The First Romanian-Slovak Economic Contacts and Their Difficulties (March – December 1939)

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Abstract: The commercial relations that Romania had with the Axis satellites at the beginning of World War II have escaped the attention of researchers, the rapprochement between Romania and the Slovak Republic being nearly unknown. The examined states had different internal political systems, traditions and tendencies. Slovakia was born with the illusion of independence, finding itself from the beginning in the sphere of interests of the Third Reich. Romania swung between the England and France on one side and the Nazi Germany on the other during this period. Since there was no compatibility between Romania and Slovakia in 1939, economic relations developed slowly. Although a legacy of the old Czechoslovakia, economic relations represented the first signs of rapprochement between Bucharest and Bratislava, preparing the cooperation of later times. The analysis we propose is opened by the first economic contacts between the two countries during the period when political relations between Bucharest and Bratislava were limited to mere tentativeness. Romanian historiography has neglected the subject of Romanian-Slovak relations, only tangentially touching on the issue of bilateral relations between Romania and the first Slovak Republic. By contrast, Slovak historiography paid attention to the economic situation of the new state and its economic relations with Czechoslovakia's old partners, including Romania. The establishment of bilateral diplomatic relations was favoured precisely by these economic ties. The need to develop economic relations between Romania and Slovakia was materialized in the Economic Agreement of December 1939, which we have under scrutiny in our analysis. The Agreement of December 1939 laid the foundations of trade between the two countries. It mainly concerned Slovak armament and Romanian oil. Economic relations between Slovakia and Romania developed under the conditions of the Bucharest-Prague-Bratislava trilateral trade and the domination exercised by Germany. The economic implications of this approach represent the focal point of our study.
Keywords: Slovakia, Romania, German Reich (Nazi Germany), Protectorate of Bohemia and Moravia, economical relations, commercial conventions, military equipment, oil production.

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Introduction

Although, due to the large number of studies and research on the history of Romania between 1939 – 1940, the reopening of older themes

might seem unjustified, Romanian historiography has remained in debt with regard to the investigation and analysis of the issue of economic relations. Romanian historiography has neglected the subject of Romanian-Slovak relations, only tangentially touching upon the issue of bilateral relations between Romania and the first Slovak Republic. In contrast, Slovak historiography, through the studies of Jana Bauerová, based on archival sources, has analysed the relations between the two countries from various viewpoints. In turn, historian Peter Mičko has researched the economic situation of the new state and the economic relations with Czechoslovakia's old partners, including Romania. The present analysis is opened by the first economic contacts between the two countries during the period when political relations between Bucharest and Bratislava were limited to mere tentativeness.

The commercial relations that Romania had with the Axis satellites at the beginning of World War II escaped the attention of researchers, the rapprochement between Romania and the Slovak Republic being almost unknown. Slovakia became an independent state on March 14, 1939, under the circumstances of Czechoslovakia's collapse and the occupation of the Czech Republic by the German army. In the new international context, the territories in the east of the former federal state took advantage of the historical opportunity to proclaim their independence. As the first satellite of Germany, Slovakia was bound to be a model that would demonstrate to the states of south-eastern Europe that Hitler was not occupying countries but integrating them into a new political system. The Slovak Republic became an experiment, a more attractive model, with an intermediate status between an occupied country and an independent state under German influence.[1] This is why Berlin's interference in Slovakia's internal affairs was presented as negligible.[2]

The appearance of the new state on the map of Europe was not received enthusiastically in Bucharest. The disappearance of Czechoslovakia and the collapse of the Little Entente were considered by Romanian diplomacy as a serious loss and a danger to the integrity of the Romanian state. And Slovakia's dependence on Nazi Germany could not offer any guarantee for a possible rapprochement. In the spring of 1939, Romania was placed in the sphere of alliances of England and France and was not interested in an opening towards Germany's allies. In Bucharest, Slovakia's independence was only dealt with in the German key, and the

[1] MANNOVÁ Elena (ed.): *Scurtă istorie a Slovaciei* [Brief History of Slovakia]. Translated by Eva Mârza and Radu Mârza. Bucureşti : Editura enciclopedică, 2011, p. 357.
[2] VAGO, Bela: *Umbra zvasticii. Naşterea fascismului şi antisemitismului în bazinul Dunării (1936-1939)* [The Shadow of the Swastika. The Rise of Fascism and Anti-Semitism in the Danube Basin 1936-1939]. Bucureşti : Curtea Veche, 2003, p. 109.

Anglo-French guarantees granted to Romania in April kept the country outside the Axis. After all, Slovakia was born under its patronage and any positioning in the international arena had to take into account its "godfather" in Berlin. However, following the collapse of Czechoslovakia, the resulting disruption of the economic framework compelled Romania to retain part of the existing economic system, partly through a rapprochement with Slovakia.

The establishment of bilateral diplomatic relations was favoured precisely by these economic ties. The need to develop economic relations between Romania and Slovakia was materialized in the economic agreement of December 1939, which we have under scrutiny. The time interval between December 1939 and September 1940 overlapped with the radical change in Romania's political orientation and the alignment of the country's foreign policy with the Axis dominated by Germany. The geopolitical mutations in Europe in 1940 led, not without equivocation, to the growing rapprochement between Romania and Slovakia. The economic sources of this rapprochement form the focus of the present study.

The establishment of Romanian-Slovak economic relations

From an economic point of view, Romanian-Slovak relations began, as was natural, under the auspices of Czechoslovakia's collapse. The disappearance of the most important partner of the Little Entente consolidated Germany's position in the Romanian economy, Czech capital being replaced by German capital. Hitler had made no secret of this desire. As early as early March 1939, he had declared that Germany needed Czech lands "as a means of access to raw materials". He had in mind the resources of Poland, Hungary, Yugoslavia and Romania. In Bucharest, it was quickly understood that the collapse of Czechoslovakia was a clear sign that Germany would exert pressure to obtain advantageous conditions in economic relations with Romania.[3]

Germany had two economic objectives. One of them was long-term and aimed at creating a new economic order within the German-sponsored Greater Economic Area (*Grosswirtschaftsraum*). Each with its own particularities, Romania and Slovakia fitted within this great area of domination. An O.K.W. document from August 1939 revealed that the Grosswirtschaftsraum represented "a means and not the ultimate goal" of German foreign policy.[4] The ultimate goal, the imposition of a new world order, depended on these objectives. Thus, the *Grosswirtschaftsraum* became a system of economic ties between the Reich and its satellites.

[3] PREDA, Eugen: *Miza petrolului în vâltoarea războiului* [The stakes of Oil in the midst of War]. Bucureşti : Militara, 1983, p. 24 – 25.
[4] PREDA, Eugen: *Miza petrolului în vâltoarea războiului...*, p. 26.

As Romania and Slovakia were part of this objective, they were forced to adjust their economic policies according to Germany's requirements. The two countries needed their markets as an alternative to maintain a semblance of economic independence and some value for their national currency that would support their economies.

At the time of Slovakia's declaration of independence, German-Romanian negotiations for an economic agreement between the Reich and Romania were taking place in Bucharest. The new international situation would have a decisive influence on Romania's economic and trade relations. In February 1939, a German delegation arrived in Bucharest, aiming to subordinate Romania's economy to the needs of the Reich. The Germans wanted to transform Romanian agriculture according to Berlin's needs, to develop a common oil industry, to exploit the country's subsoil and its forest resources. After the first round of negotiations failed, Hitler decided to occupy Prague. Without there being a direct causality between the two events, the collapse of Czechoslovakia had a strong effect in Bucharest. The Germans had also formulated other demands regarding Romania's economy, encouraged by the success achieved and the lack of an international political reaction. Between March 16 and 23, when the second stage of negotiations took place, the head of the German delegation, Helmut Wohlthat, rejected the arguments of his Romanian counterpart, Ion Bujoiu, and asked to deal directly with Prime Minister Armand Călinescu. Thus, on March 23, the "Treaty for the Promotion of Economic Relations between the Kingdom of Romania and the German Reich" was signed in Bucharest, which included most of the German demands. Known as the "Wohlthat-Bujoiu Agreement", the economic treaty offered the Reich a privileged status in south-eastern Europe but did not represent Romania's subordination to it. Rather, it had a political importance, allowing Romania to maintain its sovereignty.

On the same day, Germany signed a Protection Treaty with Slovakia, which established the prerogatives benefiting the new state that had appeared on the map of the continent, but at the same time limited its independence. Through the Protection Treaty concluded in March 1939, the independence and integrity of Slovakia were guaranteed by the German Reich. In return, Slovakia's foreign policy was conducted from Berlin, and the army, organized by a German military mission, was placed at the disposal of the Wehrmacht.[5] The Protection Treaty of March 23 was accompanied by a secret protocol that placed the entire Slovak economy under German domination. From the beginning, German control over the Slovak economy, agriculture and markets was stipulated. The German side showed interest

[5] MANNOVÁ, Elena (ed.): *Scurtă istorie a Slovaciei...*, p. 357.

in Slovakia's forestry industry and natural resources. The protocol left it up to the small state to satisfy its own needs, while the entire surplus was taken over by the Reich. Slovakia's infrastructure was also highlighted by this document as part of the vital interests of cooperation between Slovakia and Germany.[6] For a more efficient control of the Slovak economy, several German economic advisors were sent, including Erich Gebert, Franz Wechselberg, Hans Hamscha, Rudolf Hartmann and Richard Buzzi.[7] In May 1939, a German economic delegation visited Slovakia to make proposals and suggestions in which areas the Germans were interested in developing the Slovak economy. It ended up that 75 % of Slovak exports went to the Reich. The large concerns *IG. Farben* and *Herman Goering Werke*, respectively the banks *Dresner Bank* and *Deutsche Bank*, sought to reposition Czech capital on the Slovak market.[8] From an economic standpoint, the Germans offered Slovakia only a minor place, as an annex to the great Reich. In October 1939, Hermann Goering declared that he was thinking of completely assimilating Slovakia. He viewed Bohemia, Moravia and Slovakia as German dominions from which maximum profit should be extracted.[9]

Germany made use of external pressures to impose its economic demands on both Bratislava and Bucharest. Under these circumstances, the appearance of Slovakia on the map of Europe could not be considered a positive element for Bucharest's foreign policy. Slovakia was being transformed into a satellite of the Reich, its entire economy being subordinated to German interests. In the case of Romania, the treaty temporarily saved its territorial integrity and independence in foreign policy. Not being accompanied by a political agreement or a treaty similar to the one signed by Slovakia, Romania maintained its freedom in international relations. The articles of the "Wohlthat-Bujoiu Agreement" were quickly implemented, with an office of the German Government Commission for Romania seeing to it. At the same time, the foundations of the Romanian-German economic treaty were laid on investments to be attracted from the German space, that is, former Czechoslovakia – divided between the Protectorate and Slovakia – being clearly specified in this regard. On May 20, a German-Romanian economic convention was concluded in Berlin, which provided for economic relations and the exchange of goods between Romania and the Protectorate, along with the

[6] MIČKO, Peter: *Hospodárska politika Slovenského štátu. Kapitoly z hospodárskych dejín Slovenska v rokoch 1938-1945*. Krakov : Spolok Slovákov v Poľsku, 2010, p. 72.
[7] BAUEROVÁ, Jana: *Slovensko a Rumunsko v rokoch 1939-1944*. Trnava : Filozofická fakulta Trnavskej univerzity v Trnave, 2014, p. 125.
[8] ŠPIESZ, Anton – ČAPLOVIČ, Dušan: *Illustrated Slovak History. A Struggle for Sovereignity in Central Europe*. Wauconda, Ill. : Bolchazy-Carducci Publishers, 2006, p. 222 – 223.
[9] MIKUS, Joseph A.: *La Slovaquie dans le drame de l'Europe (Histoire politique de 1918 a 1950)*. Paris : Les Iles d'Or, 1955, p. 150.

regulation of customs issues.[10] A special document guaranteed that the armament ordered in the former Czechoslovakia would be delivered on time. The Germans were willing to supply Romania with a quarter of the production of the armament factories in the Protectorate. They opposed Czech companies, seeking to prevent any competition with German ones. In the metallurgical sector, Czechoslovak capital had occupied 10 %, with the companies *Škoda* from Plzeň and *Zbrojovka* from Brno being taken over by the German group *Reichswerke A.G. für Waffen und Maschinenbau*, Hermann Göring's concern, in connection with Dresdner Bank. The *Malaxa* group, the *Reşiţa*, *Metrom* and *Forola* factories from Copşa Mică had over 50 % of their capital coming from *Zbrojovka*.[11] The sphere of influence of the *Waffen Skoda* and *Zbrojovka* concerns included the companies *Explosia*, *Synthesia*, *Továrna na nábojky*, *Optikotechna*, *Uma*, *Radioslavia*, *Stadion and Magneton* in the Protectorate of Bohemia and Moravia and *Železiarne Podbrezová* and *Sandrik Dolné Hámre* in Slovakia. Also, into the sphere of German group *Reichswerke* belonged *Reşiţa*, *Copşa Mică*, *Cugir*, *Metrom*, *Farola* from Romania, and *Rudnica* and *Vistad* from Yugoslavia.[12]

As for the situation in Slovakia, it had to face enormous demands. With the proclamation of independence, the authorities in Bratislava issued Decree no. 2/1939, which also regulated the problems inherited from the defunct Czechoslovakia. Thus, the old trade contracts and tariffs of Czechoslovakia were to be valid on the territory of Slovakia, with all their import and export restrictions, but only after they had been signed by the relevant minister in Slovakia. These economic provisions came into force on March 14, 1939.[13] The Slovak economy had been dominated by Czech capital, which meant that now its place was taken over by German capital. On April 13, 1939, the *Volksdeutscher Zeitung* wrote that German-Slovak relations ought to be based on unreserved economic collaboration, which would be in the interests of both parties. The German

[10] MOISUC, Viorica: *Diplomaţia României şi problema apărării suveranităţii şi independenţei naţionale în perioada martie 1938 – mai 1940* [Romanian Diplomacy and the Problem of Defending national Sovereignty and Independence between March 1938 and May 1940]. Bucureşti : Editura Academiei Republicii Socialiste România, 1971, p. 164.

[11] RĂZVAN, Martin Victor: *Tratatul economic româno-german din 23 martie 1939* [Romanian-German Economic Treaty of March 23, 1939]. In: BUZATU, Gheorghe – DOBRINESCU, Valeriu Florin – DUMITRESCU, Horia (eds.): *România şi al doilea război mondial* [Romania and World War II]. Iaşi : Tipo Moldova, 2010, pp. 41 – 42.

[12] HEŠTEROVÁ, Zdenka: Zbrojárska výroba na strednom Považí od napadnutia Sovietskeho zväzu v júni 1941 do leta 1943. In: HALLON, Ľudovít – MIČKO, Peter a kol.: *Vzostup a pád hospodárskeho vývoja Slovenska 1942 – 1945.* Bratislava : Veda, vydavateľstvo SAV – Historický ústav SAV, 2019, p. 125.

[13] MIČKO, Peter: *Hospodárska politika Slovenského štátu...*, p. 125.

newspaper denied the Reich's intention to incorporate Slovakia and reminded that economic cooperation would bring prosperity not only to Germany but also to Slovakia and not least to the Germans in the Carpathian region. Less soft-spoken was the German diplomat accredited to Bratislava in 1939 – 1940, Hans Bernard, when he declared in the same year that Germany had treated Slovakia as an independent state as it had done with others. But he added that the entire German-Slovak economic cooperation should be an example for other states in the southeast. He saluted the Slovak people who had chosen to live independently under the protection of the Greater Reich.[14]

A difficult task was the creation of the state's own monetary system. On April 4, 1939, the *National Bank of Slovakia* was founded.[15] Slovakia accumulated its gold treasure through trade with neutral states, from which it obtained currencies. Neutral countries played an important role in strengthening the Slovak crown. Switzerland, Portugal, Spain, Sweden and Turkey became Slovakia's trading partners and supported the Slovak crown and exchanged currencies or gold at the *Reichsbank* in Berlin. The cornerstone of the reorganization of the financial system of Slovakia was the Government Regulation with the force of law No. 111 of May 19, 1939. According to this legislative regulation, the Ministry of Finance was granted exclusive jurisdiction in monetary matters.[16] Since the newly created *National Bank* had no gold reserves, it appealed to the population but impact was minimal. Slovak historian Anton Špiesz recalled that his parents donated their wedding rings and received in return a small steel ring with the inscription "The Slovak State thanks you". In reality, an important reserve was created from the extraction of gold ore in 1939.[17] The first Slovak coins appeared soon after, being minted in the Kremnica mint. But during the period 1939 – 1945, coins minted in German mints, in Vienna, or banknotes printed in Prague[18] were also in circulation. On this occasion, an exchange rate of one German mark to 11.62 Slovak crowns and one Slovak crown to 4.77 Romanian lei was also agreed upon. This would directly influence the mark-crown-leu parity to the detriment of Romania's national currency.[19]

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[14] MIČKO, Peter: *Hospodárska politika Slovenského štátu...*, p. 71.

[15] PECNÍK, Marcel: *Peňažníctvo na Slovensku v rokoch 1939 – 1945*. In: ŠMIGEĽ, Michal – MIČKO, Peter (eds.): *Slovenská Republika 1939 – 1945 očami mladých historikov IV*. Banská Bystrica : Univerzita Mateja Bela, 2005, p. 65.

[16] HALLON, Ľudovít: Kapitálové presuny v peňažníctve a postavenie komerčných bánk. In: HALLON, Ľudovít – MIČKO, Peter a kol.: *Vzostup a pád hospodárskeho vývoja Slovenska 1942 – 1945*. Bratislava: Veda, vydavateľstvo SAV – Historický ústav SAV, 2019, p. 208.

[17] ŠPIESZ, Anton – ČAPLOVIČ, Dušan: *Illustrated Slovak History*..., p. 222.

[18] For details, see PECNÍK, Marcel: *Peňažníctvo na Slovensku...*, pp. 67 – 71.

[19] Central National Historical Archives Service (S.A.N.I.C.), Bucureşti / Bucharest, Ministry

Foreign trade was a priority for the new authorities in Bratislava, and Czechoslovakia's old partners, among whom Romania had an important place, had to be reactivated. Slovakia sought to maintain the economic partners of former Czechoslovakia even at a time when it was not recognized by the international community or even by Romania. One of the first countries with which Slovakia negotiated, without taking into account Germany's position, was Poland. On May 2, 1939, a first Polish-Slovak economic agreement was signed. Berlin's reaction was prompt when it announced its disapproval of this agreement. Only on June 22, after several rounds of negotiations, was a trade treaty signed between Slovakia and the Reich, signed by the Minister of Foreign Affairs, Ferdinand Ďurčanský and his Secretary of State, Štefan Polyak, on the Slovak side, and by Ernst von Druffel and Günter Bergmann on the German side. The document came into effect on July 1 and was valid for two years. It would form the basis for future negotiations between the Slovaks and their external partners.[20] Czechoslovakia's former partners could not sign any agreement with Bratislava before having one with Germany. That is why the German-Romanian treaty of March and the German-Slovak treaty of June also formed the basis for the establishment of Romanian-Slovak economic relations. Trade with the German Reich was the dominant component of foreign trade not only of the Slovak Republic but also of Romania. Foreign trade with the German Reich automatically included trade with the Protectorate of Bohemia and Moravia, which represented a relatively large share of this trade in 1939 – 1940.

Under the provisions of the old Romanian-Czechoslovak trade conventions, significant quantities of timber, cereals and oil products were exported to the Protectorate and Slovakia. According to the economic newspaper *Argus*, in June 1939, 58,144 tons of oil products were exported to Slovakia.[21] It is difficult to say how much of this quantity remained to the Slovaks and how much was taken over for the benefit of Germany. The large oil processing companies were located on the territory of the Protectorate and were taken over directly by their new German owners. In order to establish economic contacts between Bucharest and Bratislava, the demands of Berlin, which was not at all willing to make any concessions, had to be taken into consideration. Romania and Slovakia

of National Economy Fund, Agreements Department, 13/1939, f. 21.

[20] MIČKO, Peter: Foreign Trade Relations of the Slovak Republic (1939-1945) with the Countries of South-Eastern Europe. In: *Codrul Cosminului*, new series, vol. XXII, no.1/2016, p. 96.

[21] DANDARA, Livia: *România în vâltoarea anului 1939* [Romania in the Turmoil of 1939]. București : Editura Științifică și Enciclopedică, 1985, p. 280.

were dependent on imports from the Reich, and German concerns controlled the industries in the two countries as well as their mineral resources. Moreover, through the clearing agreements signed with German commercial banks, Romania and Slovakia were not only dependent on Berlin but also had difficulties in establishing direct trade relations. Germany's economic control was considerable, so that relations between the two countries had to be mediated by political and economic circles in Germany.[22] The Ministry of National Economy, through the Imports Department, required those who requested to bring goods from the former Czechoslovakia in the second quarter of 1939 to notify the Department by May 31 whether the products were imported from the Protectorate or from Slovakia. Due to the changes that had occurred in the two parts of the former republic, economic exchanges were difficult with both.[23] Since the summer of 1939, the question of cancelling an order for aeronautical material worth 60 million marks had been posed. The fact that this order was not cancelled was due to the German need not to jeopardize its oil supply. But it was obvious that Germany was going to blackmail Romania by stopping armament deliveries from Czech factories, making them conditional on its own oil supply.[24] Once the Czech capitals that had investments in the *Petrol-Block* had been taken over, the Germans gained new prospects for entering the Romanian oil sector.[25]

The first payments were made in Czechoslovak crowns, the new Slovak currency not being recognized in Romania. In August 1939, the *National Bank of Slovakia* announced in Bucharest that trade between the two countries could be done in Swiss francs through Romanian-Swiss clearing accounts. As the Slovaks opened similar accounts and the Swiss agreed to this tripartite mode of trade, payments were already being made in francs in the autumn of 1939. In September 1939, a Romanian-Slovak agreement was also negotiated for the amounts from Romanian goods in Swiss franc accounts to be used to pay for armament from the branches of the *Škoda* and *Zbrojovka* factories in Slovakia. The Swiss were not very content that armament transactions were done through clearing accounts that concerned their own goods. They agreed in November 1939 that the tripartite operations would not exceed 1 million francs, which amounted to 9 million Slovak crowns. These sums could be collected from two specially created accounts:

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[22] WATTS, Larry L.: *Aliați incompatibili. România, Finlanda, Ungaria și al Treilea Reich* [Incompatible Allies. Romania, Finland, Hungary and the Third Reich]. Bucharest : RAO, 2014, p. 231 – 233.

[23] In: *România*, no. 347, from May 20, 1939, p. 8.

[24] BRESTOIU, Horia: *Impact la paralela 45⁰. Incursiune în culisele bătăliei pentru petrolul românesc* [Impact at the 45th parallel. Incursion behind the scenes of the battle for Romanian oil]. Iași : Editura Junimea, 1986, p. 80 – 81.

[25] BRESTOIU, Horia: *Impact la paralela 45⁰...*, p. 83.

Special Armament Account and the Goods Account. Thus, the Special Account for the Delivery of Armament accumulated larger amounts than the Swiss had anticipated for these deliveries. Only 16,6 % of these amounts could be used for the purchase of arms. This situation made Romanian-Slovak trade problematic. The Romanians agreed that the amounts accumulated in Swiss accounts in crowns should be paid for the debts of Romanian companies to Swiss exporters. The Swiss government refused this solution, preferring that the Romanians should pay directly for Swiss goods and not through amounts accumulated in crowns.[26] It was now obvious that a direct trade agreement was necessary between Romania and Slovakia.

It was not until the autumn of 1939, after the establishment of diplomatic relations, that the first files on economic exchanges could be opened. A few days before Ivan Milecz was received in Bucharest in his official capacity as Slovak minister to Romania, three commissions with German economic specialists arrived here and reopened the discussions on the basis of the economic agreement from March 1939. They ensured that the entire Romanian-Slovak economic exchange would be dominated by the Reich.[27]

The Economic Agreement of December 1939

Until mid-December 1939, trade between Romania and Slovakia was considered part of trade with the Protectorate. The level of imports and exports recorded between Slovakia and Romania increased considerably, reaching a positive balance for the Slovak side. Slovakia's exports to Romania reached 110,587,000 crowns, while Romania sold goods worth 45,993,000 crowns to Slovakia. 85 % of the goods exported by Slovakia were armament, 5,7 % cotton, 4.8 % ironware, magnesite and magnesite bricks 2,8 %. As for Romanian exports, 69 % were oil products, petroleum and mineral oils, 22 % corn, 3,75 % sunflower seeds, 1,5 % wines and 1,4 % pork food products.[28]

Given the circumstances in which the new state was becoming an important partner and occupying significant segments of the former Czechoslovakian trade in relations with Romania, the need to conclude a Romanian-Slovak economic agreement became necessary. Towards the end of 1939, the Ministries of Economy of the two countries gave the necessary instructions for the achievement of a bilateral economic agreement that would replace the old agreements with Czechoslovakia. A Slovak economic delegation came to Romania to negotiate the terms

[26] S.A.N.I.C., Bucharest, Ministry of National Economy Fund, Agreements Department, 35/1939, p. 56 – 60.
[27] BAUEROVÁ, Jana: *Slovensko a Rumunsko...*, p. 126.
[28] BAUEROVÁ, Jana: *Slovensko a Rumunsko...*, p. 128 – 129.

of the future agreement.

Romania wanted the amounts intended for the purchase of armament from Slovakia not to exceed those owed to the factories in the Protectorate. The negotiations, conducted by G. Caranfil for the Romanian side and Ján Országh for the Slovak side, were difficult not only because each partner sought to achieve their own objectives, but also because the agreement could not exceed the letter and spirit of the conventions of Romania, respectively Slovakia with Germany. Each of the two parties had to take into account the limits that the economic agreements with the Reich imposed upon the development of economic relations between the partners. Initially, the Romanian side would have wanted to purchase armament goods worth 30-40 million crowns, the amount that the Romanians were to pay for the armament purchased from the Czech factories. As a result of the negotiations, a limitation of a maximum price ceiling of 25 million was foreseen.[29]

As for oil, the Romanian side did not agree that it should be the only Romanian product for export. Although the Slovaks would have liked to buy as much oil as possible, only 44 % of the total amount for export was oil, 56 % of the total amount coming from other goods. Finally, of the 35 million crowns that the Slovaks paid for products purchased from Romania, 20 million represented the payment for armament goods.[30]

As such, on December 4, 1939, several documents were signed. Among them, a Payment Agreement, an Annex Protocol to the Agreement, a Commercial Arrangement, a Confidential Protocol to the Commercial Arrangement and a Confidential Letter containing data regarding the companies *Škoda* and *Zbrojovka*. The Agreement and the Commercial Arrangement came into effect on December 15, they were to last for an indefinite period, and could be terminated with one month's notice.[31] By the new Agreement, a special account in crowns, in the name of the *National Bank of Romania*, was to be opened at the Bratislava branch of the *Anglo-Prague Credit Bank*. Payments were to be made in clearing. This account was to be funded from settlements made by the two *National Banks.*[32] Goods that had not been paid for up to that point were to be paid for by virtue of previous agreements. The provisional account was to be liquidated once all the amounts were spent. After the coming

[29] S.A.N.I.C. Bucharest, Ministry of National Economy Fund, Agreements Department, 35/1939, f. 52.
[30] S.A.N.I.C. Bucharest, Ministry of National Economy Fund, Agreements Department, 35/1939, f. 54.
[31] S.A.N.I.C. Bucharest, Ministry of National Economy Fund, Agreements Department, 35/1939, f. 10 – 13.
[32] BAUEROVÁ, Jana: *Slovensko a Rumunsko...*, p. 128.

into effect of the new Payments Agreement on December 15, the old accounts were to be mutually liquidated or converted into free foreign exchange. 30 % of the value of the foreign exchange was calculated at the official rate and 70 % could be negotiated. If a debt could not be paid as agreed, the government in Bucharest could change the payment formalities. It would pay the respective amount in lei to Bucharest in order to pay the creditors, who could use this money to buy Romanian goods.[33] At first, the Romanian side was reluctant to collect the oil products amounts in free foreign exchange because it was more advantageous to send them to Germany through clearing.[34] The agreement was the first signal after the establishment of diplomatic relations and the official establishment of the two Legations that relations between Romania and Slovakia were going to improve and develop in a more substantial manner. This proved necessary in order to be able to exploit to the maximum all the possibilities of import, export, storage, transit and re-export between the two countries.

The first article of the Agreement stipulated that the two governments would use free foreign exchange in commercial payments from bilateral exchanges. In the event that payments to be made in Slovakia exceeded the available funds in the account, the Bank was obliged to issue payment orders of up to one million crowns, but only for non-commercial payments. A special note stated that emergency payments exceeding the one million crown ceiling had to be discussed with the Slovak representatives.[35] They made more payments in Romania than the Romanians did in Slovakia, the difference being the subject of tough negotiations.

Article Two of the Payments Agreement stipulated that after three years, the ceiling of one million crowns would be doubled but only in the wake of a prior agreement between the two Banks regarding non-commercial exchanges. If, between March 31 and October 31, the two contracting parties found that there was a balance exceeding the amount of one million in favour of one of the parties, a liquidation procedure was established. If Romania had a surplus, it was to be liquidated by importing Slovak goods, other than those provided for in the agreement. The *National Bank of Romania* accepted that this balance be paid in Italian lire, at a negotiable rate (the agreement specified Romania's interest

[33] GHEORGHE, Gheorghe: *Tratatele internaționale ale României 1939-1965, texte rezumate, adnotări, bibliografie* [Romania's international Treaties 1939-1965, summary texts, annotations, bibliography]. București : Editura Științifică și Enciclopedică, 1983, doc. 10, p. 14.
[34] BAUEROVÁ, Jana: *Slovensko a Rumunsko...*, p. 128.
[35] S.A.N.I.C. Bucharest, Ministry of National Economy Fund, Agreements Department, 25/1940, f. 80.

in purchasing magnetite). This was only possible if Slovakia had a surplus as a result of economic relations with Italy and if the competent Italian authorities did not object. If the balance was in favour of Slovakia, then Romania accepted to export Romanian goods, but also other than those agreed in the trade agreement.[36]

Article Three provided for privileges for prohibited goods or import-export restrictions. It was also specified in this article that the two parties were not obliged to grant the same treatment as in the case of other partners. It took into account the privileged relations between Slovakia and the Protectorate, and between Romania and the states of the Balkan Entente as well. Article Four provided that the *National Bank of Romania* could buy or sell crowns at a negotiated price, any change in the exchange rate having to be announced in advance. The last article stipulated that the Payments Agreement could be denounced with 30 days' notice.[37] If the Agreement had been denounced, the foreign exchange balance was to be spent on the grounds of this agreement until it was exhausted. The agreement also did not provide for the purchase of armament goods from the Protectorate of Bohemia and Moravia. Two annexes, A and B, established the goods that Slovakia would buy from Romania, and Romania from Slovakia, respectively.

Through the Trade Arrangement, the two partners committed to granting each other the "*most-favoured-nation clause*" in trade relations, navigation and for the liberalization of trade in goods under a restrictive import-export regime. The clause considered all provisions to be related to "*the exercise of trade or industry, the acquisition and possession, within the limits of constitutional provisions, of movable and immovable property, as well as taxes and other duties*". The treatment enjoyed by the parties was extended to warehousing, re-export, transit and fiscal privileges. The confidential protocol of the Arrangement considered the quantity and balance of exchanges. The main Romanian interest was in Slovak goods for the needs of the Romanian army and, obviously, Romanian oil for the Slovak side. All provisions expressly specified that economic and trade relations had to be equitable, "*the principle being the perfect balance of exchanges*."[38] Thus, Romania imported military equipment and accessories (significant amounts were specified for cotton yarn) worth 25 million crowns and electrical cables worth 10 million.

[36] S.A.N.I.C. Bucharest, Ministry of National Economy Fund, Agreements Department, 25/1940, f. 75 – 76.
[37] S.A.N.I.C. Bucharest, Ministry of National Economy Fund, Agreements Department, 25/1940, f. 77.
[38] S.A.N.I.C. Bucharest, Ministry of National Economy Fund, Agreements Department, 35/1939, f. 10 – 13.

In turn, Romania undertook to export to Slovakia oil products and 2000 wagons of corn in the total value of 35 million Slovak crowns. The exchange of letters regarding the companies *Škoda* and *Zbrojovka* took into account that the amount due to them should not exceed 15 million crowns and was made above the amounts in the Trade Agreement. These products were to be paid for by "*special goods*" that were not mentioned but it was mentioned that oil could not be more than 50 % of them. Since the parent companies were located in the Protectorate of Bohemia and Moravia, it was specified that it was necessary to obtain the approval of the *National Bank of the Protectorate* and the agreement of the Reich government. From the amount of 35 million crowns that was established for the sale of petroleum goods, the amount of 12 and a half million was deducted, which had been previously established by the contract with the company *Sarex*, which held the export authorization. Likewise, in the case of "*special goods*" that had to be exported to the Protectorate, the amounts granted by the German-Romanian Protocol of September 20, 1939 were reduced.

The instructions for the implementation of the Economic Agreement provided for the granting of import-export permits to companies from the two countries without prejudice in any way to Slovak companies, until the values stipulated in the agreement were to be reached. The taxes that had to be paid for the transit of these goods through neighbouring countries were also taken into consideration, as well as the ways in which goods could be exported on the Danube, under the conditions of traffic in the riparian countries according to international navigation conventions. Slovakia was to be treated in the same way as the riparian countries and as the Protectorate of Bohemia and Moravia.[39] At the same time, both countries being riparians of the Danube, it was taken into account that the transport companies would not be taxed twice but only once in the state in which they had their headquarters and their administrative and financial management.[40]

At the same time, an Agreement was signed with regard to the payment of goods imported from Slovakia until December 15, 1939, when the new convention was to come into effect. This was done through a provisional account in lei opened in the name of the *National Bank of Slovakia* at the *RNB*. Payments were made into this account by Romanian importers for goods purchased from Slovakia. The remaining funds were to be obtained through rebalancing. If the Slovaks had a surplus from the payment of goods, they could import other products, but not oil, cereals

[39] BAUEROVÁ, Jana: *Slovensko a Rumunsko...*, p. 126.

[40] Only revenues from loading, unloading and storage were taken into account, not those from transportation, BAUEROVÁ, Jana: *Slovensko a Rumunsko...*, p. 127-128.

and prohibited goods. The Foreign Relations Service was delegated to verify this provisional account and had to publish in the press the date on which it was liquidated so that no more payments could be made into it.[41]

It was also necessary to regulate the situation of non-commercial goods. These meant the payments that were to be made to diplomatic and administrative personnel, the amounts that were settled for Romanians and Slovaks who travelled from one country to the other for official purposes, payments from tourism and so on. Until this date, these amounts were obtained through an account created by the *National Bank of Romania* in Bratislava following a letter of agreement from June 6, 1939.[42] Following an agreement, Slovakia undertook to pay the Slovak teachers and professors who taught in schools with the Slovak language of instruction in Romania. Since there were no Romanian schools in Slovakia, Romania could have a surplus. Therefore, Slovakia was forced to adjust its non-commercial expenses. It was also suggested that in non-commercial exchanges between the countries and in tourism, the two partners should be generous in treating the other party. The *National Bank of Romania* undertook to pay urgently, without waiting for any kind of payment, up to one million crowns in amounts related to tourism, diplomatic, administrative service and other urgent payments.

With regard to non-commercial payments, the *National Bank of Slovakia* proposed, in a letter dated December 18, 1939, the creation of an account in crowns in Bratislava, and in lei in Bucharest, in which debtors would pay their due amounts. These accounts were to be opened at the branches of the *Anglo-Prague Credit Bank* in the two capitals. The Romanian side did not agree because the *National Bank* did not know how it could grant credits in these accounts or how the extant balances in its favour could be liquidated. As regards the leu/crown parity, the representatives of the *National Bank* were also dissatisfied, considering that the proposed system was totally inappropriate. Thus, the *National Bank of Romania* proposed the creation of a single account, in crowns, in Bratislava, where debtors' amounts would be deposited, and the *RNB* could issue payment orders within the limits of the existing crown availability, at a fixed exchange rate. Such a system was already operating in the clearing exchanges between Romania and the Protectorate, and the Romanian side treated Slovakia on the same principle. Moreover, the representatives of the *RNB* drew attention to the fact that the proposal

[41] S.A.N.I.C. Bucharest, Ministry of National Economy Fund, Agreements Department, 25/1940, f. 84 – 85.
[42] S.A.N.I.C. Bucharest, Ministry of National Economy Fund, Agreements Department, 25/1940, f. 79.

of the Slovak side exceeded the line of the Trade Agreement, which stipulated in Article Five that the issue of non-commercial payments had to be negotiated between the governments of the two countries, the *National Banks* establishing only the technical issues.[43]

Conclusions

The present study is based on a comparative analysis focused on the case of relations between Romania and Slovakia at the beginning of World War II. The examined states had different internal political systems, traditions and tendencies. Slovakia was born with the illusion of independence, being from its inception in the sphere of interests of the Third Reich. Romania swung between the Anglo-French side and the German side during this period. With no compatibility between Romania and Germany on the one hand and too few similarities between Romania and Slovakia on the other, economic relations evolved timidly, developing slowly. They were strongly influenced by the collapse of Romania's most important partner in Central Europe – Czechoslovakia. In addition to military equipment, the Germans also seized the Czechoslovakian production capacities. These realities made the first economic contacts between Bucharest and Bratislava take into account the old economic conditions. Germany could blackmail Romania by stopping arms deliveries from Czech factories, making them conditional on its own oil supply. The transfer of Czechoslovakia's economic potential under the authority of the Reich and the fragile international political scene forced Romania to reorient itself in terms of trade relations.

Small, vulnerable and isolated states, Romania and Slovakia felt the need to make a wide range of concessions in order to attract strong partners even in the absence of political compatibility with them. Romania rushed to conclude economic agreements with Germany after the Little Entente was dissolved with the loss of its main military ally, Czechoslovakia. The economic agreements with Germany were not backed by political guarantees. Romania did not obtain Germany's unconditional support or trust. The Reich could not be convinced to fulfil its commitment to deliver armament in exchange for Romanian resources. In turn, Slovakia, as the direct heir of the Czechoslovak Republic, was forced to join the German economic space. It arbitrarily benefited from the protection of the Reich. Its entire foreign trade was subject to tight control. Thus, Berlin dominated both countries and prevented them from developing a solid bilateral relationship.

The economic agreement of December 1939 attempted to remove

[43] S.A.N.I.C. Bucharest, Ministry of National Economy Fund, Agreements Department, 35/1939, f. 67 – 70.

these obstacles and laid the foundations for trade between the two countries. It envisaged parity between imported and exported goods, mainly considering Slovak armaments and Romanian oil. But since the spirit of the Romanian-German and Slovak-German economic conventions obstructed the free development of Romanian-Slovak bilateral relations, this economic convention quickly proved its limits. Moreover, many of the goods that were to be purchased under the Romanian-Slovak agreement were produced by subsidiaries of Czech factories located on Slovak territory. Therefore, they depended on new managers from Prague. Since these managers were German, they had the firsthand opportunity to supervise trade between the two countries and direct it as their own interests dictated. And the needs of the Reich did not take into account those of the Romanians or the Slovaks.

Zhrnutie

Prvé rumunsko-slovenské hospodárske kontakty a ich ťažkosti (marec – december 1939)

V štúdii je autorom analyzovaný vznik a vývoj prvých hospodárskych vzťahov medzi Rumunskom a novovzniknutou Slovenskou republikou v období od marca do decembra 1939. Autor sa zameriava na ekonomické aspekty vzájomných kontaktov v kontexte zásadných geopolitických zmien po rozpade Československa a postupnom rozširovaní nemeckého vplyvu v strednej a juhovýchodnej Európe. Štúdia vychádza predovšetkým z archívnych dokumentov, diplomatických materiálov, hospodárskych dohôd a odbornej historickej literatúry rumunskej i slovenskej proveniencie.

Autor poukazuje na skutočnosť, že hospodárske vzťahy medzi Rumunskom a Slovenskom zostali v historiografii dlhodobo na okraji záujmu, napriek tomu, že práve ekonomická spolupráca vytvorila základ pre neskoršie nadviazanie diplomatických vzťahov medzi oboma štátmi. Vznik Slovenskej republiky v marci 1939 bol sprevádzaný jej bezprostredným začlenením do nemeckej sféry vplyvu. Slovensko sa stalo prvým satelitným štátom Tretej ríše a jeho hospodárstvo bolo od začiatku pod silnou kontrolou Berlína. Podobne aj Rumunsko čelilo rastúcemu ekonomickému tlaku Nemecka, ktoré sa po rozpade Československa usilovalo získať rozhodujúci vplyv na rumunské surovinové zdroje, predovšetkým ropu.

Významnou prekážkou rozvoja rumunsko-slovenských vzťahov bola práve závislosť oboch krajín od nemeckého hospodárskeho priestoru. Autor poukazuje na fakt, že obchodné kontakty medzi Bukurešťou a Bratislavou boli často sprostredkované nemeckými inštitúciami a hospodárskymi záujmami. Nemecko kontrolovalo veľkú časť bývalého

československého priemyslu, vrátane zbrojárskych podnikov Škoda a Zbrojovka, ktoré mali významné väzby na rumunský priemysel. Súčasne mohlo využívať dodávky zbraní ako nástroj nátlaku na Rumunsko výmenou za zabezpečenie dodávok ropy.

Štúdia podrobne analyzuje najmä rokovania, ktoré vyústili do podpísania rumunsko-slovenskej hospodárskej dohody 4. decembra 1939. Dohoda pozostávala z platobnej zmluvy, obchodnej úpravy a viacerých dodatkov a tajných protokolov. Jej cieľom bolo vytvoriť právny rámec pre priame obchodné vzťahy medzi oboma štátmi a nahradiť dovtedajšie riešenia vychádzajúce ešte z československých hospodárskych dohôd. Základným princípom dohody bola vyváženosť obchodnej bilancie. Slovensko malo do Rumunska vyvážať predovšetkým vojenský materiál, bavlnárske výrobky, železiarsky tovar a magnezit, zatiaľ čo Rumunsko sa zaviazalo dodávať ropné produkty, kukuricu a ďalšie poľnohospodárske výrobky.

Autor dospieva k záveru, že hospodárska dohoda z decembra 1939 predstavovala prvý významný krok k systematickej spolupráci medzi Rumunskom a Slovenskom a vytvorila základ budúcich obchodných vzťahov. Napriek tomu jej praktický význam zostal obmedzený. Dôvodom bola predovšetkým dominancia Nemecka, ktoré kontrolovalo hospodársku politiku Slovenska a zároveň výrazne ovplyvňovalo ekonomické rozhodnutia Rumunska. Mnohé produkty zahrnuté do vzájomného obchodu pochádzali z podnikov pod nemeckou správou, čo Berlínu umožňovalo dohliadať na obchodné toky a usmerňovať ich podľa vlastných potrieb. Ekonomická spolupráca medzi oboma štátmi sa preto rozvíjala len opatrne a v rámci limitov určených nemeckými záujmami. Dohoda z decembra 1939 teda položila základy vzájomného obchodu, no nedokázala odstrániť štrukturálne prekážky vyplývajúce z podriadenosti oboch ekonomík nemeckým strategickým záujmom.