Petru Sebeşanu Aurelian – The First Economist of the Romanian Academy

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Abstract

Petru Sebeşanu Aurelian was born in Slatina on December 13, 1833 and he died in Bucharest on January 24, 1909. He is one of the most prominent people in the 19th century Romania. Agricultural engineer, politician, and one of the greatest Romanian economists, Petru Sebeşanu Aurelian was a strong supporter of Romania's progress and independence, both in practice, through his professional and political activity, and in theory, through the ideas he put across in his writings. Petru Sebeşanu Aurelian was an advocate of mercantilism and economic nationalism. He was especially concerned with the possible ways to reduce the economic gap between Romania and the more developed countries and considered that Romania's economy had to rely upon agriculture, and yet not neglect industry. In this paper we will try to identify the main coordinates of the paradigm within which Aurelian laid down the solutions for Romanian's modernization in his times.

Key words: protectionism, nationalism, industry, progressist agriculture
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1. Introduction

Petru Sebeşanu Aurelian attended primary school in his native town, Slatina, and then went to Bucharest to attend *Sf. Sava National College*. The year he graduated was the 175th anniversary of that prestigious education institution. After that, he became the curator of the college library, received a scholarship from the Ministry of Education to specialize in agricultural science and went to study at the Ecole Imperiale d'Agriculture (nowadays AgroParis Tech) in Grignon. Upon returning, he dedicated his time to publishing papers (in magazines such as *Monitorul*, *Agronomia*, *Monitorul comunelor*, *Revista Ştiinţifică*, *Economia Naţională*, *Economia rurală*) and to teaching (at the School for Agriculture in Pantelimon, at the School of Herăstrău).

P. S. Aurelian was the first economist to become a member of the Romanian Academy in 1871, at the age of 38, and then its president at the age of 41, in 1901. He strove to put his economic ideas into practice as a Minister of Public Works (1877 and 1887), as a Minister of Cults and Public Education (1882), as a Minister of Internal Affairs (1901), as a Minister of State Domains (1902), as the president of the Council of Ministers (1896) and as a member of Parliament belonging to the Liberal Party within which he built his own group titled "flagist" or "the liberal left" (which also included Barbu Ștefănescu-Delavrancea, V. A. Urechia, A. D. Xenopol, Petre Grădișteanu, Vasile Lascăr and many more). The group's major pursuit was to introduce the reforms that were necessary for the Romanian society on its way to progress, especially by attracting the youth to the economic field. A good example in this respect was the 1897 initiative to create a bank, the Romanian General Bank, (P. S. Aurelian himself was the chairman of the Board of Directors) that was to provide the Romanian bourgeoisie with capital.

2. Theoretical background

Petru Sebeşanu Aurelian looked into the political situation of the country and believed that only through science would Romania be able to reach the level of the developed countries and that education had the decisive role in putting the outcome of scientific research into practice: "The purpose of ideas, of the most useful, most practical ones, is to be in latent waiting until a vigorous impulse forces them to become reality" (Aurelian, 1967, p. 26). Petru Sebeşanu Aurelian understood the importance of studying political economy in high schools. He understood that building an individual practical economic culture was essential for the progress and the development of any nation: "The teachings of a nation must tally with its needs and aspirations; the needs and aspirations of the Romanian people, both economic and national, call for their children to know how the economic development of a people grows, and this knowledge comes from studying political economy" (Aurelian, op.cit., p.22).

In the following two decades, Petru Sebeşanu Aurelian was self-consistent in his scientific research and published a workbook titled *Elemente de economie politică* (Elements of Political Economy) in 1889. In the foreword, Petru Sebeşanu Aurelian pointed out the fact that the citizen's lack of economic training had negative consequences upon the individual (it affected the citizen's own interests) and upon the whole society (it prevented vital problems of the national community from being properly solved) (Murgescu, op.cit., p. 231)

He distinguished himself through important attempts to make political economy popular and materialized them in his paper *Catehismul economiei politice. Cu adăogire de ştiinţa bătrânului Richard după Benjamin Franklin* (The Catechism of Political Economy. With comments on Benjamin Franklin's Poor Richard's Almanac) published in 1869. Costin Murgescu considered that the work lacked in scientific value, yet he emphasized the importance of its publishing "in an era in which many voices – some belonging to prestigious personalities in the country's cultural and political arena – denied the scientific value of political economy and tried to prevent it from being taught" (Murgescu, 1994, p. 230-231).

With respect to the mentioning of the famous American scientist and politician, Benjamin Franklin in the title of the paper, we can say that Petru Sebeşanu Aurelian positioned himself in the so-called "franklinian moment" mentioned by Gh. Zane in his posthumous paper *Despre regulile unei bune conduite în viaţa economică* (On the Rules of Good Conduct in the Economic Life). The Romanian intellectuals who were active in the first half of the 19th century published translations and comments on Franklin's writings which combined the principles of political economy with the principles of ethics and morality with scientific and literary virtuosity (Ionescu, 1994, pag. 155).

As a minister, P. S. Aurelian took part in organizing competitions, exhibitions and national and international fairs. Also, he published a series of three economic monographies: *Notice sur la Roumanie, prinipalement au point de vue de son economie rurale, industrielle et commerciale, avec une carte de la Principaute de Roumanie* (Notice on Romania, especially from the point of view of its rural, industrial and commercial economy, with a card of the Romanian Principality (together with Al. Odobescu, in 1867), *Terra nostra. Schiţe economice asupra României* (Our country. Economic sketches on Romania) (in 1875) and *Bucovina. Descriere economică însoţită de o hartă* (Bukovina. Economic description accompanied by a map) (in 1876).

3. Research methodology

In writing the paper, we have used the documentary method and we have consulted the most relevant writings of the great Romanian economist and the writings of various authors who have expressed their opinion on the scientific value of his ideas. The systematic research we have undertaken has guided us into extracting Petru Sebeşanu Aurelian's mind map on topics such as mercantilism, protectionism, economic nationalism and his solutions to modernize Romania and reduce the gap between our country and the developed countries by relying especially on agriculture but also on industry.

4. The Modernization of Agriculture: "Progressist Agriculture"

An agricultural engineer, P. S. Aurelian placed the agrarian reform at the forefront of the economic and social issues, as he believed that "our future depended on our agricultural reorganization" (Aurelian, op.cit., p. 8). Thus, "the first thing we have to do is to boldly follow the true path of progressist agriculture, the path of agricultural improvement" (Aurelian, op.cit., p. 91) Being preoccupied by the fate of the peasantry, P. S. Aurelian wanted the freedom of the peasants from the feudal servitude, their becoming owners of the land and the support of the peasants' households by the state. He rejected the system of agricultural agreements as it was enslaving for the peasants, as well as the peasants' insufficient ownership of the land. Modernizing agriculture meant a radical reform of the situation of the Romanian peasant through:

- abolishing all duties that prevented the peasant from going forward;
- a certain combination to give the peasant a piece of land;
- the government's easing of the means for the peasant to improve his intellectual, moral and material status. (Aurelian, op.cit., p. 6)

The progress of agriculture was possible only in the contest of the landowners' direct use of the land, which automatically meant giving ownership to the peasants. Tackling the issue from an economic perspective, P. S. Aurelian phrased two conditions for efficiently exploiting the land:

- The owner of the land had to be present / to live there;
- The owner of the land had to have proper specialized knowledge as well as sufficient capital.

From a political point of view, history has proven that land ownership by the peasants has positive effects: on the one hand, the owners protect their land in difficult time, and on the other hand, they are less tempted to immigrate. The subtlety of the ideas presented by this Romanian economist, who also provided historical examples to support them, is valid even when we superimpose it to the situation we are currently having in Romania nowadays, when a great deal of the population immigrated either because of reasons mentioned by P. S. Aurelian, or because there were no well paid jobs in other branches of the Romanian economy (or even because there were no other branches of the national economy).

The importance of agriculture springs from the status of the Romanian economy: "Nowadays three quarters of the country's population works in agriculture. Our foreign trade is supplied by agricultural produces. The country's finances come mostly from the peasants. Our armed forces are mostly made up of the peasants' children" (Aurelian, op.cit., p. 152)

As far as the size of the agricultural holding is concerned, P. S. Aurelian believed that middle sized and large farms needed to be predominant. In his paper Terra nostra he emphasized the importance of irrigations and of fertilizers in order to increase the efficiency of the agricultural activity. He also emphasized the need to breed cattle, to improve the livestock, to grow technical/industrial plants, to keep bees.

The essence of the agricultural revolution envisaged by P. S. Aurelian meant changing the production relations within the agricultural activity, through a capitalist transformation of the relationships between land owners, tenant farmers and peasants. In his 1881 article *Reformarea legii pentru tocmeli agricole* (Reforming the law for agricultural agreements), P. S. Aurelian showed that, even though tithe and corvee had been abolished, the 1864 laws were deeply unfavorable to peasants and led to their impoverishment: the peasant who had become land owner could be legally forced to work for the boyar and if he refused to do so according to the agreement (and most often he was illiterate and was not aware of the terms of the agreement) workers could be employed to work in his place. Unfortunately, his proposals to reform the law (contracts should be signed for a year maximum, only the owner of the land should be able to sign contracts with the peasants who live on his land, the periods for peasants to work in should be clearly stated) were ignored, especially since P. S. Aurelian rejected the very term of agricultural agreement that he considered to be ambiguous.

5. P. S. Aurelian's Liberalism

Supporter of economic nationalism and promoter of the country's industrialization, P. S. Aurelian adhered to the doctrine of Friedrich List, the father of German protectionism, signing the foreword of I. N. Papiniu's translation into Romanian of his work *Sistemul national de economie politică* (The National System of Political Economy). Aurelian's economic view had common points with the writings of Saint-Simon, Carey, Bastiat and even Rousseau.

His view on population makes P. S. Aurelian a genuine mercantilist: "a large, sinewy population that live well is the main factor of a country's prosperity" (Aurelian, op.cit., p. 124-125). When discussing the population issue, Aurelian meant not only its quantity (he agreed with Rousseau who had claimed that a numerically insufficient population was a major problem in any country), but also its standard of living.

He supported the introduction of protectionism in foreign trade and the creation of a national industry. He held that giving up the free trade policy was the only way to insure Romania's economic independence as a sine qua non condition to consolidate its political independence. He denounced the effects of the 1876 commercial convention with Austria and Hungary, given that Austria had not recognized Romania's autonomy in 1873 when it had asked our country to organize and share a common stand with Turkey at the Universal Exhibition in Vienna – the Austrian International Exposition. His position regarding the signing of this convention is the proof of his patriotism which characterizes most of his writings: when a country is in the position of signing a commercial treaty with an experienced country which has been encouraging its national production and thus has created a thriving industry, then the respective country must "think again and again since any rush can be fatal".

The Romanian economist presented the country's possibilities for industrial development in his 1881 paper titled *Cum se poate fonda industria în România şi industria română faţă cu libertatea comerţului de importaţiune* (How Industry in Romania Can Be Founded and How It Can Relate to the Freedom of Imports). The practical ways to support the development of the industry were analyzed in his papers. In *Politica noastră comercială faţă cu convenţiile de comerţ* (Our Commercial Policy in Relation with Trade Conventions), a paper published in 1885 the author suggested replacing bilateral commercial treaties with a customs system opposing all partner countries, which could insure the country's economic independence. Other papers were published in 1890 – *Politica noastră vamală* (Our Customs Policy) and *Viitorul nostru economic* (Our Economic Future).

He was against leasing the exploitation of the country's natural resources to foreign monopolies: „We, the current generation, have no right to dry all the country's sources of wealth because, God help us, Romania will not live only as long as we live"(Aurelian, op.cit., p. 52).

P. S. Aurelian supported the need to develop the small and the large national industry according to the long term interests of any country. He used as examples the USA, a country that supported the silk manufactories, and England, a country that supported the sugar industry. As far as England was concerned, it was a supporter of the free trade. In Aurelian's view supporting free trade led to economic subjugation which was similar to the use of the sword in conquering territories. His qualities as an objective theorist and a fine observer of the economic realities made him say without being wrong that „ the English have always had the most protective legislation for their national industry and they invoke the freedom of trade only when they are convinced that others can no longer compete with them" (Aurelian, op.cit., p..61).

Knowing the Romanian economic reality quite well, P. S. Aurelian believed that the first industries to be developed were those that were dependent on the raw materials that were available in the country (sugar, paper, silk).

6. Conclusions

The greatest merit of P. S. Aurelian's economic thought is that at its core there is the concept of a country and of the protection of the country's interests. The essential imperatives of his economic thought were the interdependence between economic and political independence, the selection of the means of development for the national productive forces in the context of taking

certain protection measures against the interests of the foreign capital, and the harmonization of class interests (of the industrial bourgeoisie) and the country's interests.

In his opinion, the state was to create the general framework for the individual initiative to manifest itself and to issue a long term general economic program to target the economic development of the country. This program or plan was to include two distinct parts (the consolidation of already existing branches and the creation of new ones, such as mining, breeding cattle and fertilizing the land, and had to start by setting priorities: agriculture had to be the foundation of the economic structure while the creation of a national industry had to be the first major objective.

Another essential contribution of P. S. Aurelian's was his unceasing effort to make political economy popular, which determined Henri H. Stahl to consider him a herald of 'Haretism' as a movement to bring culture to the masses (Stahl, 2001, p. 160-161). As the liberal I. C. Brătianu said, „ P. S. Aurelian's name will forever be connected to our economic rebirth. He was the one to lay down the foundations of our agricultural education and fully contribute to the organization of our entire national economy. (…) His activity was driven by two big ideas – a sincere democracy and a warm nationalism!" (Malinschi, 1990, p. 50).

7. References

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