the amount of 648,220 tones of grain exported through Braila brought to the country an income of Lei 83 million in gold. The number of wagons in transit every day (in summer and autumn) was 400-500 in 1891, and 615 in 1896, in a significant increase against 1882 when there were only 145 wagons per day. Along with wheat exported through the port of Braila large quantities of flour were exported too, the main customer, i.e. Ottoman Empire, buying 20 times more of this product than all the other states altogether."*(Iavorschi Gh., 2012)

In his propaganda momentum, the author forgets that the figures on which he relies shows the primitivism of the structure of Romanian economy and hence of the whole trade for the period reviewed. The share of gross products and raw materials in the trade structure and the massive participation of agriculture in GDP is the eloquent proof of the backwardness of a country. Just remember that in countries such as England, Germany, USA, Nordic countries, agriculture has an input of about 1% to GDP. In Ghana this percentage is 46%.

The primitive feature aforementioned of the trade developed by Romania (Giurescu C.C. at al, 1977) is graphically illustrated by statistics from the interwar period (see Table 1 below).

Table 1

Interwar exports structure of Romania - %

Export category	Period	
	1923-1925	1936-1939
Petroleum product	15.0	41.7
Agricultural products	59.6	43.0
Wood, timber	16.0	9.3
Other manufactured goods	9.4	6.0
TOTAL	100.0	100.0

Source: Constantin Giurescu; Dinu Giurescu – Scurtă istorie a Românilor, 1977

Import / export ratio of a single ton of goods proves the tremendous economic gap of the Romanian economy in comparison with its trading partners in the interwar period. Romania exported raw materials without any degree of processing, and imported manufactured products with a high degree of innovation included. It is enlightening in this regard that Romania exported from 7 up to 13 tons raw material for importing a single ton of products with a high degree of processing (see Table 2 below).

Table 2

The average value of a ton of goods

Year	Romanian Lei/ton		Import/Export ratio
	Export	Import	
1929	4,099	26,889	1/6.56
1934	1,542	20,786	1/13.48
1938	2,906	22,859	1/7.87

Source: Constantin Giurescu; Dinu Giurescu – Scurtă istorie a Românilor, 1977

A synopsis of statistical data provided by Lovendal Foundation highlights as prominent as above the propagandistic and manipulative nature of the slogan on Braila's role in establishing the world price of wheat (See Table 3 and Table 4 below).

Table 3

Europe's grain imports from Romania (mil. French Francs)

No.	Year	Total French francs (mil.)	From Romania	
			French francs (mil.)	%
1	1860	811.0	35.7	4.4

Source: Lovendal' Secrets 2008-2009

Table 4

Europe's grain imports from Romania (mil. tons)

No.	Year	Tons (mil.)	From Romania	
			Tons (mil.)	%
1	1913	132.6	6.2	4.7
2	1934-1938	157.1	10.3	6.6

Source: Lovendal' Secrets 2008-2009

"Counting for 4.4% of European imports in the pre-war period, and 4.7% and 6.6%, in the interwar period, Romania could not represent, in any case, the main source of grain supply of Europe and thus positioning itself far away from influencing the price of wheat in Europe, much less the world." [Lovendal G., 2009]

It is important to recall the fact that wheat had share of under 50% of the amount of grain exported (see Table 5 below).

Table 5

Export of grain through Braila in the period 1877 – 1902

Quantities of grains exported - tons –								
Year	Wheat	Corn	Rye	Barley	Oat	Millet	Total	% Wheat
1877	143,100	298,155	23,761	134,163	6,892	2,162	608,233	23.53
1882	400,035	636,832	78,112	413,665	19,178	27,175	1,574,997	25.40
1887	502,165	733,253	131,310	206,691	30,692	24,349	1,628,460	30.84
1892	771,012	657,680	90,847	189,188	25,265	30,401	1,764,393	43.70
1897	433,936	781,750	142,683	333,773	54,532	35,562	1,782,236	24.35
1902	918,542	1,092,581	112,860	333,517	154,966	21,824	2,634,290	34.87

Source: Romanian Statistical Yearbook, Vol. I, Bucharest, State Printing Office, 1908

Corroborating the very small percentage of grain imported by Europe from Romania with the small share of wheat in the total amount of grain exported, it results eloquently that the share of wheat imported by Europe from Romania for the timeframes showed above, represent about 2% of the entire continent consumption, which confirms the country's minor standing in influencing the wheat exchange in Europe and even less worldwide.

CONCLUSIONS

The slogan according to which setting the price of wheat was dictated by Braila grain exchange is refuted both by statistics and the

bibliographic sources confirming the evolution of stock exchange, commodities exchange and grain exchange on the worldwide markets:

1. The first exchange, in the modern sense of the term, was founded in Antwerp in 1531.
2. By 1639, in Paris, a series of brokers started to operate in negotiating securities and then expanded to Lyon, Toulouse and Rouen, and by the end of the eighteenth century, to Montpellier.
3. The first bourses in Germany were established in middle of the sixteenth century, in Augsburg, Nuremberg and Hamburg and at the beginning of the eighteenth century, the Berlin Stock Exchange was founded.
4. Only later, in the eighteenth century, in Amsterdam, a commodity exchange focused on grain was founded. Commodity exchanges of this kind were established in Basel (1699), Paris (1724), Vienna (1761), New York (1792), Brussels (1801), Rome (1827), Madrid (1831), Milan (1833) Geneva (1850), Tokyo (1855), etc.
5. In 1865 there was founded the famous Chicago Product Exchange, which has become the world capital of grains that time. This kind of trade was then extended to Liverpool, London, New York, New Orleans, Berlin, etc.
6. The share of about 5% representing the Europe's grain import from Romania, and the share of 2% representing Europe's wheat import from the same country are both proving the propagandistic nature of the slogan enshrining the role of Braila commodity exchange in setting the price of wheat worldwide.

REFERENCES

1. **BOIA L.**, 2013 Jocul cu trecutul – istoria între adevăr și ficțiune; Humanitas Publishing House, Bucharest, p. 25;
2. **CALOTESCU T.**, Agro Business Magazine, May 2nd, 2014;
3. **DROPU C.**, 2011, Un secol de frământări agrare și drama țăranului român; Romanian Academy Publishing House, Bucharest, p. 188;
4. **GIURESCU C.C., GIURESCU D.C.**, 1977, Scurtă istorie a Românilor, 1977, Editura Științifică și Enciclopedică Publishing House;
5. **IAVORSCHI GH.**, 1993, (Istoricul bursei de cereale Brăila (1883 - 1948); Braila's Annals, New Series, Year 1, No. 1, Brăila;
6. **LOVENDAL G.** (Foundation): România n-a fost niciodată grâнарul Europei; www.lovendal.net – Lovendal' secrets 2008-2009;
7. **MERCE E., CRISTIAN C. MERCE**, 2015, România după 1989 – de la dezvoltare la distorsiune retrospectivă, Grinta Publishing House, Cluj-Napoca, pp. 65-66;
8. *** Romanian Statistical Yearbook, 1908, Vol. I, Bucharest.