

“THE ECONOMIC MAGAZINE” FROM SIBIU, AN IMPERATIVE OF THAT TIME BETWEEN 1898-1918

R. IVAN

Rica Ivan

Faculty of Electrical Engineering and Information Technology, University of Oradea, Romania
E-mail: rika_ivan2005@yahoo.com

Abstract: *“The Economic Magazine”, particularly meant on the service of the Romanian financial institutions, to which was given a common publicity organ, of which they would use of, in all their practical needs and which to contribute for the spreading over of futuristic experiments of the ruling circles in the economic life of the Transylvanian Romanians, it put its service for the national economic interests by publishing wide lists of economic themes useful to all national economic fields. It had a much wider horizon than the one strictly connected to the financial-banking relations and interests. In this case, also, the Romanians national interests came first comparing to the strictly economic ones.*

Keywords: *banking system, banking strategy, financial banking interests, reforms banking, expert reviewers, pension found*

1. INTRODUCTION

Understanding the major role and the complexity of economic progress, the Transylvanian Romanians promoted in the second half of the 19th century next to vast political program also a rich economic program, well contoured multilateral and deepen in.

In their exertion of economic prosperity and national freedom, the Romanians from Transylvania needed functional institutions and organizations through which to be absorbed all the energies that the Romanians disposed of potential targeted and directed then towards the achievement of centennial ideals and aspirations of national unity.

On this purpose it was improved and enlarged the activities horizon of the economic institutions of which the Romanians from Transylvania disposed of, new institutions were created, meant for the economic and financial prosperity of keeping the dignity and increasing the national prestige.

After many attempts and ineffective tries in the economic media field the Romanian Transylvanians finally succeeded at the end of 1899 to establish a publication in this field, which to be suitable with that time's exigency. It is about “The Economic Magazine” breakthrough.

The issue of “The Economic Magazine” as an organ dedicated particularly to the financial and commercial companies was possible due to high level of development that the Transylvanian Romanian banking network had reached.

Through the complex activity that it displayed and through the collective grouped around it, “The Economic Magazine” played the role of a true economic school in Transylvania.

Just as the Romanian banks, “The Economic Magazine”, the outface in the period between 1899-1918 the hostile attitude of the Hungarian officials and of a large part of the Hungarian press. A major role in those 20 years from the appearance of “The Economic Magazine” was the one of its managers, great personalities of the Romanian culture and science in the first three decades of the twentieth century.

Because of the decisive initiative and help of Cornel Diaconovici, in his quality as a manager, appeared in Sibiu, beginning with the year 1899, the first publication in this field of the Romanian Transylvanians.

Militant leader in the cultural purview, Cornel Diaconovici brought himself a major contribution for editing “The Economic Magazine”, but also for publishing a large number of studies referring to the Romanian Banks Reform in Transylvania (Diaconovici, 1899)

The second great personality in the financial, banking, economic and political domain, which had a manager’s and collaborator position of “The Economic Magazine”, was Ioan I Lapedatu.

At the scientific and publicist level, the Transylvanian economist published books, studies, articles, consignments and informations with varied themes. In the most prolific years of his activity, he practiced all the possible publicist genres. There is also to be remarked his particular contribution as a politician, in solving the problems Romania was facing at that time, and for elaborating a proper legislation.

Beginning with 1st January 1908 “editor in charge” of “The Economic Magazine” was nominated Constantin Popp, constant and truthful contributor of it. His activity as a highly bank officer matched in a perfect way with his publicist activity, together with the leading of “The Economic Magazine” (Popp, 1923).

2. The Program and the Themes of “The Economic Magazine”

The diversity of the programmers and themes of “The Economic Magazine” is presented in the next chapter of the doctorate thesis.

The new stage of the economic development imposed new requirements in the Romanian economic thinking and practice, imposed by the new management manners.

“The Economic Magazine” was from the very beginning an authorized councilor of the financial and commercial circles, through its pages being spread the specialized experiences and knowledge of those who dedicated their entire activity exclusively to the economic studies.

Initially, without leaving out agriculture’s problems, the program of spreading economic knowledge was primarily targeted to financial and accountant matters.

Tracing the themes’ evolution and the initial program’s appliance of “The Economic Magazine”, we may notice that it was initially created with the purpose of serving the interests of the Romanian Bank from Transylvania and exclusively sustained by these. But it didn’t confine only to dealing bank business, strictly meaning, but also appreciating the interaction status between the financial institutions and the Romanians’ economic condition and their importance and influence on banks.

“The Economic Magazine” widened its field of actions and the themes, handling topics referring to all aspects of the Romanians’ lives and activities (Lapedatu, 1903: 430).

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Besides being a publicist means of spreading the progressive ideas and experiences, it was also an organ of publicity, which to be directly used by the Romanian banks.

Appreciating the interaction status between the financial institutions and the Romanians ‘economic condition, “The Economic Magazine” widened its field of action and the themes, handling topics referring to all aspect of the Romanians’ lives and activities (industry, exchange, agriculture).

“The Economic Magazine” for achieving the Romanian banks ‘reunion into a common junction, publishing send offs, pointing out books and manuals’ advent conferred a particular place. “The Economic Magazine” militated for the institutionalism’s development in the economic, cultural and socio-historic fields.

The idea of a cultural found of the Romanian banks bestowed by “The Economic Magazine” became an integrated part of the programs. The Romanian Banks’ Conference. Preoccupied with the perfecting of the Romanian cultural and economic organisations from Transylvania, “The Economic Magazine” publishing house considered that this process would facilitate the assuming of an as perfect common language as possible for all the Romanians and a homogeneous terminology (Diaconovici, 1899)

As an institution, “The Economic Magazine’s” publishing house was forced to develop a varied theoretical, practical and utilitarian theme.

Studying and knowing the economic laws and phenomena, called “The Economic Magazine’s” publishing house did not contribute a pure theoretical purpose of its own. It was made in the purpose of substantiating ways and trends in which was supposed to be headed a certain economy. From the Romanian economists’ point of view, opinion also shared by the editors from “The Economic Magazine”, the most important link in the economic organisations of the Transylvanian Romanians was the banks. Of their financial strength and ability would depend the development’s acceleration of both, Romanian agriculture and industry (Diaconovici, 1903).

The pages of "The Economic Magazine" hosted, next to problems referring, to economic processes, also their theoretical interpretation and studies concerning the society’s future: socialism or capitalism.

The crises, its effects and solutions were analyzed by the collaborators of “The Economic Magazine”, in close relationship with the economic realities in which they displaying the Romanian banks' activity, meaning during the periods of economic crises, general or partial (Diaconovici, 1904: 305).

The reflections concerning the crises arisen in "The Economic Magazine" are of a preventing nature, not post- factum.

The representatives of "The Economic Magazine" made quite some reflections concerning the competition and its effects on the Romanian banks with the purpose of tracing the ways and means of strengthening their resistance in both, the struggle against the competition from inside the Romanian banking system, and in the struggle for survival against foreign financial organisations.

“The Economic Magazine” pondered not only the general concerns respecting the ways of development and of the economic progress of the Romanians (Lapedatu, 1906), it was also

preoccupied in elaborating some plans for improving and making efficient activity sectors of the Transylvanian Romanians.

Such an activity plan in a long time framed was the one referring to the Romanian banking sector strengthening.

3. "The Economic Magazine" Promoter of the Strengthening and Developing Reforms of the Transylvanian Romanian Banking Network. The Support Given for Creating, Developing and Perfecting the Promotor Institutions of the Romanian Banking System Reform

Although the Romanian banks had reached quite a high level, still their simple extension no longer constituted a rational process. It was imposed the consolidation of the existing ones, concomitant with a process of funds' increase of which it disposed, and of centralization, in the possible cases of several banks. This imperative demand of the moment was picked up deeply realized by the Transylvanian economists.

As a result of the analyses and searches a new Institution was created through which to be achieved radical reform of the functioning mechanism of the Romanian banks.

The institution was given the name of The Romanian Banks' Conferences.

The five conferences of the Romanian Banks and the meetings of the Romanian Banks' delegation had as a purpose the fundamental reorganization of the Romanian banks guiding themselves according to "solidarity and association", principle according to which the reform of the Romanian banks were displayed.

Initiator of the Transylvanian Romanian banks' reforms of consolidation and development, "The Economic Magazine" replied to these needs of the Romanian banks, which in that period had to face many forms of competition. From the many lacks the Romanian banks were suffering of, "The Economic Magazine" publishing house draws the attention on two major categories:

- a) lack of external control;
- b) lack of movable assets.

The Romanian banks had liabilities (deposits, reaccounts), mostly on short-term, which in shortage, were about to be paid off in a relatively short time, while the assets, even those less strict, most of them, couldn't be achieved but on long-term.

The two categories of defects that the Romanian banks were suffering of, could be removed according to "The Economic Magazine's" publishing house or through:

- a) the interested circles' self-action;
- b) or through the state's power. This second way was rejected mainly by the reform's promoter

The great virtue of Cornel Diaconovici consists in the fact that while the state's pressure on the Romanian banks was exerted, he succeeded to hold forth such reform measures in order to avoid the governmental intercession on these. From the Hungarian State, he draws everyone's attention; the Romanian banks couldn't wait for any help (Diaconovici, 1899).

Cornel Diaconovici showed the Romanians that they needed such financial-banking organisation in order to prevent the action of the state legislation through a self-contained social action, to consolidate themselves through self-initiative, through their own forces, to use that human asset they disposed of, changing over its knowledge and experience into a real factor, of national heritage.

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The Romanian banks had reached-according to Cornel Diaconovici - to such a level of development, that for surviving for their own interest, they needed to do everything that was in their power for their own self-sufficiency .This goal could be achieved only if they themselves were willing to elude the inconveniences and the subsidence that were in their lives and couldn't be denied .The stricter and the more rigorous self-imposed the Romanian banks' measurements for the reform would be ,the more they would impose the respect of their self-sufficiency from the Hungarian authorities.(Diaconovici, 1901: 101)

There were indicated measures of unconditioned and uninterrupted insurance of the Romanian banks' solvency of avoiding deposits; jeopardize through exaggerated extending of the reaccounts, of confirming the public's trust in the banks administration, of of attracting available Romanian funds, of ensuring a deeper control from the stockholders and their deponents. The whole reform was meant as a social, self- eaction of the interested institutions, meaning a spontaneous work, began and achieved at free will.

Just as his forerunner, Ioan I. Lapedatu draw his attention on consolidating the reforms' themes, he underlined t the necessity of the reasonable use of the reaccount credit, on improving the deposits' structure.

Marking out, once again, the shortcomings of the Romanian banking system, Ioan I. Lapedatu outlined in the pages of "The Economic Magazine" a new program of the banking political strategies, through which it had to stand out to the competitive environment imposed by the banks belonging other ethnic groups, meantime consolidating their positions within the Transylvanian economy. (Lapedatu, 1906: 261)

The idea of passing to a new organisation in an institution with its own functioning status, provided with executive organs and with their own control organs, was taken over and supported. It is about "The Solidarity", an association of the financial institutes, of which, "The Economic Magazine" from Sibiu published a large number of pages.]

4.Control Perfecting, Major Component of the Banking System Reform: the Experts Inspectors Institution

Launched and sustained, the idea of controlling in the Romanian banking system, it would arouse many discussions for and against predicting, mental changes, the recurrence on certain points of view, initially supported. discussions regarding the authorities that should be registered with surveillance attributions.

But "The Economic Magazine" was the press mechanism that widely and truthfully reflected the whole problems of control displayed for two decades.

It supported within its pages any initiative of establishing Romanian institutions that had the vocation to fill the Romanian economic institutionalized landscape, and also to contribute to the efficiency of the existent ones by taking over or by decongestion them of some duties (Lapedatu, 1906: 237).

An institution like this was the institution of the expert revisers, strongly supported by the magazine's editors, to who belongs the greatest part of the initiative and the practical support of establishing, developing and consolidating it.

Giving a high appreciation for the activity of the reviser experts, the editor's office of "The Economic Magazine" was writing about this institution: " it has had throughout its activity

of nearly two decades many difficulties to defeat, but it also had wrathful and beautiful years of activity that will never be forgotten, whatever the future will be. The inspectors-experts' conferences represent a new stage in the development of the inspectors-experts' institutions.

5. Social Problems and the Insuring Problem of a Retirement Fund for the Romanian Banking Clerk

The problems of the clerk's retirement were, next to the one of controlling, one of the most important ones.

Disciples of the social solidarity, the editors of "The Economic Magazine " often debated the problems connected to the bank officers' level of qualification, but also the of insuring a decent living and insuring the future in case of retirement, or of other unhappy circumstances that might happen to them. They considered that the banks were interested in creating elite officers, whose interests were identified with the bank's interest.

The forming of a fund for allowance for the clerks is not an act charity, but an economic need imposed by the well-understood interests of the bank managers.

"The Economic Magazine" took care of the retirement issue for their private officers, illustrating with many examples and digits many times, a whole series of ways through which the pensions of the bank officers could be created and assured.

6. The Banking Institutional Profile's Enlargement through Establishing Insurance Units

As a component of the interests of the Transylvanian Romanian banking financial circles, the "The Economic Magazine" published an important number of materials, through which it fundamental the opportunity and the importance of an insurance bank, exclusive property of the Romanian nation. (Lapedatu, 1912: 185)

After establishing The Bank of Insurance, the "The Economic Magazine" continued publishing materials in order to support the development and the consolidation of the insurance spirit among the Romanians. In the editors' office vision, the Insurance Bank, in Transylvania's condition at the beginning of the XX" century, also received an important educational role. It needed to promote not only the idea of saving, but also the one of predicting.

The insurance Bank constituted a new link that completed the Romanian financial institutional system, having the vocation of contributing to the enhancement of the economic and financial capacity of the Romanians.

7. The National Unity Idea Reflected in "The Economic Magazine". Pages Between 1899-1918

The establishing of "The Economic Magazine" marked a superior stage in marking out the intense economic connections between the two sister countries, but also revealing the unity in principle and action concerning the economic area of the Romanians from both sides of the Carpathians. It developed a vast program of informing the Transylvanian public regarding the dynamics of the Romanian economy between 1898-1918.

The attention of the Transylvanian Romanian banking circles, the versatile economic relationships the businesspersons from both sides of the Carpathians were sustaining reflected in the particular care given to the Romanian banking movement.

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The editors of "The Economic Magazine" were the exponents of the most interesting part of the population in completing and unifying the terms in general, but of the financial-banking, in special.

8.CONCLUSIONS

Established as a means of communication in the service of the Transylvanian Romanian banking system, "The Economic Magazine" was forced by unfavorable historical circumstances to suspend and reject numerous attacks pointed against the Romanian banks and against banks of other non-Hungarian cohabiting nationalities (The Romanian banks were blamed of baffling the colonizing plan with the Hungarian population from Transylvania).

“The Economic Magazine” published not only materials that testified the discriminatory attitude of the Hungarian banks towards the Romanian population, but also materials in which were admitted, in an honest way, the activity of the Romanian banks.

By reading the pages of "The Economic Magazine", we realize that its editors were forced to take great efforts, especially in editing a modern magazine in the hostile Romanian business environment, a graphically appropriate one, but also at the highest level, that the economic science had already reached from the first half of the twentieth century.

Conclusion, we may declare that "The Economic Magazine" from Sibiu may be considered a cultural institution, with multiple services in the economic, cultural, historical and cultural areas. It was an organizational institution meant in the service of the institutional development of the Romanian people.

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