

ASPECTS OF ROMANIAN PETROLEUM INDUSTRY IN THE INTER-WAR PERIOD

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ABSTRACT: Petroleum has represented one of the most important natural resources of Romania. The year 1857 marks a triple world première for the Romanian petroleum industry: the first petroleum production officially registered; the first petroleum industry and Bucharest, the first city ever to be illuminated with petroleum. Petroleum has constantly contributed to the modernization of the Romanian society. In the inter-war period, the maximum petroleum production was reached in 1936 with a production of 8.784.000 t of petroleum. The extraction and the process tried to keep up with the most advanced technological methods in the world. The largest part of the petroleum production was exported during the inter-war period. Romania has exported petroleum products in more than 40 countries. For instance, in 1931, Bulgaria assured itself more than 97% of the necessary of petroleum products from Romania. The modernization of the Romanian society had been made, in general, through exports of petroleum, cereals and wood. Petroleum has represented, especially in the forth decade of the last century, more than 40% of the value of the whole Romanian exports.

АСПЕКТИ НА РУМЪНСКАТА ПЕТРОЛНА ИНДУСТРИЯ В ПЕРИОДА МЕЖДУ ДВЕТЕ СВЕТОВНИ ВОЙНИ

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РЕЗЮМЕ: Нефтът представлява един от най-важните природни ресурси на Румъния. Годината 1857-а е известна с трикратното водещо място на румънската нефтена индустрия в света: първото официално регистриране на нефтената продукция, началото на нефтената промишленост и Букурещ -първият град озарен някога с нефт. За просперитета и модернизацията на румънското общество несъмнено допринася производството на нефт. То достигна своята максимум през 1936 г., в периодът между двете световни войни, като продукцията му достигна до 8.784.000 т нефт. При добива и производството на нефт се използват най-модерните технологии, познати в света. Най-голямото количество нефт беше изнесено през периода между двете световни войни. Румъния изнася нефтени продукти в повече от 40 страни по света. Например, през 1931, 97% от потребностите на България от нефтени продукти се задоволяваха от Румъния. За модернизирването на румънското общество основно допринася износът на нефт, зърнени храни и дървен материал. Особено през 40-те години на миналия век износът на нефтени продукти представлява повече от 40% от стойността на целия румънски износ.

Petroleum has represented one of the most important natural resources of Romania. The year 1857 marks a triple world première for Romanian petroleum industry: the first petroleum production, the first refinery and Bucharest the first town ever to be illuminated with petroleum, all registered on international level. Petroleum has played a decisive part in the modernizing of Romanian society, especially during the last century of our history. The inter-war period owns a special place in this evolution.

Our intention is to insist on several aspects of this evolution, emphasizing the problems regarding the export of petroleum goods. Romania's petroleum production has evolved according to the following table:

Year	Production in tones	As a percentage apart from the year before
1857	225	
1900	250 000	90 809
1913	1 885 619	654.9
1919	920 488	-51.2
1920	1 034 138	12
1921	1 163 315	12

1922	1 365 830	18
1923	1 515 658	10
1924	1 851 303	22
1925	2 316 504	25
1926	3 241 329	30.9
1927	3 661 360	13
1928	4 268 541	17.5
1929	4 827 290	12.9
1930	5 744 000	18.9
1931	6 657 000	15.9
1932	7 350 321	10.4
1933	7 387 000	0.49
1934	8 473 355	14.7
1935	8 394 000	-0.94
1936	8 784 000	3.65
1937	7 149 641	-18
1938	6 610 000	-7.55
1939	6 240 000	-5.6
1940	5 813 000	-6.85
1941	5 577 000	-4.6

In 1857 Romania's petroleum production has been of 225 t. towards the end of the nineteenth century it has grown spectacularly, reaching 258 000 t. up to the outbreak of the

First World War the maximum production has been reached to 1 885 619 t, in 1913. After the war, in 1925, the level of production during the pre-war period has been exceeded (2 316 504 t). The production has continued to increase constantly, even during the period of economic crisis in 1929-1933. The crisis has affected the petroleum industry through the obtained prices, which were far lower than the ones before the economic crisis' outbreak, when the production level was substantially lower. The highest Romanian petroleum production level during the period between the two world wars has been reached to 8 784 000t, in 1936. After this period the petroleum production has dropped constantly, mostly as a result of the degeneration of the international relations and because of the Second World War outbreak.

Petroleum drilling registered a positive evolution. The maximum depth was reached in 1937, with a total of 394 500 linear metres and the higher performance was obtained in 1931, when 47,7 t./ linear metres were registered. Drilling 's cost on linear metres has constantly diminished from 17800 lei in 1926 to 2300 lei in 1936, and the cost of the extracted petroleum was diminished from 13 000 lei to 1030 lei in the same period.

The refinement evolved in parallel with the whole petroleum industry. The maximum petroleum quantity used for process was reached in 1935 with 8 134 300 t, which represented 96, 90 % of the total petroleum production of the country. The average of the petroleum quantity used for process, reported to the total of the internal production, was around 91 % for the whole inter-war period.

The performance of the petroleum process knew a slow improvement. 'Petroleum Monitor', the most important publication of the Romanian petroleum industry, has sustained an intense campaign in order to introduce modern methods of process and especially refinement. In 1926 'Concordia' society inaugurated the first equipment of refinement in Europe, named "Dubbs". Being introduced, the performance of this method was lower than the American one. In 1928 the performance of gas acquisition using refinement was about 30 % in U.S.A. and 18 % in Romania, and in 1936 U.S.A. obtained 40 % gas using refinement of the treated petroleum, of fuel oil and of gas, while the Romanian industry obtained only 25, 9 %.

Since 1924 the process of well gas has begun. Though, in 1928 only 10 % of gas was captured, but by the end of the inter-war period the proportion grew to about one third. The performance of the gas process grew from 68 Kg of gasoline/ 100 m³ in 1924 to 145, 4 Kg / 100 m³ in 1936. In 1928 Ploiesti has become the first city in the country to be fueled with superior gas.

The foreign capital has dominated the petroleum industry, but, in parallel, the Romanian capital has grown from 8, 8 % in 1929 to 23, 1 % in 1936 and 26, 16 % in 1938.

The commerce regime had as general principles the satisfaction of the internal needs, the prohibition of gross petroleum and of fuel oil export.

The situation of the export of petroleum in the inter-war period follows from the table below:

Year	Total tons	Index (1900, 1919 and 1930 = 100)
1900	77 646	100
1913	1 056 008	1 360
1919	38 906	100
1920	246 997	635
1921	362 284	931
1922	430 513	1 107
1923	384 534	988
1924	436 246	1 121
1925	787 177	2 023
1926	1 494 230	3 841
1927	1 920 381	4 936
1928	2 350 288	6 041
1929	2 847 086	7 318
1930	3 867 208	100
1931	4 667 983	121
1932	5 166 905	134
1933	5 883 720	152
1934	6 546 973	169
1935	6 611 491	171
1936	6 884 716	178
1937	5 668 337	147
1938	4 494 762	116
1939	4 177 571	108

Year	Export's value (thousands lei)	Index (1900, 1919 and 1930 = 100)
1900	10 448	100
1913	131 484	1 256
1919	63 173	100
1920	657 767	1 141
1921	1 858 671	2 942
1922	2 601 579	4 118
1923	3 222 426	5 101
1924	3 377 920	5 347
1925	5 780 591	9 150
1926	9 463 346	14 980
1927	7 453 849	11 799
1928	8 048 254	12 740
1929	9 590 677	15 182
1930	10 408 594	100
1931	6 901 090	66
1932	7 178 850	69
1933	7 879 100	76
1934	7 213 626	69
1935	8 454 009	81
1936	8 960 313	86
1937	12 790 942	123
1938	9 310 501	89
1939	11 224 905	108

As we can see, the number of exports was low. But it has grown constantly. If the production level from 1913 has been exceeded in 1925, the pre-war export level has been exceeded in 1926, reaching 1 494 230t differing from 1 056 008t in 1913. "Petroleum Monitor" has explained the slow growth of Romanian export through the growth of the intern consumption required by the increase of Great Romania's population and by the export of fuel oil interdiction. Fuel oil represents 32% of the total of petroleum.

After the pre-war level has been overtaken, export has risen year after year, as well as the production, reaching the maximum level by 6 884 716t delivered, in 1936. After this date, the export level has dropped every year.

The most required petroleum goods were: petrol, lamp oil and gasoline. The largest petrol quantity has been exported in 1936: 2 096 671t. From 1919 to 1925 the export of fuel oil has been prohibited.

Under the new inflationary circumstances the pre-war quota has been exceeded in 1920. The highest rate has been reached by 12 790 942 000 lei in 1937.

The economic crisis period has been followed by an important fall of the petroleum export value, although the exported quantities have risen substantially in that period.

In 1913 the countries with the largest use of petroleum goods were: England with 22,4% of the total of the Romanian export, France with 14,6%, Germany with 12,2%, Italy with 11,4% and Turkey with 6,2%. In 1925 the largest importers were: England with 122 346t, Egypt with 101 957t, Austria with 91 963t, Greece with 82 278t, Hungary with 70 658t, Italy with 62 604t, France with 57 394t, Yugoslavia with 52 069t, Germany with 50 421t etc. in 1936, Romania was exporting petroleum goods to more than 40 countries all over the continents. The most important were: Germany with 1 072 402 t, France with 866 322 t, England with 846 276 t, Italy with 653 222 t, Malta with 375 884 t, Austria with 341 804 t, Egypt with 300 867 t.

In the analysis of the petroleum export it is important to follow also the Romanian import of petroleum goods percentage of the total goods imported by different countries. Here follows a table that shows the percentage of petroleum goods that have been imported by different states in 1931:

No.	Country	The percentage of petroleum goods imported from Romania
1.	Bulgaria	97.10
2.	Hungary	95.44
3.	Spanish Morocco	92.21
4.	Syria and Lebanon	86.78
5.	Austria	82.95
6.	Yugoslavia	78.86
7.	Egypt	70.71
8.	Palestine	66.25
9.	Greece	55.15
10.	Tunisia	38.32
11.	Turkey	28.65
12.	Algeria	26.83
13.	Spain	26.30
14.	Italy	25.02
15.	Czechoslovakia	18.82
16.	Portugal	17.01
17.	France	11.54
18.	Estonia	11.21
19.	England	8.63
20.	Libya	8.12
21.	Switzerland	6.91
22.	Belgium	5.65

23.	Germany	5.63
24.	Albania	4.46
25.	French Morocco	4.11
26.	Holland	3.10

The largest amounts were being exported through Constanța Harbour: 74,33% in 1929 and 81,29% in 1936. Here almost 90% of the exported quantity was being transported through pipes and the rest was brought by C.F.R. Giurgiu while the other harbours had a total export of 15,92% in 1936 and the Customs had 2,79%.

Romania has constantly been in the front rank of "the hierarchy of the world's great exporters of petroleum", through the exported quantities. In 1928 it was situated on the sixth place in the world's greatest exporters' chart, with a quota of 4,10% of the total export. It was preceded by U.S.A (37,10%), Venezuela (20%), Mexico (13,80%), Persia (8,20%) and U.R.S.S. (5,25%). In 1937, Romania was the fifth country, after Venezuela (19 000 000t), U.S.A. (15 000 000t), Iran (8 500 000t) and The Dutch Indies (6 500 000t). In Europe, Romania was the first and the second petroleum exporter country, preceded by U.R.S.S. throughout the whole inter-war period.

Romania's export of petroleum in the inter-war period has played a major part in the commercial scale of Romania. Petroleum has had the main contribution in the configuration of the national budget. The „Petroleum Monitor" which never ceased to underline the major effects on the pay roll of the economic crisis period has emphasized this fact. In 1936, petroleum has had a contribution of 8 960 313 000 lei, out of 21 698 521 000 lei, the total value of the entire Romanian export. (41,3%).

Here follows a table that shows a comparison between the contribution of the export of petroleum to the commercial scale of Romania and the other exports, during the period between 1932-1936:

Year	Petroleum goods exported % out of total	Cereals % out of total	Wood % out of total	Other goods % out of total
1932	43.1	34.3	7.3	15.3
1933	55.3	23.0	7.2	14.3
1934	52.8	17.4	10.8	19.0
1935	51.7	19.6	8.7	20.0
1936	41.3	31.5	7.7	19.5

This situation determined Mitita Constantinescu, a great Romanian economist, to state that, in less than 15 years, the oil industry changed the traditional perspective over Romania. In his words, "We were no longer an important country due to our agriculture, but due to our industry, and this was achieved by one product: the oil".

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