

A Fragmented World: Cooperation, Conflict, and Conquest in Interwar Central East Europe

Chioveanu, Mihai

Veröffentlichungsversion / Published Version

Zeitschriftenartikel / journal article

Empfohlene Zitierung / Suggested Citation:

Chioveanu, M. (2009). A Fragmented World: Cooperation, Conflict, and Conquest in Interwar Central East Europe. *Studia Politica: Romanian Political Science Review*, 9(1), 81-104. <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-430643>

Nutzungsbedingungen:

Dieser Text wird unter einer CC BY-NC-ND Lizenz (Namensnennung-Nicht-kommerziell-Keine Bearbeitung) zur Verfügung gestellt. Nähere Auskünfte zu den CC-Lizenzen finden Sie hier:

<https://creativecommons.org/licenses/by-nc-nd/4.0/deed.de>

Terms of use:

This document is made available under a CC BY-NC-ND Licence (Attribution-Non Commercial-NoDerivatives). For more information see:

<https://creativecommons.org/licenses/by-nc-nd/4.0>

A Fragmented World

Cooperation, Conflict, and Conquest in Interwar Central East Europe

MIHAI CHIOVEANU

"...there is not one of the provinces that constituted the Empire of the Habsburg to whom gaining their independence has not brought the torture which ancient poets and theologians had reserved for the damned"

WINSTON CHURCHILL

"...the germs of war already exist in the region and this is a situation which only a betterment of economic conditions and a more favorable international atmosphere can rectify"

OSKAR JASZI

In the aftermath of the Great War, national revolutions turned Central East Europe into a puzzle of independent nation-states. Two decades later, all those "heirs" of the former multinational empires of the region hopelessly witnessed the collapse of the Versailles peace settlements, the misery of war, and thereafter successively experienced two different types of totalitarianism.

From 1918 up to 1938 the region represented the most unstable part of the continent, a fragmented world dominated by deep insecurity, permanent suspicion, and exaggerated claims from all parts¹.

The present paper focuses on the twisted road of the independent nation-states of Central East Europe from a promising future to a common tragedy. Its first aim is to find an answer to two basic questions: 1) why regional cooperation as a proper solution to all unresolved problems and tension was not accepted?; 2) are the historical actors of the region innocent victims of Nazi aggression, or the tragedy of the war is the final consequence of their political and economic deeds as well?

The commonly accepted explanation when it comes to the tragic events of 1938-1940 include: a) the power vacuum created in the region after the dissolution of Austria-Hungary, b.) the wide-ranging effects of the Great Economic Depression, and c) the unexpected resurgence of a militarist, revisionist and expansionist Germany. The appeasement policy of the great European democracies and the weaknesses of the Nations League are sometimes added in various formulas for the same purpose. This interpretation that consider the countries of the region as simple borderlands of Germany and Russia, and insignificant elements in the diplomatic game of the Great Powers, allows some historians to victimize their nations.

In one of his famous books, Philip Longworth concludes that the independent states of Central and East Europe must bear, as separated entities, and members of the same region, the responsibility for their own failure². The first part of

¹ Vladimir TISMĂNEANU, *Reinventarea Politicului. Europa de Est de la Stalin la Havel*, Polirom, Iași, 1997, pp. 29-33.

² Philip LONGWORTH, *The Making of Eastern Europe*, Mac Millan Press, London, 1992, p. 91.

this paper, which is a short overview of the first decisive decade of 1918-1929, will present in general lines the impact of the Versailles peace settlements on the evolution of the region, the way in which it shaped not only borders but also the political decisions of the moment. 1918 represented a national revolution that resolved, in a formal sense, the national question but with quite different consequences¹. For some it meant the accomplishment of the national ideal, new territorial acquisitions or the grass root creation of the nation-state. For others it was rather a traumatic change. Even in the first case, the achievements proved to be on a long term an ambiguous and difficult gift, a *Trojan Horse*. Special emphasis is put on "Greater Romania" as from this perspective, and in most respects, it represents a paradigmatic case.

The issue of regional cooperation and Danubian confederate projects will be discussed on the second part. Different perspectives and visions on the region, including German *Mitteleuropa*, French *L'Europe Centrale*, as well as Czechoslovak, Hungarian, and Polish plans will come under scrutiny. My intention is to underline the fact that the traumatic history of the region between the two world wars was shaped not only by geopolitics and vested interests, that the "artisans" of the failure of regional cooperation, not to mention federal or confederal projects as a way to regulate diplomatic relations and offer a base for reconciliation efforts, are, first of all, the "little powers" of Central East Europe. At the end, the paper will reconsider the expansion of Nazi Germany towards East, a region where, due to remnant tensions among the small nation-states and within staled societies, Hitler exploited the absence of any kind of resistance and collective security system. What facilitated the task of Nazi Germany when it comes to include some of the states into *Lebensraum*, transform others into satellites and/or unconditional allies, and thus impose its vision on the region, will make my attention.

The Interwar period started as a promising future for the majority of the nationalities of Central East Europe. Genuine independence and a form of government similar to that existing in Western democracies were to become the new integral base of the newly created or geographically redefined states of the region. In many cases, the great enthusiasm of the inaugural moment, with its attendant hopes and huge expectations, transformed reality into a blurry image. For Thomas Masaryk the dissolution of the "semi-autocratic empires" was nothing but the victory of democracy and the culmination of a long search for humanity, justice and reason.

The nation-states that arose on the ruins of war were the fruit of both the military victory of the Entente and the democratic Wilsonian principle of self-determination. The nationalist movements were strong, and their role can not be underestimated, but the unexpected triumph of their ideology was forged mainly by the interests and needs of some external factors. The allies believed in the democratic and socially progressive potential of different local nationalisms, but doubt the capacity of the states and their pre-eminent bureaucracy to play the role of the principal agent of change². With the exception of Masaryk's Czechoslovakia, and in some respects even there, the Versailles system established in this politically backward region the triumph of some nations upon other, and imposed nationalism as the only victorious ideology. Furthermore, national liberation and constitutional

¹ See Mikulas TEICH, Roy PORTER (eds.), *The National Question in Europe in Historical Context*, Cambridge University Press, Cambridge, 1994.

² George SCHOPFLIN, *Politics in Eastern Europe: 1945-1992*, Oxford University Press, Oxford, 1993, p. 5.

democracy were not enough in order to erase the, sometimes invented, "ugly" pasts, nor the destructions and dislocations produced by the war, the structural economic difficulties, social imbalance, and the regions' singular political culture.

The new Central East Europe emerged piecemeal from the chaos of the Great War itself. Its new map was the outcome of a veritable maelstrom of conflicting interests. The number of players was considerable: various nationalist groups, the Great Powers divided into two camps, and finally the little states of the region, Serbia, Greece and Romania, each with its own vision and claims. Confusion, due to the breakdowns in the communication system, was also to play an important role in creating an improper milieu for the emerging negotiations.

In December 1917 the dismemberment of Austria-Hungary was not yet part of the political agenda of the allies. One month later, in his Fourteen Points Declaration, president Wilson called for the peoples of the empire to be given autonomous development and suggested the reorganization of the empire into a federal state along lines of nationality¹. The resurrection of Poland was also included as a priority. The Central Powers took note, and tried to anticipate the moves of the allies. The Germans set up a Regency Council in Warsaw under the control of Pilsudski as a base for a free and independent Poland. At the same time, Austria was declared a federal state, and the nationalities were invited to elect national councils in order to reorganize the empire. The offer was rejected by both different national movements and the allies. Provisional governments were recognized in some cases while in others the allies tried to foment rebellious movements among K.U.K. subjects. Under pressure of events Emperor Karl granted recognition to the councils and thus, facilitated the transfer of allegiance. The same day Austria became a republic².

On the Western front, the Armistice signed in Compiègne on 11 November 1918 put war to an end. In Central East Europe, for the allies, the great difficulties were to come from thereon. The Great War took a different turn in the region, and degenerated in several local replicas. Bohemia-Moravia, Upper Silesia, Transylvania, the Eastern borderlands of Poland, Slovakia, and Banat, were the main zones of frictions between competing provisional administrations, and sometimes real battle-fields for the new national armies. The intervention of the allied troops in those conflicts was if not absent than extremely weak and favorable to their little allies. When the peace conference concluded its works, with the statesmen gathered in Paris hoping that the "new order" will prevent war in the future, the new national borders were, *de facto* if not *de jure*, already traced. In many cases the "little winners" did not wait for the final decision, took from the "losers" all territories that were promised to them by the allies before or during the war, and imposed *manu militari* their own order. An aggressive mentality, previously associated with the idea of Balkans, was now pervasive throughout the region. "Megali Idea" became the obsession of the moment, and not only in the case of Greece, but also Pilsudski's doctrine of "Great Poland", and Brătianu's "Greater Romania". It was the expression of the Glory of the National past, and of the new chauvinistic, aggressive nationalism.

The application of the Wilsonian national self-determination principle was not as genuine as the defeated thought it will be. The hazard of the armistices, the force of weapons, and rewarded fidelity were as decisive elements in this case³.

¹ *The Public Papers of Woodrow Wilson*, Harpers, New York, 1945, pp. 158-162.

² Philip LONGWORTH, *The Making of Easter Europe*, cit., p. 66.

³ Stéphane YERASIMOS, *Questions D'Orient: Frontières et minorités des Balkans au Caucase*, Éditions La Découverte, Paris, 1993, pp. 9-29.

The idea of justice for all people and nationalities brought injustice in some cases, and strengthened frustrated nationalism in all. Furthermore, the principle was undermined by previous obligations and promises included in the treaties by Great Britain and France¹. Nevertheless, politicians like Edouard Benes and Ionel C. Brătianu asked for more territories on grounds of historical rights, though this argument was refused before and during the war. Claims became more and more exaggerated when France agreed to sacrifice self-determination in order to transform some of the successor states into viable economic and strategic satellites, able to play, for its own good, an anti-German and anti-Habsburg role in the future. In many cases the litigations were finally solved long after the Peace Conference ended. Inter-state negotiations, force, or, at best, plebiscites, as in Upper Silesia, even if the results were falsified in order to integrate this territory within Polish borders², were the main modalities of doing this. At the end, the map of the region looked like a "leopard skin" due to the great number of ethnic and linguistic islands created by an arbitrary process. Therefore, from the very beginning, the proposals to avoid war in the future were not promising.

The First World War pushed nationalism to its pick in all aspects, although the triumph of national ideology was unexpected, and only hardly managed to prevent an anticipated social revolution³. The limits of its potential were to become visible soon. First because of the impossibility of peace settlements to overlap ethnic and linguistic borders with those of the state. Second because it was not able to offer viable solution and help social and ethnic integration policies. Ironically, the new created nation-states became in fact multi-national on their turn, empires in miniature, but without possessing the political instruments needed in order to secure loyalty from their subjects. The tensions created by this unprecedented transformation, was to harm not only the relations between states like Hungary and Romania, but also former allies, like Yugoslavia and Italy, and even newly created states such as Czechoslovakia and Poland⁴. Ethnic problems were generated not only by the presence of reluctant minorities like the Hungarians in Transylvania⁵ but also by the tensions created between ostensible partners like the Serbs and the Croats, or the Czechs and the Slovaks⁶. The collapse of collective identities, as well as that of the utopian state project to accomplish a homogeneous nation within national borders, represented a source of permanent conflicts⁷. The political and cultural backwardness and the absence of a western level of development and institutions were to become extremely visible after 1918, when nationalism and the "social engineering" of the elites were to build up from the ground and at the same time, the state and the nation⁸.

¹ Philip LONGWORTH, *The Making of Easter Europe*, cit., pp. 67-68.

² Erick HOBBSAWM, *Nations and Nationalism since 1789. Program, Myth, Reality*, Cambridge University Press, Cambridge, 1990, p.136. See also Ion George DUCA, *Memorii*, Editura Albatros, București, 1993, pp. 85-86.

³ Erick HOBBSAWM, *Nations and Nationalism...cit.*, p. 129.

⁴ Stéphane YERASIMOS, *Questions D'Orient...cit.*, pp. 23, 25.

⁵ Irina LIVEZEANU, *Cultural Politics in Greater Romania. Regionalism, Nation-Building and Ethnic Struggle, 1918-1930*, Cornell University Press, Ithaca, 1993, pp. 30-49.

⁶ Robin OKEY, *Eastern Europe 1740-1985. Feudalism to Communism*, Hutchinson, London, 1982, p. 161.

⁷ Erick HOBBSAWM, *Nations and Nationalism...cit.*, pp. 131-133.

⁸ Ernst GELLNER, *Nations and Nationalism*, Oxford University Press, Oxford, 1983. See also Peter SUGAR, "Nationalism in Eastern Europe", in John HUTCHINSON, Anthony D. SMITH (eds.), *Nationalism*, Oxford University Press, Oxford, 1994, pp. 171-177.

After 1920, the ethnic map of the region presented a patch work quilt of nationalities and in the case of Czechoslovakia and Yugoslavia, the Czechs and the Serbs as dominant groups were rather "minorities" among minorities. Discrimination against other ethnic groups became a general practice, and the intervention of the Nations League in protecting their rights led in the case of nation-states only to jealousy, distrust, bitter hostility, and the impression of unjust treatment from the part of their Western allies¹. Beyond the euphoria of national liberation, nationalism that was in many cases the only accepted frame-work was to provide quite few answers to the large number of problems raised by the difficulties of post-war recovery and the complicated task of nation-building. Self-determination and ethnic strife were not the only problems governments from the region had to face during the nation-building process. The aftermath of war brought into the region social turmoil due to the collapse of traditional authorities, starvation, unemployment and inflation². The impact of the Bolshevik revolution and huge expectations from the part of masses triggered promises of social and political reforms from the part of governments³. Social democracy gained new importance after the war in Austria, Bohemia, and Poland. In Hungary the seizure of power by the recently created communist party of Bela Kun led to social and economic experiments based on the Soviet model, even if only for a very short period⁴. Similar attempts from the part of communists took place in other countries too, but none succeeded. The Soviet Army withdrawal from Poland after the "battle of Warsaw" in 1920 determined the Soviet government to proclaim the doctrine of "Socialism in one state". The Romanian military intervention in Hungary in 1919 put to an end the "Soviet Terror" for the next twenty years, but it also transformed bolshevism in a permanent, threatening phantom. Except for the case of Czechoslovakia, where the reaction of the authorities was less dour, in the rest of the region communist parties were preventively banned by the state. Though, it is not for sure that the communists were not to loose popularity short after coming in power, especially in rural, non-industrialized societies like the Bulgarian, Romanian, and Serbian one. The main problem in this case was represented by the fact that the governments disregarded in many cases such reactions as pure circumstantial ones.

Land reform, the "quintessence" of political, economic and social transformations in the region, mainly in those states where political leaders always proudly stressed the agrarian character of their nation, can be regarded as a good example in this sense⁵. The most significant aspect is the huge distance in time between the moment of adoption at the level of legislation and its delayed enactment. In many cases governments proclaimed radical land reforms in order to offer a first satisfaction and an answer to the great expectation of peasants, many of them former soldiers, and a sense of loyalty to the state. In some cases, like Romania and Poland, the reform also embodied a strong anti-minority bias, and confiscated lands from Hungarian and German aristocracy and gentry⁶. From an economic point of view,

¹ Philip LONGWORTH, *The Making of Easter Europe*, cit., pp. 68-69.

² Daniel MITRANY, *The Effect of the War in South- Eastern Europe*, New Haven, London, 1936, pp. 56-63.

³ See Erick HOBBSBAWM, *Nations and Nationalism...cit.*, p. 129.

⁴ Andrew JANOS, *The Politics of Backwardness in Hungary*, Princeton University Press, Princeton, 1982, pp. 72-93.

⁵ See John R. RAMPE, *Balkan Economic History, 1550-1950. From Imperial Borderlands to Developing Nations*, Indiana University Press, Bloomington, 1978, pp. 75-115.

⁶ Philip LONGWORTH, *The Making of Easter Europe*, cit., p. 75.

this reform did not improved the situation of large masses of peasants as long as it was not followed by any other measures, nor it affected in a negative way the economic base of the gentry, as many were since the 19th century members of bureaucracy and state apparatus¹. At the same time, the problems raised in the new states by different other factors where so pressing that even Peasant parties once in power, like Maniu's National Peasants Party (NPP), failed to introduce their program based on rural credits and agriculture cooperatives. Thus, except for Austria and somewhat Bulgaria, agriculture and the peasants were rather "orphans" of the national economy.

Central East European democracy was no mirage, but it took, due to the circumstances in which it became victorious, a distinctive form. It was above all populist, molded by the romantic image of a common folk, and intensively nationalistic in tone, bolstering its principles with an almost mystical faith in the triumph of Serbs, Romanians, Czechs, and Poles. Three main elements shaped the evolution of political life in almost every country from the region. First, the existence of the "old guard" nationalist movements that still held great power due to their pre-war control on an expanding state machine, and a huge prestige due to the role played at the end of the war as artisans of the unification and creation of national states. Second, new actors came to the agora, many of them, like in the case of the Yugoslav Democratic Party and the Romanian National Party (RNP), representative of their national minority in the Habsburg Empire. For them, the nation-state was the expression of popular advancement, rather than an abstract ideal. Extremely sensitive when it came to democratic rights, and the idea of law and legality in its rigorous Austro-Hungarian sense, those political parties were in a permanent opposition to Pasic's or Brătianu's coercive policies. The third and the most important element brought by the period was the prominence gained by the weak in the pre-war times or newly created parties with an ideology based on traditional Christian tinge, and the idea of unique virtues of their distinctive rural societies, sometimes in total contrast with the abstract secular democracy².

In general lines, the political evolution of all those countries included the introduction of a full paraphelna of parliamentary democracy and universal suffrage, social reforms, and the development of industry as an economic goal meant to bring the countries of the region closer to the Western model. Political democracy was affirmed in Constitutions promulgated in the 1920s, but not on the base of an integral "national consensus". Ethnic minorities, the Germans in Czechoslovakia, and the Hungarians in Romania, sections of the allegedly state-building nationalities like the Croats, or even regional political parties with a strong local identity such as Maniu's RNP, did not participate on it, in an attempt to oppose centralism and the offensive policy of government³. Later on this was to inflict on the political evolution of the state more than the fact that royalty succeeded to preserve its prerogatives in Yugoslavia and Romania, or that Poland was dominated by Pilsudski's personality and will. By 1929 in most Central and East European countries democracy was already established but it also encountered substantial difficulties. The complexity of the new states that lost their pre-war national homogeneity and the simple two-party political system was only the most important

¹ George SCHOPFLIN, *Politics in Eastern Europe*, cit., p. 20.

² Robin OKEY, *Eastern Europe*, cit., p. 164.

³ *Ibidem*, p. 165.

and difficult to handle issue. Furthermore, the way in which governments decided to solve it, by dismissing the national councils from the newly incorporated provinces in the case of Romania¹, by administrative harassment measures against the Croatian Peasant Party in the case of Yugoslavia, and manipulating electoral practices in the former cases and Poland, as well as the role played by major personalities like King Alexander, party leaders like Brătianu, and ex-generals like Pilsudski, were to open the road for "directed democracy" and later on dictatorship. Heirs of disparate regions and diverse political traditions, with a political life dominated by a kaleidoscope of parties, many of them simple coteries of an outstanding personality, those countries were not able to make much progress toward democracy. In 1922 the president of Poland was assassinated for being elected with the votes of the minorities², and in 1923 Romania a similar attempt of assassination against the politicians who gave constitutional rights to the Jews was organized by a group of ultra nationalistic students and future leaders of the fascist Iron Guard.

The representation of interests and the construction of majorities are, technically speaking, requirements in any parliamentary democracy. In the case of inter-war Central East Europe the radical transformation, operated in many respects in a "surgical" way, throw together regions and populations of different nationalities, with diverse historical and social backgrounds. The road of nationalism, which seemed to be the easiest one, led to the final disaster. Self-determination principle led in this "land between", where nationalism was defined merely in ethno-linguistic, religious, and historical terms rather than civic and political ones, and instrumentalized in general by a powerful state bureaucracy, to complete fragmentation³.

In 1920, the Czechoslovak foreign affairs minister, Benes, claimed that the Czechs had had a measure of political freedom before 1914, and that they fought first of all for economic freedom. This was also a more or less common idea in the region. In Romania the leaders of NLP proclaimed the politic but also economic liberation and emancipation of the recently incorporated provinces. Many believed that the new nation states were able not only to resist by themselves but also to register progress in an open competition with the industrialized West. At the moment nobody paid attention to the destructions of the war, with grievous consequences at the economic level, and did not realized that the newly created states were not at all economical viable units within their new borders⁴.

At the end of the war, agricultural and industrial production stood if not at a lower at least at the same level with that of the pre-war period. After four long years of destruction and enormous consumption, the decimation of livestock, rapid depreciation of currencies, nugatory trade, and so on, were common problems all over Europe. The export in the case of agriculture based economies of Bulgaria, Romania, and Hungary did not lose its potential, but it was replaced in the West by the United States and Canada, which became during the war the new world's granary⁵. At the same time, the industrial production of Czechoslovakia

¹ Vlad GEORGESCU, *The Romanians: A History*, Ohio University Press, 1991, p. 321-324.

² Jan ZARNEWSKI, *Dictatorship in East Central Europe 1918-1939*, Wroclaw, 1983, pp. 5-6.

³ Ellie KEDOURIE, "Nationalism and self-determination", in John HUTCHINSON, Anthony D. SMITH (eds.), *Nationalism*, cit., pp. 54-55. See also Anthony D. SMITH, "The Formation of National Identity", in Henry HARRIS (ed.), *Identity*, Oxford University Press, Oxford, 1993, pp. 129-136.

⁴ Franz HERTZ, *The Economic Problems Of the Danubian States*, London, 1947, p. 72.

⁵ Philip LONGWORTH, *The Making of Easter Europe*, cit., p. 69.

was reduced to 70% of its pre-war capacity. Furthermore, the peace treaties completed the task while destroying with the new drawn frontiers the unity and viability of former economic spaces. As a result, towns, like Odessa for example, lost their agricultural hinterland, while headquarters and branch offices of many firms found themselves overnight in different countries where different laws and taxation systems operated. Capital markets were abandoned, and many newly acquired harbors, like Baziaș in Romania and Trieste in Italy, were isolated from the rest of the territory or simply abandoned. Communication systems were cut across in a way that made in almost every case nation-building more complicated and expensive¹. Vienna as well as Budapest were isolated and considered former "parasiting centers" by the politicians in succession states. The paranoia which inspired such politics, and made the Czechs, despite huge costs, to contract a French company in order to build a harbor on the Danube and thus, capture the trade of the former capitals of the empire, was fueled by the media. In 1920 a Prague newspaper expressed the idea that:

"Vienna lives at the expense of others. The parasites of Vienna still live there. They see Vienna's only hope of salvation in the prospect of her again becoming a commercial centre. But their Vienna is doomed to ruin, and Czechoslovakia cannot be blamed for refusing to contribute to her preservation"².

Similar ideas were expressed by the Romanian and Yugoslav newspapers with regard to the role of Budapest. The myth of the decadence of the empire was in this sense extrapolated from politics to economics. Recent studies indicate a rapid growth in the economic life of the empire in the last decade that preceded the war, due to massive loans from Germany, but also the efforts of the imperial bureaucracy³. Nonetheless, this attitude was orientated not only against former Austria-Hungary. The economic elites of the new states that were members of ethnic minorities, Germans, Austrians, Hungarians, and nevertheless Jews suffered from the same political injuries.

From political discourse to political action there was one easy step to take. Vienna was starved of coal by Czechoslovakia after 1918, while in the rest of the countries, governments carried out an intensive campaign designed to liquidate economic interests and presence of Germany and Austria from this region. Although the peace treaties allowed Austria, Hungary and Czechoslovakia to establish mutually preferential tariffs for five years, the suggestion was not considered. Even the French plans from the 1920 that tried to reorganize the former economic space were rejected because of the position offered to Budapest as a potential centre⁴. Conflicts were to arise even among former allies. Poland and Czechoslovakia were in a permanent conflict for possession of Tesin, and the coal mines of that region were the object of hot disputes. Romania and Yugoslavia were in conflict too

¹The example of Poland with its inherited three railways system is the most cited in this sense. In the case of Czechoslovakia, the main lines of communications were orientated North-South, radiating from the old centres of the Empire, whereas the new country axis lay East-West.

²Quoted in Franz HERTZ, *The Economic Problems...cit.*, p. 66.

³Jacques LE RIDER, *Modernitatea Vieneză. Crizele identității*, Romanian transl. by M. Jeanrenaud, Ed. Universității "Al.I. Cuza", Iași, 1995, pp. 6-7.

⁴Eliza CAMPUS, *Ideea federală în perioada interbelică*, Editura Academiei, București, 1992, pp.14-15.

because of the traffic on Danube. Fierce tariff wars were a way of expressing the new beggar-my-neighbor attitude¹.

After 1918, in Central East Europe more than in the rest of the continent, economic nationalism was at a premium. As Erick Hobsbawm put it, it was one of the facades of victorious nationalism and bourgeois nations that emerged after the war². The reconfiguration of the political sphere, and the redistribution of political and economic power, destroyed the previous world economy. Furthermore, war economy with its planned capitalism, state control and protectionism, encouraged the governments in promoting autarkic models of economy, sometimes attenuated by bilateral treaties. Nevertheless, completely subordinated to politics and its priorities, economy became one of the main instruments used by governments in order to accomplish nation-building³. In many cases the economic legislation was designed to discourage if not eliminate any major economic activity from the part of ethnic minorities. Apparently, economic liberalism faltered just when political liberalism seems to have triumphed. In fact the rejection of liberal economic principles shows that in the case of Central East Europe, liberalism was merely a way of instrumentalizing nationalism and nation-building.

New post-inflation currencies, at higher rates than pure economics made it possible, introduced by the local governments, followed by extensive protectionist legislation, nationalization of industry, capital, and underground resources, led in the first post-war decade to industrial recovery and in some respects even to a growth in production⁴. Decision-makers did not realize that this was nothing but a natural pick-up of economic activity after wartime stagnation. Only at the end of the 1920s when their isolationist economic policy started to cause some hardship in Czechoslovakia, more in Romania, and disaster in Poland, governments denounced the protectionist policy in which they themselves so enthusiastically engaged, and praised for a climate of free trade. The only problem in this case was represented by the effects of the great Depression from 1929-1930⁵. Far from becoming independent economic units, the states of the region exchanged the tutelage of Austrian and German capital for that of Western Europe and America. The region was dependant on foreign capital and loans. Thus, not only politically, but also economically, the region was dependent on support from the political forces which had (re)created it.

From the moment of its very creation in 1919, this Central East Europe dominated by independent states proved to be a plethora of mutually hostile historical, national, and intellectual traditions, and a by product of socio-economic and political backwardness, prejudices, fears and suspicions. None of the actors was able to surpass the situation, though many intellectuals and politicians have tried to. Unfortunately, time, which is supposed to play the role of the conciliator proved to be in this particular case the main enemy.

Floods of book have been written about the Legacy of Versailles. Many authors say that the peace treaty was not punitive enough in what concerns Germany

¹ Philip LONGWORTH, *The Making of Easter Europe*, cit., pp. 70-71.

² Erick HOBBSAWM, *Nations and Nationalism...cit.*, pp. 130-132.

³ IDEM, "Mass Invention of Tradition in Europe, 1870-1914", in Erick HOBBSAWM, Terence RANGE (eds.), *The Invention of Tradition*, Cambridge University Press, London, 1993, p. 264.

⁴ See Ion George DUCA, *Statul Liberal*, Imprimeria Centrală, București, 1924, pp. 16-23.

⁵ Philip LONGWORTH, *The Making of Easter Europe*, cit., p. 81.

and thus allowed its resurgence as a potential threat to the European order. Others insisted that the responsibility should be shared by the victorious nations too. Less attention was paid to the labyrinth of nation-states from the *No man's Land* with its network of alliances based on a preferential system. The issue of post war reparation payment in the case of Germany as well as the situation created in Russia by the Bolshevik revolution can not be underestimated in explaining the war, but offer us only to a certain extent an answer with regard to the events that took place in Central East Europe after 1938. The fact that a non-integrated Germany tried to regain its traditional sphere of influence in this part of the world might tell us something about the reasons of the Germans to start the war, but it can not explain the sudden collapse of the whole region. That was nothing but the effect of the Versailles peace settlements that split the region in two main camps and thus inaugurated a new symbolic geography.

Romania entered the First World War after two long years of neutrality, indecision and permanent negotiations with the Entente. The first aim of Bucharest was to escape potential isolation from the part of Hungary and Bulgaria, its traditional enemies. The second was the mirage of dreamed promises and the obsession of liberating Transylvania, which fed the Romanian irredentist nationalism since 1859.

At the end of the war Romania was one of the countries that benefited the most from the Allies victory. The fulfillment of national ideal and the incorporation of historical provinces with their economical and human resources lead to huge expectations in a better future. To the Romanian governments, dazed by momentary glory, the multinational and regional nature of "Greater Romania", an accumulation of astronomic sums, was no problem, like when nationalism would have sufficed to solve all unexpected difficulties.

At the peace conference in 1919 Romania was only hardly admitted as a co-belligerent because of her attitude during the war and the separate peace treaty signed with the Central Powers in Bucharest in 1918. None of the Romanian delegates was included in the commissions where the issue of borders and minorities status, both considered as crucial by Brătianu, were discussed. The Romanian prime-minister was shocked by the attitude of France and its reluctance in admitting all his requests, thus recognizing the viability and legitimacy of "Greater Romania". Except for Bessarabia, which was not included in any previous agreement, the new borders of Romania and the status of the provinces remained an object for further discussions.

The response from the part of Brătianu came immediately. Only with difficulties he accepted the border with Yugoslavia, which included part of Banat in the neighbor state. He firmly rejected the idea of any plebiscite and refused to sign the minorities treaty, while in the case of Transylvania he fiercely opposed other border than the Tisza River¹. Furthermore, Romania disregarded the articles and other stipulations concerning the free transit of goods and persons among the newly created states.

"Greater Romania" came into existence rapidly due to the adherence of the national councils from the provinces to the new state, and the massive presence of the Romanian army in those territories. In the case of Transylvania, were the helvetic model proposed by Oskar Jaszi was rejected in favor of full autonomy and a possible

¹ Keith HITCHINS, *România 1866-1947*, Romanian transl. G.G. Potra and D. Răzdolescu, Humanitas, București, 1994, pp. 306-311.

union with the Old Kingdom on a constitutional base¹, the following years were to bring an enormous disappointment. Not so much the aims of the Romanian government, but the whole procedure was to bend for the following two decades the domestic as well as the international evolution of the state. In many respects, the process of unification and then consolidation of the new Romanian state transformed the political life into a "battle stage". For the liberals, the creation of a new institutional structure for the state, social justice and harmony, land reform, industrialization, the nationalization of underground resources, and economic progress became new goals. Beyond this facade, they started a huge campaign in order to gain control over the newly incorporated territories. It was the beginning of a long struggle for power and resources between Romanians and the others, between centralism and regional autonomy. If in the case of Transylvania this struggle against Bucharest found its expression in the permanent opposition of Maniu's party, in Bukovina there was no such attitude after the retirement of Iancu Flondor from the Government, while in Bessarabia, due to the attitude of Vasile Ianculeț, this issue did not exist at all².

In April 1920, the government decided to dissolve the local and regional councils and introduce a complete new administration. It was the first measure from a long series of anti-democratic political acts that were to fit in the new political, social, and cultural agenda of the nationalists. The reaction of the elites from the provinces that felt themselves ignored, betrayed and marginalized, was so strong then even the French government thought necessary to intervene³. The unification process was more or less transformed by the haste of the politicians into an annexation in a moment when it was no longer necessary. If that was possible without too many sacrifices it is due to the strong support of the intellectuals and the nationalistic spirit of the epoch that was to feed the ideal of an integral, homogeneous, Romanian polity⁴. It was also considered to be a response to all unsettled ethnic and regional problems, and an imperative for any patriot, not only politician⁵. The new militant and aggressive nationalism became a profession for the bureaucracy and intelligentsia from the Old Kingdom but also for many intellectuals from the recently incorporated provinces. Institutionally and politically, Bucharest became after 1920 the cornerstone of the new state⁶, and regionalism or any other form of opposition was regarded as non-patriotic. The eradication of "*homo bukovinensis*" (Ioan Nestor) and "*homo transylvanensis*" (Onisifor Ghibu) in favor of the new "*civis romanie*" became part of the new political philosophy. Local traditions and influences, as well as the supremacy of Hungarian and German elites were to be eliminated, and replaced with that of new Romanian urban elite. If for historians the main task was to glorify the past, defend the national ideal, the organic nature of the new state, and the justice of Versailles system⁷, for other intellectuals the main goal was to uphold the policy of the state in its "colonizing mission". The emancipation

¹ Gheorghe IANCU, *The Ruling Council. The Integration of Transylvania into Romania 1918-1920*, The Romanian Cultural Foundation, Cluj-Napoca, 1995.

² Sorin ALEXANDRESCU, *Paradoxul Român*, Editura Univers, București, 1998, pp. 62-68.

³ Irina LIVEZEANU, *Cultural Politics...cit.*, pp. 162, 183.

⁴ *Ibidem*, pp. 7-14.

⁵ Peter SUGAR, "Nationalism in Eastern Europe", *cit.*, pp. 171-175.

⁶ Radu DRAGNEA, "Muntenia care Unifică", *Adevărul*, no. 15, 1932.

⁷ Alexandru ZUB, "Istorism și Naționalism în România Modernă", in Alina MUNGIU-PIPPIDI (ed.), *Doctrină Politică, Polirom, Iași*, 1997, pp. 136-137.

of provinces as former hinter-lands of the disappeared empires, and their integration into the new state was to become for the intelligentsia the main target and the only possible way in order to realize "national consensus"¹.

Kulturkampf, political centralism and "directed democracy" were not the only weapons used by the liberals in their anti-minorities and anti-regionalism struggle. Romanian economy was also regarded by the government as a powerful and efficient instrument at hand in order to achieve as soon as possible the unity and homogeneity of the new national state. Its first task was to provide extra national-distinction and to insure for the Romanian State the role of a great regional power. Therefore economic independence was viewed as an important guarantee for the political one, and economic borders overlapped with the ethnic and military ones as to secure the preservation of the nation.

In 1923 Romania adopted the most radical land reform in East-Central Europe². Same year the new Constitution proclaimed universal suffrage. The two reforms represented only the first answers to the huge expectations created during and after the war. The third main element was to be the new economic program designed not only to improve the life standards of the population but also to insure economic, and throughout this political independence for the new state. The acquisition of complementary in their economic structure provinces was regarded as the pledge for a promising future, and a base for further development. At the same time, Bucharest, the political and administrative capital of the country was to become the main financial and industrial center, capable to offer coherence to the new economic organism. Those three elements were to reduce the disparity between Romania and the West, and consolidate the new political achievements. All those goals were part of the political program of the Romanian liberals before 1914³. The situation after the war was only to create a favorable milieu for the implementation of social and political reforms, and for the reorganization of the economy on a national base. There was only one unresolved problem in this sense. More than 80% of the population worked in agriculture, the majority of them being Romanians, while the industry, transports, and banks were in the hand of ethnic minorities. Nevertheless, those were protected from outside by foreign capital interested in supporting and encouraging its investments. On one hand, the accomplishment of a national, Romanian economy with an industry and finance controlled by non-Romanians was unacceptable for the nationalists. On the other hand, any prejudice brought to those elites was to trigger reactions from the part of other economic groups from abroad, in a moment when the presence of foreign capital was necessary for the new state⁴.

The issue was discussed in 1922-1923 in series of conferences on political doctrines and strategies of development organized by the Romanian Social Institute⁵.

¹ Liviu CHELCEA, "Nationalism and Regionalism in the Banat Region in the Inter-war Period: Resource Competition, Elites and Cultural Discourse", in Marius TURDA (ed.), *The Garden and the Workshop: Disseminating Cultural History in East-Central Europe*, Central European University Press, Budapest, 1998, pp. 114-125.

² Francisco VEIGA, *Istoria Gărzii de Fier 1919-1941, Mistica Ultranationalismului*, Romanian transl. by M. Ștefănescu, Humanitas, București, 1993, pp. 22-32.

³ Ion George DUCA, *Memorii*, cit., pp. 104-107.

⁴ Mircea MUȘAT, Ion ARDELEANU, *România după Marea Unire, 1918-1933*, Editura Științifică și Enciclopedică, București, 1986, pp. 311-332.

⁵ Ion SAIZU, "România interbelică în căutarea unei căi de dezvoltare proprii", in Alexandru ZUB (ed.), *Cultură și Societate. Studii privitoare la trecutul românesc*, Editura Științifică, București, 1991, p. 104.

Except for the independent Gheorghe Tașcă, who advocate economic liberalism and expressed his opinion that in the case of Romanian National Liberal Party (NLP) the term liberal is a label with no significance¹, and Virgil Madgearu who uphold the theory of a peasant state and rejected the possibility for Romania to follow the Western path², all participants, including the Social Democrats, endorse the ideas presented by Duca³. For him "economic nationalism" was meant to save the "material and spiritual individuality of the kin and avoid His conquest by other elements superior in their power and organization"⁴. Furthermore, economic independence was intricately related with the political one and the idea of progress, and the liberal program based on rapid and massive industrialization, nationalization of all resources, state control and protectionism, the creation of a Romanian bourgeoisie and working class able to replace in time the "alien element", was the only solution. Similar ideas were expressed in a more radical discourse by Mihail Manoilescu⁵. A "...young and hated by his neighbors state...", Romania was to find its salvation only in industrial development. This was also to be the foundation of the Romanian civilization, the way in which national energies were to be exploited and national genius revealed. For Manoilescu nationality and nation was the only frame in which individual liberty was to find its plenitude. Party or class interests and regionalism were blamed as non-patriotic and doomed to disappear.

The intellectual and political milieu created by a resurgence of nationalism was favorable to the implementation in the 1920s by the NLP of an autarkic model of development, based on higher control of an interventionist state⁶. Thus, Romania was to follow a specific, national model of development⁷. Since 1866 the creation of a Western orientated state, including economic, political and social modernization, represented one of the main goals for the Romanian ruling elite. It is true that at the same time irredentist nationalism was in many respects the "core" of state policy⁸. After 1918 this not only survived the accomplishment of the national ideal, but it was to become the response to provocations and deep political, economic and social crisis⁹. Paradoxically, the economic program from the 1920s was an odd combination of liberal principles, statist legislation, and isolationist policy. State monopoly on transports and industry, the efforts in order to reduce foreign capital and investments, as well as the export of raw materials and grains, were to affect in time the economic development of the country. The huge self-confidence of the governments in the internal resources of the state¹⁰, together with the intention to

¹ Gheorghe TAȘCĂ, "Liberalismul economic", in Dan PETRE (ed.), *Doctrină Politică*, Garmond, București 1998, pp. 128-142.

² Virgil MADGEARU, "Doctrina Țărăneasă", in *Ibidem*, pp. 110-117.

³ Ion George DUCA, "Doctrina Liberală", in *Ibidem*, pp. 140-152.

⁴ *Ibidem*, p. 147.

⁵ Mihail MANOILESCU, "Neoliberalismul", in *Ibidem*, pp. 216-227.

⁶ Ion N. ANGELESCU, *Politica economică a României Mari*, București, 1919, pp. 12-39. See also Mihail MANOILESCU, *Importanța și perspectivele industriei în noua Românie*, București, 1921, pp. 3-35, and IDEM, *O nouă concepție a protecționismului industrial*, București, 1927.

⁷ Nicolae CONSTANTINESCU, "Naționalismul economic", *Democrația*, XI, no. 3, 1923.

⁸ Peter SUGAR, "Nationalism in Eastern Europe", cit., p. 175.

⁹ See Nicholas NAGY-TALAVERA, *The Green Shirts and the Others. A History of Fascism in Hungary and Rumania*, Hoover Institution Press, Stanford, 1970, pp. 365-373.

¹⁰ Ion N. ANGELESCU, *Politica economică a României Mari*, cit. See also Aurel P. IANCULESCU, *La Roumanie nouvelle et ses richesses minières*, Librairie J. Gamber, Paris, 1928, pp. 23-39.

obtain total economic independence¹, were the main elements that shaped the political decision of the moment. This artificial enforcement of a national industry and bourgeoisie not only proved unable to solve the problems, but it was to create extra difficulties, mainly because of the role played by state bureaucracy, the "Romanian pseudo-bourgeoisie" as Ștefan Zeletin named it, as the principal agents of change².

In the 1920s "Greater Romania" was a strange mixture of backwardness and minimal urbanization and industrialization. The infrastructure of the state, although weak before 1916, was completely destroyed by war³. From the new territories more than 200 000 Hungarians and 71 000 Jews, many of them specialists in different economic activities, were to leave due to the new policy promoted by the government, but not only. For the Liberal party that was determined to implement its protectionist program, as well as for many of his supporters all the above were no impediments as long as the historical moment, the geographical position of Romania, and the vigor gave by the resentments of the past, when Romania and her new incorporated provinces were treated as hinterlands, were to mobilize the nation and thus, back the economic program of the government⁴. Nevertheless, the moment was to offer the opportunity to prove that the Romanians are able to organize and govern by themselves and build a strong industrial, modern state⁵. In time, the effects of this policy proved to be disastrous, but in the 1920s, its promoters, were indifferent to any kind of suggestions and opposition⁶. Madgearu warn that though apparently grandiose, based exclusively on corruption and state control, and meant to satisfy national pride, the economic program enforced in 1924 was predestined to failure due to its autarkic feature⁷. On contrary, for its supporters, this was the only way to avoid economic ruin, eliminate strong competitors and intruders, and thus eliminate the possibility for others to include Romania in their sphere of influence⁸. In this sense a special attention was given to the economic integration of the new provinces. Especially Transylvania and Banat came into attention because of their level of development and the high rate of industrialization. The idea was to reorient, emancipate, and transform those territories from hinterlands of the former empire that arrested their development into the economic core of the national state⁹. Not so much economic reasons, but the strong anti-Habsburg attitude that had relevance for the nationalists, led to the total isolation of these provinces from the former economic space in which they evolved till 1918. For the government, the maintenance of any kind of links with the space of the former empire was unacceptable as it was to head to an ephemeral nation building. Not a single aspect went neglected. Like in the case of the land reform,

¹ Diamant MENTOR, *Independența economică, garanția independenței politice*, București, 1926.

² Ștefan ZELETIN, *Burghezia română: Origina și rolul ei istoric*, București, 1925.

³ Romul BOILĂ, *Studiu asupra organizării statului Român întregit*, Cluj, 1931, pp. 10-12.

⁴ See Irina LIVEZEANU, *Cultural Politics...cit.*, pp. 22, 202; Francisco VEIGA, *Istoria Gărzii de Fier...cit.*, pp. 41-43, 55-62; Leon VOLOVICI, *Nationalist Ideology and Antisemitism, The Case of Romanian Intellectuals in the 1930s*, Pergamon Press, Oxford, 1993, pp. 33, 51-53, 75.

⁵ Grigore ANTIPIA, *Rolul Academiei Române în combaterea campaniilor de ponegrire a poporului și a statului român*, București, 1940, pp. 1-4.

⁶ Virgil MADGEARU, *Dictatură economică sau democrație economică?*, Reforma Socială, București, 1925.

⁷ IDEM, *Imperialismul economic și Liga Națiunilor*, Cultura Națională, București, 1924, pp. 32-33.

⁸ Ion N. ANGELESCU, *România și actuala politică economică internațională*, București, 1927.

⁹ Ion AGRIGOROAIEI, "Economic Consequences of the Accomplishment of the Unitary Romanian State", *Nouvelles Études d'Histoire*, no. 2, 1980, pp. 132-133.

the ethnic problem was also taken into consideration. The industrial legislation of 1924-1926 embodied a strong anti-minorities bias, and many Hungarians, Germans and Jews were if not totally eliminated from the economic life at least discouraged to participate in it. The Romanianization of industry and its personnel was to affect not only the upper classes, as long as in many cases the owner of one factory was forced to employ more than 80% ethnic Romanians.

The attitude and the policy changed only with 1928, when the National Peasants Party (NPP) of Maniu came to power after the first democratic free elections¹. But the "open gates" policy promoted by Madgearu was to create new problems due to the Great Depression and the autarkic economic policy of the European Countries from the 1930s. In many respects the NPP was to pay for the errors of their predecessors. In 1934, even Madgearu was to admit that the time of free trade has long passed².

The failure of the economic program and integrative policy in the 1920s was to determine the unstable, absurd, and sometimes tragic evolution of politics in the 1930s. The huge gap created between masses and ruling elites, the burden of economic and social misery, corruption and distrust in state authorities, prepared the ground for the failure of democracy and the seizure of power by authoritarian regimes. From there to dictatorship, and later fascist upheaval there was one more step³.

The "by ourselves" conception that governed the economy after 1918, had little significance in economic terms and was based on merely nationalistic and often propagandistic reasons. Its importance in transforming the agrarian character of the Romanian economy by shaping the preconditions that lead to the development of industry can not be underestimated, but at the same time the negative impact of national ideology on the evolution of economy should not be overcome⁴. On one hand, the Western model represented in the 1920s the authoritative criteria for the majority of Romanian elites. On the other hand, the frustrations created on a long term by this imitative context that led to immolation of internal priorities were to play the role of a centripetal phenomenon. The modernizing dictatorship and the fascist phenomenon of the 1930s were in many respects the final consequence of the initial option⁵.

The explanation for the profound crises and the contradictory-fluctuant evolution of Romania in the 1930s can not be restricted to conjectural, international factors⁶. The manifest isolationism that characterized the Romanian foreign trade with the exception of few bilateral agreements was to affect the country's foreign policy. No regional, not to mention federal project was really supported by the Romanian decision-makers in the 1920s and 1930s. Even the idea of building a common market was rejected, in spite of the internal realities and difficult economic situation.

¹ Henry ROBERTS, *Rumania. Political Problems of an Agrarian State*, Archon Books, New York, 1969, pp. 150.

² Keith HITCHINS, *România 1866-1947*, cit., pp. 340-345.

³ Henry ROBERTS, *Rumania...cit.*, pp. 202-203.

⁴ Ion SAIZU, "România interbelică...cit.", pp. 105-109.

⁵ Keneth JOWITH, *Social Change in Romania 1860-1940. A Debate on Development in a European Nation*, Institute of International Studies, University of California, Berkeley, 1978.

⁶ Viorica MOISIUC, *Premizele izolării politice a României (1919-1940)*, Editura Militară, București, 1981.

The anti-revisionist policy that was the stalking horse of the Romanian diplomacy can explain, but only in psychological terms, such negative reactions in the case of Hungary, Austria, and Germany. The problem is that the same attitude can be underlined in the case of the Little Entente, where the antirevisionist bias can not be enforced as an argument.

At the end of the 1930s the instrumentalization of national ideology against the projects of regional cooperation has been fulfilled with negative consequences on Romania's economic evolution.

Real security could come in post 1918 East Central Europe only from a relaxation of international tensions and the improvement of the economic situation of the member states of the region. In theory, this was the task of the Nations League. In practice, doubts about the capability of the "Geneva spirit" to dispel aggression rehabilitated the pre-war system of alliances. Czechoslovakia, Romania and Yugoslavia band together in the Little Entente in 1920-1921, and later on concluded separate treaties with France. With its limited, anti-revisionist aims and policies, this organism failed not only to attract new members, such as Poland, but also missed the chance to become a vehicle for regional cooperation and integration¹.

On its turn, France desperately tried to establish in the region a confederate Danubian Union as to bridge the huge gap left by the dissolution of the Habsburg Monarchy and thus, create for its own benefit a "Cordon Sanitaire" oriented toward both Germany and Soviet Union.

The permanent state of conflict, and doubts on the viability and legitimacy of the borders traced at Versailles, were to influence the position adopted by Great Britain at Locarno in 1925, led to a period of "cold relations" between Britain and France, and encouraged Germany in its efforts to impose its visions and policies in the East². The weaknesses of the nation-states of the region, and the absence of cooperation, were to help in this sense. Nazi *Grossraumwirtschaft* proved once more that the history of the Danubian peoples was to be decided from outside the region³.

The aftermath of the Great War brought to an end the very existence of the great multi-national empires of East Central Europe, and took the solution of a possible coexistence of different nationalities into a *Grossstaaten* organized on a federal base out of discussion. War represented for many nationalities an opportunity to create their own nation-state and/or bring members of the same ethnic group living abroad inside the borders of one state. The romantic enthusiasm of the 19th century motivated the accomplishment of the national ideal at all costs, and made many disregard the problems to arise due to the permanent rivalry with neighbor states, and domestic conflicts with incorporated minorities.

A third, possible way for the evolution of the little nation-states of Central East Europe was represented by federalism⁴. The contractual nature, the existence of a set of common institutions, the distribution of wealth, and confidence among

¹ Edouard BENES, *Cinq années de politique extérieure*, Orbis, Prague, 1924.

² Michael BURLEIGH, *The Rise of a Profession. Germany Turns Eastward. A Study of Ostforschung in The Third Reich*, Cambridge University Press, Cambridge, 1988, pp. 10-12.

³ Gyorgy GYARMATI, "Conceptual Changes On Central European integration in Hungarian Political Thinking, 1920-1948", in Ignac ROMSISICS, Bela K. KIRALY (eds.), *Geopolitics in the Danube Region, Hungarian Reconciliation Efforts 1848-1998*, CEU Press, Budapest, 1999, p. 204.

⁴ Piere KENDE, "Three Possible Ways for the Little Nations of Eastern Europe", *Alterra*, vol. IV, no. 7, 1998, p. 23.

members, recommended it as a political solution to all past, present, and future unresolved tensions. Yet, the idea was utterly rejected, with the regional actors opposing even plans of a regional economic union as a first step toward the eradication of psychological distrust and political hostility. The problems raised by the issue of territories and borders, and the lack of social and political instability render impossible any attempt to establish a minimum of genuine regional cooperation¹.

To some scholars the failure of federal idea was due mainly to its extreme rationality. To others the explanation resides in the deep reluctance of the "heirs" of Austria-Hungary to support an anachronous, alien project incompatible with the idea of nation-building². That sufficed as to turn a virtual political project into a fringe, banal, intellectual exercise.

The (modern) concept of Central Europe was coined in 1915 in Friedrich Naumann's "Mitteleuropa", a war and economic federal project with a "glamorous" carrier after the Great-War when *Mitteleuropa* was associated with German imperialism, *Drang nach Osten, Lebensraum, Realpolitik*³. Though Naumann's ideas were to influence politicians like Karl Renner and Oskar Jaszi, it was for the Nazis to make the concept popular, at the same time distort and poison it⁴.

A mixture of modern capitalist, liberal imperialism, and Austrian geopolitics, Naumann's project was disagreeable not only to Czechs, Hungarians, Romanians, Poles and so on; but also to Pan-Germanists who hold it as modest due to the absence of any consideration for the idea of *Grossdeutsch*⁵. What calls my attention with Naumann's project is the idea of a new political, supranational organism (having Germany at its core), and of a broad economic union, based on monetary unification (*Zollverein*) and the complementary economic character of the member states, that was to make possible not only subsistence but also competition with the more developed West in the new World economy that was to emerge after the war. The political and social reforms, industrialization and democratization, which were to equalize in Naumann's vision the condition of all nationalities, transform them into one *Wirtschaftsvolk* and thus eliminate any potential conflicts, are also relevant for the discussion. Many of them were common ideas in the region before 1914, and some were reconsidered during the first post-war decade as well⁶.

With the creation of nation-states and the deep fragmentation of the region such visions were rendered obsolete. Germany was symbolically excluded from the brand new Central Europe by the "heirs" of *Kaiserliche und Königliche* (KUK) and France, hoping that the concept will lose its peculiar German ring. Instead, other visions were to be imposed on Central East Europe, a region defined by the vulnerability of political arrangements, with imprecise borders and a variable geometry⁷. The presence of an enigmatic and unpredictable Soviet Union after 1917 was but to urge the process⁸. The "inevitable" dissolution of Austria-Hungary,

¹ Philip LONGWORTH, *The Making of Easter Europe*, cit., p. 71.

² Peter HANAK, "Why Did the Danubian Federation Plan Failed", in Ignac ROMSISICS, Bela K. KIRALY (eds.), *Geopolitics in the Danube Region...cit.*, pp. 305-317.

³ Friedrich NAUMANN, *Mitteleuropa, L'Europe Centrale*, Neuchâtel Delachaux, Paris, 1923.

⁴ Timothy GARTON ASH, "Mitteleuropa?", in Stephan R. GRAUBARD (ed.), *Eastern Europe...Central Europe...Europe*, Oxford University Press, Oxford, 1991, p. 2.

⁵ Jacques LE RIDER, *Mitteleuropa*, PUF, Paris, 1994, pp. 124-126.

⁶ Peter STIRK, "The Idea of Mitteleuropa", in IDEM (ed.), *Mitteleuropa, History and Prospects*, Edinburgh University Press, 1994, pp. 8-9.

⁷ *Ibidem*, pp. 2-3.

⁸ Jacques RUPNIK, *The Other Europe*, Weindenfeld and Nicolson, London, 1989, pp. 39-41.

prompted intellectuals and politicians to look for solutions. Thomas Masaryk and Seton Watson, and their articles published in the *New Europe* are good examples in this sense. Allied diplomacy, both American and French, were also prepared to design plans of regional cooperation in 1918, but it was later only for France to make several attempts to put them in practice¹.

Paradoxically, the welcomed by many collapse of KUK was soon to turn it into a symbol of "times of prosperity and peace". Victor Bauer's *Zentraleuropa* was never to become reality, for the simple fact that it indicated Vienna as the center of his foreseen economic and culturally vibrant political organism, a dream reiterated in the works of many intellectuals and politicians, Hungarians, Czechs, Poles, Italian and French². The case of Hungarian intellectuals and politicians, such as Elemer Hantos, Gustav Gratz, and Miklos Makay, is particularly interesting as it proves that revisionism was not the only Hungarian political reality, and indicates that federalism and regional cooperation represented for many the path toward reconciliation, an answer to economic structural crisis, and a solution to security problems in a region under permanent threat from both Germany and Soviet Union that has nothing to do with attempts to undermine the *status-quo* established at Versailles. Unfortunately, their projects and visions were ignored in Hungary and abroad, as the simple reiteration of the idea of regional cooperation, not to say federalism, and no matter the foundation, was to generate but suspicion and retrieve "ugly memories". A "modus vivendi" was not possible in inter-war East Central Europe as long as it was to reopen wounds from the past and underline the arbitrary decision of the Peace Conference. In Hungary the motto for most mainstream politicians was "First justice, than Bread"³. When it comes to the beneficiaries of Trianon, the words of Edouard Benes are the best encapsulation of the victors spirit:

"There are at least ten reasons for which the accomplishment of a Danubian confederation is not possible: the first is that the states do not want this, the second....shall I continue?"⁴

With 1919, France also made huge efforts in order to create in the area a strong, anti-German and French oriented political organism⁵. In 1918, the program of "Comité Français de dégermanisation des Balkans et de l'Orient et de la propagande de l'idée française par le commerce et l'industrie" stated the idea of immediate replacement of German influence and the inclusion of the area into a French sphere of domination. Economic reconstruction after four years of war was the argument invoked in order to persuade different governments from the region to help France in transforming the region into an informal colony, control the trade and production, and create outlets for French industry⁶. France was interested to include the four victorious little nation-states of the region: Czechoslovakia, Yugoslavia, Poland and Romania; into a system of alliances patronized by Quai d'Orsay

¹ Peter STIRK, "The Idea of Mitteleuropa", cit., p. 15.

² Jacques LE RIDER, *Mitteleuropa*, cit., p. 137.

³ Gyorgy LITVAN (ed.), *Homage to Danubia. Selected writings of Oskar Jaszi*, Landham, MD, 1995, pp. 80-86.

⁴ Quoted in Florin CODRESCU, *La Petite Entente*, Pierre Bosuet, Paris, 1927, p. 329.

⁵ Jacques LE RIDER, *Mitteleuropa*, cit., pp. 142-147.

⁶ Virgil MADGEARU, *Evoluția economică a României după Primul Război Mondial*, București, 1940, pp. 46-49.

and oriented against Germany¹, and to create a solid ground for the economical interests of the French "big business" (Schneider Creusot, Imperial Chemical Industries, Solvary, Unilever) that already started to consider the region as a single economic unit, meant to serve their particular interest².

The reaction of the little allies was unexpected. Edouard Benes and Take Ionescu disapproved the plan, which was considered an offense to the sovereignty and the equal status of all states proclaimed at the end of war. Moreover, the situation became explosive after June 1920, when a supposed economic and political agreement was signed between France and Hungary³. The fact that Hungary, and immediately after Austria, expressed their interest in the creation of a Danubian confederation under French patronage, and the possibility for Budapest to become the economic and administrative center of this organism due to its geographical position, led to total and radical opposition from the part of Romania, Czechoslovakia and Yugoslavia⁴. The creation same year of Little Entente was a prompt reaction triggered by the common anti-Hungarian and anti-Habsburg attitude of the three countries. Moreover, the pro-Hungarian attitude of Quai d'Orsay was to create suspicion towards France as well. Till the end of 1920s no similar initiatives were taken by France. There is one more aspect here that is generally omitted by historians, namely that the situation created after the war led to a mimetic competition between the states of the region. The "great price" was the position of a regional power and a potential centre of a designed Danubian organism that France was to offer to one of them. Latter on, when French diplomacy opted for Czechoslovakia the situation did not improve, nor the spirits calmed down. Moreover, the relations between Prague on one hand, and Bucharest and Belgrade on the other, deteriorated.

In 1929 depression hit the New York stock exchange, and was passed on to America's European debtors. In the years that followed, governments were forced to introduce exchange control as a basis for regulating imports. Trade between the Danubian countries in 1935 was one-sixth of what it has been in 1913. Statesmen gathered at international conferences to advocate a lowering of tariff barriers in order to get world economy moving again, and urge the poorer countries to compete more effectively on export markets. Surprisingly enough, the politicians of Central East Europe expressed their reluctance with regard free trade. As many of them put it, the consequences of a direct competition on markets were to be fulfilled with disastrous consequences for the young national economies of their states. The general request from their part was for a system of preferential tariff and agreements with the West. That was the political and economic milieu in which Aristide Briand and André Tardieu advanced their federal plans in the early 1930s. Nevertheless it was also the moment when the Austrian-German plan for a custom union was proposed in 1931, few years after Koundenhove-Kalergi Pan-European project, designed to pull out Germany and Austria

¹ Eliza CAMPUS, *Ideea federală...cit.*, p. 28.

² Alice TEICHOVA, *An Economic Background to Munich and Czechoslovakia*, Cambridge University Press, Cambridge, 1974, pp. 375-378.

³ Magda ADAM, *Confédération Danubienne ou Petite Entente*, Editura Politică, București, 1983. See also Jacques BARIETY, *L'accord révisionniste franco-hongrois de 1920. Histoire d'un mythe*, Presses Universitaires de Strasbourg, Strasbourg, 1987, pp. 76-77.

⁴ Viorel TILEA, *Acțiunea diplomatică a României 1919-1920*, Sibiu, 1925.

from isolationism, failed¹. The same fate was shared by other projects as well. The Austrian-German *Zollverein* plan was rejected as a masked *Anschluss*, and a reiteration of Naumann's idea of *Mitteleuropa*, while Briand's plan, although popular, could not surpass the plethora of disagreements, suspicions and tensions that already existed among the participants². The idea of economic cooperation and collective security proposed by those plans were to influence another French Project, restricted this time to the Danube valley. In 1932, by the time Briand's plan was already a "curio", André Tardieu made public his Confederate Danubian Plan. In general lines the plan was designed as to limit German influence and intrusion in the region through a new infusion of capital, and the introduction of a special system of preferential tariffs for the agricultural products³. Though it did not introduced the idea of recreating the former economic union (and market) of Austria-Hungary, this plan was also rejected⁴. Czechoslovakia, was more or less reluctant, and stated that further consultations with the rest of the members of the Little Entente are necessary⁵. In Romania, Prime Minister Nicolae Iorga opposed it, and so did most of the politicians⁶, including Madgearu, who said that the economic Danubian union was not to improve the situation as long as 90% of Romania's agricultural products and 75% of oil were exported in countries that were not included in the project⁷.

Tardieu's plan was one of the greatest diplomatic failures of the inter-war period. On a short term the effects of its failure were reduced. On a long term they proved disastrous. From 1933 onwards prices began to slowly recover, but by the time they did so it was too late. The states of the region were already economically dependant on Germany, the only continental power that accepted for several reasons the "conditions" imposed by its Eastern neighbors. This economic dependency was later to threaten and in some cases eliminate their political independence. With the beginning of 1936 the system designed to preserve the peace of Europe collapsed relatively swiftly. Munich was in this respect only the terminal point of a long, devious evolution.

The Little Entente was the most important regional alliance created by Czechoslovakia, Yugoslavia and Romania, urged on by France, and oriented against Hungary. However, far from being towed to French diplomacy, the three constitutive members of Little Entente were also animated by quite particular and sometimes contradictory ambitions. For the first time the idea of a regional alliance capable to oppose the decisions of the Great Powers came in 1919, during the Peace Conference in Paris, when the Romanian Prime Minister Brătianu expressed his opinion that together, the little nation-states of East Central Europe might have greater success during negotiations. The treaty with Austria represented the first opportunity to test

¹ Richard N. KOUNDEHOVE-KALERGI, *La lutte pour l'Europe*, Éditions Pan-européennes, Hofsburg, Wien, 1931.

² Magda ADAM, *Richtung Selbvernichtung. Die Kleine Entente, 1920-1938*, Budapest-Wien, 1988. See also Eliza CAMPUS, *Ideea federală...cit.*, pp. 85-86, p. 89-112.

³ Gyorgy GYARMATI, "Conceptual Changes...cit.", p. 203.

⁴ Eliza CAMPUS, *Ideea federală...cit.*, p. 98.

⁵ George CIORĂNESCU, *România și ideea federalistă*, Editura Enciclopedică, București, 1996, pp. 123-124.

⁶ *Ibidem*, pp. 124-125.

⁷ Virgil MADGEARU, "România față de planul înțelegerii economice a statelor dunărene", *Adevărul*, no. 14790, 1932.

this idea¹. The second important moment in the creation of Little Entente is represented by the first French attempt to federate the region in 1920. Due to the attitude adopted by France during the peace conference, and its pro-Hungarian attitude, diplomats from Romania, Czechoslovakia and Yugoslavia decided to stick together in order to make the accomplishment of a federal organism impossible. The reaction was so bitter and unexpected that a French newspaper published an article entitled "The little betrayal or the undergrounds of Czechoslovak and Yugoslav policy", accusing the three of collaboration with Germany and of pro-Bolshevik attitude.

Between 1920-1921 bilateral agreements were signed by Yugoslavia, Czechoslovakia, and Romania. The initial plan, as designed by Edouard Benes and Take Ionescu, included five states and stated that in the future the alliance remains open to Hungary and Bulgaria. The last two were never to become members, as they represented the very reason for the existence of the Little Entente, and later on the Balkan Entente. Moreover, Poland refused the invitation, and so did Greece, as for them the anti-Hungarian bias of the Little Entente was of no interest. On contrary, the relations between Hungary and Poland remained friendly, while those with Czechoslovakia became more and more tense. The only state, member of the Little Entente, with whom Poland signed an agreement, was Romania. Up to 1933, no significant change occurred in the structure of this organism. Many of the measures that were to improve its activity by creating common political and economic institutions were not to alter the substance of the relations among the three states. A common policy was rendered impossible due to the different approach of the three states in their relations with other countries, and also due to the inner structure and domestic dynamic of each of the members. From an economic point of view, the collaboration was restricted by the fact that the national economies of the three were not at all complementary². Moreover, in Romania, the idea of Regional cooperation found little support and only for a very short period, as the country was in a permanent mimetic competition with its more advanced, industrialized partner, Czechoslovakia.

From 1933 onward, when Germany and Italy began to loom as a danger, Benes tried to revive the idea of cooperation with Hungary and Austria, which he had opposed so bitterly few years earlier³. Economically, Czechoslovakia was in impossibility to increase trade with its allies due to the fact that its market could not absorb huge quantities of raw materials and agricultural products provided by Romania and Yugoslavia. Therefore, in 1936 the Czechoslovak Prime Minister Milan Hodza proposed to include Austria, Italy, Hungary and Poland together with the countries of the Little Entente in order to create a vast zone of economic cooperation, a Central European Regional Entente capable to oppose Germany⁴. With the exception of Austria, the rest of the countries, including Romania and Yugoslavia, drew back from the plan. Germany's position and control over trade in the region was already too strong, and the particular interest and greed of each of her small partners too big.

¹ Keith HITCHINS, *România 1866-1947*, cit., p. 306.

² Mascek NIEDERLE, *Ideea colaborării economice a Micii Înțelegeri*, *Curierul Judiciar*, București, 1935, pp. 27-35.

³ Richard MACHRAY, *The Struggle for Danube and the Little Entente 1929-1938*, London, 1938.

⁴ Milan HODZA, *Federation in Central Europe. Reflections and Reminiscences*, Harrolds, London, 1942.

In 1934-1936 Germany was far from being an economic independent state. The "policy of autarky" the Nazi regime emphasized was a pure propagandistic instrument. Goering's four year plan was to be accomplished only if the *Ostraum* could be included in the economic sphere of influence and the states there transformed into satellites or annexed¹. Thus, the whole region was to be included step by step in order to help Germany wage war, and solve its domestic crisis². For the German diplomacy the main task was to isolate each "targeted state". War was not so much the solution to be advanced, at least not in 1936, but the second wave of the Depression from 1937 forced the Germans to re-evaluate the entire situation. For Hitler, it was not for imperialism but pan-nationalist ideology to provide him with arguments and uphold the expansionist policy of his regime³. At the same time it is hard to eliminate economic imperialism from the equation as long as in many respects the aims of Nazi Germany were identical with those of the Wilhelmine Reich⁴. Economics were to provide arguments as well, though for the leaders of Nazi Germany the interest in the economic potential of East Central Europe was limited⁵.

Hitler's path was also eased by many Western diplomats who considered that East Central Europe represented, especially from the mid 1930s, a "German backyard". Not only they were not averse to a future inclusion of the region into the German sphere of influence but also believed that this would represent a key to contain Soviet Union. In 1938-1939 it was not only for Chamberlain to express his reluctance with regard to any kind of military intervention in the Region. As Seton Watson put it, there were many to ask if the labyrinth of noisy, little nations of the "land between" deserve to be saved.

However the tragedy came "not only from without...it also came from within..."⁶. Hungary, for it had suffered the most after Versailles due to lost territories but also from the isolationist policy of its neighbors was the first to be targeted. The German offer, with its unusual method of transaction and special payment arrangements, was too good to be refused, and was to prove its efficiency in other cases to. The idea that, in the case of Hungary, the economic collaboration was encouraged by Gombos's sympathy for the Nazis and revisionism represent more or less a "red herring"⁷. Except for Poland, which prided itself on its independence, the rest of the countries of the region greeted the German presence and successively entered the economic and than political sphere of the Third Reich. Especially in South East Europe the trade clearing arrangements were so promising for the exhausted national economies of Bulgaria, Yugoslavia, and Romania, that the Germans practically meet no resistance in achieving the grain surplus, raw materi-

¹ Berenice A. CAROLL, *Design for Total War. Arms and Economics in the Third Reich*, Hague, 1968, pp. 34-37.

² *Ibidem*, pp. 38-39.

³ Michael BURLEIGH, *Germany Turns Eastward...cit.*, pp. 10-12.

⁴ Franz FISCHER, *Les Buts de Guerre de l'Allemagne Impériale 1914-1918*, Trévis, Paris, 1968.

⁵ Not the same is to be said about the German "Big bussines" that made a terrible confusion between the Nazis and other political groups they supported before. For the German Big bussines, expansion was to offer them the possibility to develop new industries and markets in the Danube region. See Hanah ARENDT, *Originile Totalitarismului*, Romanian transl. by I. Dur and M. Ivănescu, Humanitas, București, 1994, p. 341.

⁶ Jacques RUPNIK, *The Other Europe*, cit. p. 241.

⁷ Alexander BASCH, *The Danube Basin and the German Economic Sphere*, London, 1944.

als and oil camps. In few years Central East Europe became part of the autarkic German economy, with all parts benefiting on a short term from the new relation.

Czechoslovakia was another exception, as it was the only industrialized state from the region and thus, less dependant on the trade with a Germany in search for its traditional, pre-war sphere of influence. Yet, Czechoslovakia was soon to pay for its independence with complete isolation. France was too weak and dependant on Great Britain after the reoccupation of Rhineland in 1936 in order to intervene militarily in aid of its Eastern allies, while in Britain the government failed to convince a liberal society on the necessity and plausibility of a rapid and massive economic intervention in the region. Nevertheless, the other two members of the Little Entente did not encourage at all the Czechoslovak industry, and considerably reduced economic collaboration with it. In Romania, Mihail Manoilescu repeatedly stated that Romania, as well as Yugoslavia, must develop its own industries, no matter the costs, and that the first step to do it was to discourage imports. Economic collaboration in the Danubian Basin and within Little Entente was thus reduced to "words".

After the annexation of Austria in 1938, Czechoslovakia was to become the next victim. Despite Benes's endeavors, the other two members of the Little Entente systematically refused to reorient the alliance from its anti-Hungarian role to an anti-German one. Soon thereafter Czechoslovakia was to suffer serious amputation from the part of Germany. One year later it was for Poland, "the bastard of Versailles", to disappear from the map. Romania suffered on its turn territorial amputations in 1940, while Yugoslavia was entirely occupied in 1941. By that time the Second World War was already in full swing.

Between 1938 and 1945, Central East Europe ceased to exist. With regard to the tragic end of Independent Central East Europe, it is generally acknowledged by historians and not only that its collapse was engineered by the most ruthless regimes in all history. There are only few those who are trying to find an answer to the origins of the Second World War in this part of the world, beyond the mephistophelic actions of Nazi Germany¹. Was the slump of World War II a consequence of the Great War and of the peace settlements that divided the region into a labyrinth of small, weak and embedded by selfish, petty and parochial nationalism, states?

In 1934 Czechoslovakia refused to sign a non-aggression pact with Germany, as Poland did. Instead, seriously alarmed by the Nazi Germany potential threat it made a desperate attempt to extend the defensive military role of Little Entente to "any aggressor". The proposal was rejected by both Romania and Yugoslavia that were on one hand in good relations with Germany, and on the other hand were not so trustful in the guarantees offered by a weak France. In the case of Romania, the reaction was forged by jealousy on the position offered to Czechoslovakia as a regional power by the French diplomacy, the permanent fear with regard Hungary, and the permanent anti-Soviet bias of the government.

In the case of Romania the evolution of the state and society in the 1930s, makes us reject the image of a victimized Romania². The German upheaval in 1940 Romania was possible not because of the work of some "fifth columnists". Cooperation with Germany after 1938 can not be translated in this particular case in terms

¹ Robin OKEY, *Eastern Europe*, cit., p. 179

² See Mihai CHIOVEANU, "Victimising Romania. A Fictional History of German Expansion through East Revisited", (republished) *Studia Hebraica*, no. 7, 2007, pp. 123-141.

of political and military threats and reduced to strategic and economic interest of the Nazi regime in Romanian oil-camps, raw material, and grains. The expectations of the Romanians have to be taken into consideration as long as the alliance between Romania and Germany during the war was not only a personal Antonescu-Hitler affair.

Economic interest of Germany in Romanian grains, raw materials, finances, and oil camps was great before 1914¹, while Romanian agrarian economy was dependent from the trade with Germany, and viewed from outside as enfeoffed to it². That explains why Naumann's *Mitteleuropa* include Romania as an important element, and also why up to 1944 German remained the official language in business in Bucharest, in spite of the manifest sympathy of the society for French culture³.

At the end of the 1930s the instrumentalization of the national ideology has been fulfilled with negative consequences on the Romanian economic and political evolution. For the weakened and undeveloped "Greater Romania" the subordination to the economical, political, and military aims of Nazi Germany was the last chance and not the first choice. The entire evolution of Romania after 1934 and not only in political but also economical and social terms led to dictatorship after 1938, and two years later the seizure of power by an authoritarian-fascist regime. From 1937 Romanian economy entered definitively in the German sphere of influence and the new treaty from 1939 was only to transform the country into an informal German economic colony. The modernizing dictatorship of Carol was only to prepare the ground for the German ideological, political and economic "hectic ascendancy"⁴.

The slump created by the Great Depression transformed the European climate, helping Hitler to get power in Germany, and sending anti-democratic forces in government throughout Central East Europe. Long before the outbreak of war in 1939, Germany became a common presence in the region, and a role model. Much of Central East Europe would have probably fallen into Germany's economic sphere even if Hitler would have not come to power. German foreign trade experts had foreseen the opportunity of regaining the economic hegemony Germany had in the region before the Great War when Hitler was not yet a prominent figure. For the Germans, the new and vulnerable countries from the East always represented an open field for dreams of economic revival, territorial expansion and geopolitical influence.

Between the wars, few were able to understand that the new Central East Europe was the product of exceptional circumstances, and even fewer admitted that after 1918 there were no winners in Europe but only losers⁵. When, due to the tragedy of the Second World War they realized this, there was nothing more to be done.

¹ Klaus KEITMANN, *Das Rumanenbild im der Deutschen Sprachraum 1775-1918, Eine Imagologische studie*, Bohlau Verlag GmbH & Cie, Köln, 1985, pp. 48-49.

² Keith HITCHINS, *România 1866-1947*, cit., pp. 168-170.

³ Klaus KEITMANN, *Das Rumanenbild...cit.*, p. 52.

⁴ Henry ROBERTS, *Rumania...cit.*, pp. 171-174.

⁵ Jacques RUPNIK, *The Other Europe*, cit. p. 241.