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## **The Rise of Titans? Economic Transition and Local Elites in Post-1918 Banat and Transylvania<sup>1</sup>**

### **Abstract**

The article analyzes two interrelated aspects of the reconfiguration of business and managerial groups in the southern Banat, an industrial powerhouse of pre-1918 Hungary, and Transylvania, annexed to Romania in 1919. First, it analyzes the role of managerial groups in the survival of Budapest and Vienna high capital, and, second, the cooptation of new Romanian political elites into the existing structure of informal cooperation between economy and politics. The special position of the region within Austria-Hungary's economic space created strong ties with the center, including notable investment by transnational capital in partnership with Vienna and Budapest business elites. However, while these companies were represented on the ground by managers and administrators, it was rather a multiethnic local economic elite that was entangled with other groups of local elites prior to 1918.

After 1918, the attempt by Romania to strengthen Romanian capital at the expense of Austro-Hungarian businesses and the takeover of some of the administrative and most of the political elite positions at the local level by Romanian parties created a dynamic that endangered the existing balance. Subsequently, high capital used its existing business networks and engaged with Romanian capitalists to establish partnerships that preserved the influence of Austro-Hungarian owners. The managerial group of the transnational companies gained national significance as go-betweens, and the new local political elites were coopted with informal means to shield the owners from nationalization. Thus, the transition brought about a functional change of the role of the managerial group, but without making them more embedded locally. This equated to a partial reorientation of the region away from Budapest and Vienna and toward Bucharest as the new source of political but less of economic power, and a change within the political subgroup of the local elite, without, however, significantly modifying their practices of capital accumulation.

### **Keywords**

elites, managers, social mobility, post-WWI transition, Austria-Hungary, interwar Romania

### **A Curious Marriage and a Strange Godfather**

Not only the inhabitants of the diocesan seat, Timișoara (Hun. Temesvár, Ger. Temeschwar), but members of the broader Romanian public were informed of a high-society marriage that took place in the very early days of January 1935 in the palace of the multiethnic city's Catholic bishop. The groom was Max Aușnit. One of the wealthiest men of the country, Aușnit was a Jew from the port city of Galați who was considered to own the entire steel

production sector and control significant parts of the machine building market in Romania. Aușnit came to real prominence after the First World War, when the former Hungarian territories annexed to Romania brought with them a significant industrial base, including the iron works in the Banat and Hunedoara (Hun. Hunyad) County as well as coal mines in the Jiu Valley. As the owners of the factories were Viennese and Budapest capitalists, all former “enemies” of Romania, expropriation of this property immediately came on the agenda.<sup>2</sup>

The owners of these industries knew what to expect. From the very first moment they looked for solutions to preserve their business empire, which reached well beyond these assets. What they faced was dubbed nationalization. New rules imposed on companies prescribed how many out of their shares and board memberships were to be held by Romanians – understood not as ethnic Romanians, but citizens of the country. The steel and coal mining companies now operating in Romania had many problems. They suffered from worn-down fixed capital due to wartime underinvestment, hardships of financing because of capital controls, and disrupted trade relations across the new borders that affected the purchase of materials and sale of products. Yet the emerging unitary market of Romania, in which iron and steel production was practically monopolized by these companies, made it too tempting to give up on them easily.<sup>3</sup> Soon, a complex and simultaneously very simple solution emerged that enabled the former owners’ continued presence and influence over their property: cloaking, that is, founding new companies in partnership with Romanian businessmen.<sup>4</sup> Max Aușnit became one of those Romanian captains of industry who benefited from the new arrangements. He already owned a steel work in the port city of Galați, and in 1923 he became the general director and largest shareholder of a new company, Titan-Nădrag-Călan.

The story of Aușnit’s betrothal, or at least the version presented in the contemporary press, was one well-suited to the image of man with infinite resources at his disposal, and consisted of familiar tropes of a romantic love story. The bride, Livia Pordea – 25 years younger than the 46-year-old Aușnit – had graduated from a Swiss boarding school or even from the Sorbonne, depending on which newspaper report one read. She loved the Riviera, and it was there where Aușnit met her for the first time. She loved jazz music, and when, while listening to a jazz singer, she made a remark about a Romanian jazz singer whose sound she adored, the next evening he was there – flown in from Bucharest by Aușnit.<sup>5</sup> She fell in love with Aușnit, while her previous suitor, an officer, was nearly driven to suicide.

Livia’s father, Augustin or Gusztáv Pordea, was an influential lawyer in the city of Cluj (Hun. Kolozsvár). He was old enough to have been socialized in the Hungarian educational system from secondary school,<sup>6</sup> and he held a degree from a Hungarian university. He was, moreover, Greek Catholic, coming from a milieu where interactions with Hungarian-speaking gentry and educated middle-classes – who were often distant kin – was rather frequent.<sup>7</sup> It did not make Pordea a Hungarophile.<sup>8</sup> He was a member of the Cluj Romanian National Council in November 1918 and a delegate to the Great National Assembly of Alba Iulia (Hun. Gyulafehérvár)<sup>9</sup> that declared the annexation of Transylvania to Romania. However, it made him well suited for the role of interlocutor, a typical occurrence in interwar Romania’s politics.<sup>10</sup> All the more because he soon started a political career as a regionally prominent figure of the National Liberal Party.

The National Liberals, the party of Prime Minister Ion I. C. Brătianu, saw themselves as the founders of Greater Romania and the natural party in power. Ion I. C. was the third prime

minister from the Brătianu political dynasty, following in the footsteps of his father and uncle. His party was in government again from 1922 to 1926, at which time it passed the country's new constitution (1923) without seeking support from the opposition. It was at the helm of the country for twelve years out of the two decades between 1918 and 1938. Its government handled most of the nationalization cases too. Even Pordea was involved in one of them, that of the *Erdélyi Bank/Banca Ardeleană*, a manoeuvre to salvage the banking subsidiaries of the *Pesti Hungarian Commercial Bank*, one of the large shareholders of Titan-Nădrag-Călan. But Pordea was also a political resident in the predominantly Hungarian-speaking Odorhei (Hun. Udvarhely) County as an MP and senator from the National Liberal party list.<sup>11</sup>

While seemingly distant from the marriage itself, the Aușnit-Pordea betrothal was in more than one way entangled with the Hungarian past of the province. The crown jewel of the conglomerate around Titan-Nădrag-Călan was Reșița (Hun. Resica, Ger. Reschitza), the iron works established in the eighteenth century. Surrounded by a large domain of forests, and complemented with coal mines, Reșița soon became the key site of Romanian arms production. In 1920, its facilities were already transferred to a new Romanian company, *Uzinele de Fier si Domenile Reșița* (UDR), following the well-known cloaking model. Reșița's original owner was the *Erste Österreichische Staatseisenbahngesellschaft* (STEG), which had French, Austrian, and Hungarian shareholders. The company's center was in Budapest, and since 1906 its managing director was Béla Veith, an esteemed engineer.<sup>12</sup> In 1918 Veith moved from Budapest to Reșița, where he was the *spiritus movens* of manoeuvres to avoid nationalization. It was actually Veith who later came up with the plan of the Titan complex and secured a position on its board for himself. He thereby acted in dual capacity as the director of the UDR and representative of the STEG, with nominally only a minority shareholding position in Reșița.

Veith brought with him from Budapest to Reșița a young company official who had served as the secretary to the director from 1912 to 1918. Károly or Carol Révay, a Hungarian by birth who allegedly also held an Austrian passport, was a much less conspicuous presence than his boss. However, when it came to the negotiations around Titan, he was the key confidant acting in Bucharest. Again, he was not just an employee of Titan, but also the representative of the non-Romanian owners within the syndicate, as the protocols of the general assemblies show.<sup>13</sup> Later, he took over management of Reșița from Veith.<sup>14</sup>

Aușnit's marriage to Livia, "the most beautiful young lady of Cluj" as one magazine article stated,<sup>15</sup> was not as simple as one might presume it to have been in a civil marriage country such as Romania. There was indeed a civil marriage: one newspaper claimed it was held in Cluj, while according to another it was held in Călan (Hun. Pusztakalán), a romantically unromantic place, the location of Aușnit's iron works but also his "feudal estate." But the Greek Catholic Pordeas seems to have been quite stringent in this regard and insisted upon a religious marriage. The couple's wedding was administered by high-ranking diocesan priests in the presence of the bishop, Augustin Pacha, in the chapel of the bishop's palace. But Aușnit was a Jew, meaning that in order to receive the sacrament of marriage, he had to convert. Only weeks before the ceremony, in December 1934, Aușnit travelled to Timișoara, entered the bishop's chapel, and left it baptized as a Christian. His godfather was none other than his employee and confidant, Révay.<sup>16</sup> The once petty Hungarian official of a huge transnational company suddenly became the godfather of the wealthiest man in Romania.

Most probably, the technicalities of the marriage were of Révay's making, as he was well-embedded within the society of the Banat and could pull all the necessary strings to make the conversion and marriage swift and pompous. To make this happen, however, he had to achieve something before: he had to retain, and even heighten his social position within markedly nationalistic interwar Romania. While Aușnit's marriage was a cute story for the high society pages of the newspapers and illustrated magazines, the story that lay behind it is the story that this article addresses: how economic and political reconfigurations after the First World War empowered certain social groups to gain access to the elite, and how the presence of important economic companies affected local social relations between old and new elites.

This smaller, often micro-scale story is obviously part of a much larger one, the reaction of business to the political changes in general and that of the ones after the First World War in particular. Business history yielded quite a few relevant works about this phenomenon,<sup>17</sup> although – as Kim Christian Priemel concluded – it is too often detached from questions of more general history.<sup>18</sup> Some of these works seek to answer questions related to the economic behavior of firms that are more relevant for management studies than for history, and even the historical ones very often set their sight at the highest level of the corporate hierarchy, the owner-managers. Politics – to which the relation of these businesses is crucial for these kind of analyses – is also often considered at the ministerial or cabinet level and much less as a local or regional phenomenon.

A notable example is Alfred Reckendrees' fascinating oeuvre on Heinrich Flick and his business empire, including how Flick built his presence in Poland with techniques of cloaking that were part of the repertoire of Austro-Hungarian businesses too, and how the successes of Reckendrees' protagonist were based on his intimate relations with politics. Although Reckendrees demonstrates forcefully how Flick capitalized on his role as an agent of the German government, and how the secrecy of these arrangements enabled him to extort material benefits from the state and complement his business empire with new acquisitions on the state's account, the means of locally embedding his operations are not in the focus of this analysis, not even at the level of states other than Germany, like Poland.<sup>19</sup> Even accepting Priemel's own assessment of Flick as someone for whom psychological ownership was not important,<sup>20</sup> and therefore who considered questions about specific factories and their local scale less significant, the absence of any strong state to turn to for support after the First World War makes the story of the afterlife of Austro-Hungarian businesses in Central, Eastern, and Southeastern Europe different.

While Austria and Hungary remained on the map of Europe after 1918, their governments had very limited means to support the endeavours of their capitalists abroad, be it investment or just retrenchment in the face of state pressure. Hungary's leadership seems to have preferred to devote the limited resources at its disposal to support landowners who suffered losses from the radical agrarian reforms.<sup>21</sup> Therefore, the story of the survival of industrial and commercial enterprises resembles much more closely how Jones and Lubinski presented the history of Beiersdorf's continuous maneuvering against politics, especially regarding how the Hamburg-based company built its transnational presence on separate companies in the various countries and on more informal, often only trust-based links with the German parent firm.<sup>22</sup>

While this article certainly speaks to this literature too, its main questions are not questions of business or economic history. The economic transition from Austria-Hungary to its successor

states and the economic consequences of this process certainly provide an important context, one that is indispensable for understanding what this article is about: social changes, that is, how changes in politics and their impacts on the economy created conditions for upward social mobility for people who – with various social and professional backgrounds – were connected with Austro-Hungarian businesses. In this sense it is a study of border effects; the drawing and institutionalization of new boundaries triggered these changes and brought with them the appearance of the usual state toolkit for their control and their instrumentalization as economic barriers – if necessary.<sup>23</sup>

Within this very broad group, I focus on those who not only climbed up the ladder but who reached a social position that is possible to identify as being part of an elite. Elites are notoriously elusive for the social sciences, even though their existence as a group of people who have significantly more influence on key decisions than “commoners” is hardly questioned within broader society.<sup>24</sup> To gauge what an elite is, and answer the question what makes an elite, the social sciences and history have come up with a series of qualifiers pertaining to the source of elite status or the role of elites, like ‘positional’ or ‘multipositional elite,’ ‘reputational elite,’ ‘power elite,’ ‘achieving elite,’ or ‘decisional elite’.<sup>25</sup> What unites all these approaches is that elites have real power and influence on decisions, and elites’ weight is perceived as outsized when compared to most of the members of society. Through this involvement with decision-making processes, being ‘elite’ becomes both a role in society and a function.<sup>26</sup> The basis of this outsized power can vary. One of its elements is access to different forms—material, social, cultural, institutional—and sources of capital.<sup>27</sup> Another element is the performance of a role – and not only as a decision-maker, but within broader society – in a way that conforms with broader social expectations of what elites should do and how their reputation as elites should be signified – through material and symbolic goods, property, consumption, associational membership and leadership, and various forms of recognition.<sup>28</sup>

While research on elites is often linked with the state and the nation, and posits the existence of the elite at the top of a state or a national society, it is possible – and common in the literature – to shift the scale of analysis, and to move to a transnational or local focus, or to hone in on a single institution.<sup>29</sup> Thus, the question I seek to answer is: Did the new constellation of businesses offer access to capital for new, more locally or regionally defined groups to make them part of an elite, whether a new, national one or a more narrowly understood regional or local elite? And if the answer is yes, what exactly were those sources of capital which they drew upon, and what kind of elite status did these sources of capital induce?

I take a single business network: the one organized and managed in part by the Pesti Hungarian Commercial Bank (*Pesti Magyar Kereskedelmi Bank*, or colloquially, Pesti, henceforth PMKB). This choice has two important reasons, a structural and a methodological one. The PMKB successfully preserved most of its assets in Romania and this stability helps us grasp factors that were more inherent to the changes within the corporate structure as the result of its interaction with politics, rather than exogenous or specific to the individual cases. The PMKB is especially suited to look at how concrete techniques of survival, methods of cloaking, and the role individuals played in the process – a topic hitherto neglected in the literature because of the scarcity of material<sup>30</sup> – benefited certain groups within the broader range of managers. Thus, I use the individual cases that rely on the common framework of

this structural resilience as typical examples that reveal more general factors behind careers distinct from the individual qualities of those concerned.

Based on the level of elite position attained I distinguished three basic categories: (1) transnational business or national business and political elite, (2) national business elite, and (3) regional business and/or political elite. Within these categories I mostly focused on the starting point of careers in terms of the level of position before 1918 and whether they came from Romania or abroad and from within the PMKB business network. As we will see mostly these starting points defined the sources of capital the individuals could mobilize for their own social rise. The cases I use are illustrative in the sense that they cover all fields of this potential matrix even though there are more potential examples. As my question is, however, not about the history of managers or the corporation, rather about the history of becoming part of the elite, they suffice as examples that highlight the factors behind this specific kind of social mobility.

How this case of the PMKB network is representative for other businesses in Romania? The secondary literature in the 1970s and 1980s mostly agreed on the success of foreign companies in salvaging their assets after 1918 and recent works corroborate those conclusions.<sup>31</sup> In this sense PMKB is just one of many possible examples. Nevertheless, certain aspects of the PMKB's history prior to the war, most importantly its long presence in Romania and embeddedness in Romanian business circles, still makes this case specific. This way the example I use manifests a model of changes that was probably the optimal possible outcome for non-Romanian businesses, shown by the request of other non-Romanian businessmen who sought the assistance of PMKB, and offered the best conditions possible in Romania to rise and not fall within society for anyone linked to this network.

From this approach, I mostly base my analysis on sources held among the material of PMKB. This is an extremely rich fond, unparalleled by other ones in Budapest and Vienna, and the documents reveal an unusual amount of details, including complete cloaking contracts, verbal agreements and bribes, always indicting the persons involved. My method of selection was rather simple. I started from a single company, Lugoș Textile (in the city of Lugoș, Hun. Lugoș, Ger. Lugoșch), because it was geographically related to my broader research project. Using the insights gained from this material, I moved to other companies whose significance was clear from sources like the press, and the documentation of which was substantial enough for my purpose. (Thus, companies like ASTRA in Arad (Hun. Arad) could not have been part of the research as the PMKB archives does not hold much documentation on them.) Finally, I used mostly newspapers to track the protagonists further and reconstruct their life trajectories. While this method is certainly not sufficient for a comprehensive analysis of the PMKB network from an economic or business history perspective, it gives important clues for answering my question about social change and locality.

### **Conquest, Daring Economic Plans, Economic Nationalism, and Resilience**

At the end of the First World War, Romania annexed more than 100,000 kilometers of territory from the Kingdom of Hungary. The acquisition brought into the enlarged Kingdom of Romania thousands of business facilities, including mines, iron and chemical works, automotive and machine factories, textile works, food producers, and banks, many of them subsidiary branches or affiliates of business conglomerates organized around Viennese and Budapest banks and companies. Their value and output was much higher than that of similar industries on the territory of Romania's Old Kingdom (Moldova, Walachia, and Dobrogea), making them the prize of occupation. Easily qualified as enemy property, expropriation loomed over these assets, and Romanian politicians faced little restraint in making threats of seizing them.<sup>32</sup> Even if it did not come to a general seizure and liquidation, the Romanian government soon required that every company under Romanian jurisdiction have two-thirds or later three-fourth of its shares owned by Romanians and two-thirds of its board members comprised of Romanian citizens – a policy called Romanianization or nationalization.<sup>33</sup>

With the annexation of these parts not only important natural resources – coal, natural gas, iron ore, bauxite, forests, gold, etc. – fell under Romanian jurisdiction. Hungary and Romania were already before 1914 the two fastest growing economies of Central, Eastern and Southeastern Europe. Moreover, industrial growth was in both countries higher than in the region elsewhere, attaining more than 4% annually on average.<sup>34</sup> While, contrary to earlier assumptions, the interwar years did not bring a quick fragmentation of the region, and the region's economic growth surpassed that of the Western core bringing average per capita GDP from 36% to 42% of the Western average, Romania's economy was among the few that became less open in this period.<sup>35</sup>

Integration of more industrialized regions with natural resources and with a legacy of rapid pre-WWI growth, moreover one that had a similar sectoral composition than that of Romania was probably one of the reasons why Romanian politicians felt they could resort to more protectionist politics after the war. This made the owners of locally based businesses in the new Romanian territories less depressed with the prospect of new borders. They soon discovered the benefits of high tariffs that prohibited imports to a market where they enjoyed monopolistic or oligopolistic advantages. Their managers quickly learned the customs of making business with Romanians and the ways to navigate Romanian politics, which was more volatile than dualist Hungary's almost uninterrupted one-party rule between 1875 and 1918. As Máté Rigó has highlighted, survival for local non-Romanian business elites was rather the rule and not the exception after 1919.<sup>36</sup>

But soon it turned out that the nationalization of companies whose main owners were still abroad was successfully thwarted too – just as in most of Central and Eastern Europe. Even though a series of decrees and laws attempted to put transactions of shares under state control between 1918 and 1922, and in 1919 an expropriation-like takeover was planned within Transylvanian Romanian political circles, in the end only Hungarian state property was taken over.<sup>37</sup> The regulation of transactions with private property rather served the purpose of creating better conditions for politically linked Romanian businessmen to buy into the foreign owned companies. But the same Romanian businesses, instead of promoting what Romanian politicians imagined as a national bourgeoisie, often facilitated further investment from abroad into other key Romanian companies too.<sup>38</sup>

Developments in the mining sector reflected this phenomenon quite well, and the reorganization of the largest coal mines of the country, Petroșani (Hun. Petrozsény) and Lupeni (Hun. Lupény) in the Jiu Valley was more or less a template of cloaking techniques that were later used by everyone. Moreover, those mines were partly owned by PMKB through the Salgótarjáni Kőszénbánya Rt (Salgótarján Coal Mines).<sup>39</sup> The recipe went as follows: bring the assets and facilities of the companies into a newly established, legally separate company in partnership with Romanian businessmen. Then, acquire shares in the new company in exchange for the assets, without committing additional financial capital. To deflate the nominal participation rate of non-Romanians, use some of the Romanian partners or Hungarians from Romania to front for the owners, a practice that was sometimes done by providing them with the financial means to pay for the shares. In order to avoid being outvoted, syndicate the shares with the Romanian partners, demanding unanimous decision-making regarding strategic issues, and secure safe places on the board for the delegates of the non-Romanian partners, while predefining the distribution of profit among the syndicate members. Finally, invite prominent Romanian public figures to the boards whose presence would vouch for the “Romanian” character of the companies.<sup>40</sup> For their part, the Hungarian owners retained a position of equal influence and secured the larger part of the profits even with a minority stake in the new company.<sup>41</sup>

With a few not insignificant, but initially technical-looking additional provisions, this became the template for most of the companies that transitioned from exclusive Hungarian or Hungarian-Austrian ownership, to a new, allegedly Romanianized – and prosperous – future. More often than not, these arrangements led to successful retention of assets, profits, shares, and influence over management. All the more, because one of the technical looking, but in reality very significant provisions that was inserted in the contracts was a covert way of siphoning the income from the new companies to the old owners. The old companies often had significant debts or other types of financial liabilities on their books owed to businesses in third countries, either in Allied ones or in Switzerland. The Romanian partners committed to the repayment of these debts denominated in foreign currency against a Romanian *lei* rapidly losing its value. But in reality, those liabilities benefited the old owners, generating additional income on their side. For example, in the case of the Titan-Nădrag-Călan Ironworks, the *Allgemeine Depositen AG* from Zürich received an annual fee from the Călan Ironworks – a company hardly operational at the end of the war – in exchange of the mining rights held by the Swiss and estimated to have a value of 80,000,000 lei. The business group led by Max Aușnit (whose family company in Galați was part of larger Austrian business networks before 1916<sup>42</sup>), which took over the majority of the shares, promised to redeem those exploitation rights in ten yearly installments. However, the *Allgemeine Depositen AG* was a holding company owned by the *Magyar Élelmiszerszállító és Árukereskedelmi Rt*, itself a company affiliated with the PMKB, which was the owner of the Călan Ironworks before the apports of its assets – the security for the loan – to the new conglomerate.<sup>43</sup> Similar arrangements were in place in the contract regarding Petroșani and Lupeni. In both cases it was stipulated that after paying the debt, the Romanians would take a larger share of the company. However, this obligation was never fulfilled, leaving the old owners in a strong position.<sup>44</sup> Others in a strong position were those, who knew about such deals.

PMKB was more than just one actor among many who wanted to transition their assets into safety without heavy losses. As a well-established presence already in pre-1918 Romania with strong ties to Romanian businesses and businessmen, it was often sought after to facilitate



arrangements for others, including the Jiu-Valley mining companies.<sup>45</sup> For its services in this transaction it was rewarded with extra shares in the new company. The strong position in the broader Romanian economy meant since 1905 a significant share in the Marmorosch and Blank Bank (colloquially *Blankbanca*), one of the five largest banks in the Old Kingdom. Moreover, among the foreign owners of the bank that operated in partnership with the Blank family, the bank's actual managers, it was PMKB and its vice-chair, Fülöp Weiss, who established the closest practical cooperation with the Blanks, Maurice and Aristide.<sup>46</sup> PMKB even had one of the directors of *Blankbanca*, Richárd Söpkéz on its own payroll until 1920. This fact was, however, not a secret: Söpkéz was ennobled in Hungary in 1914 and the title deed explicitly mentioned his services to the Hungarian economy as director of the *Blankbanca*.<sup>47</sup>

Marmorosch and Blank became even more important after 1918 when it was regularly associated with the now domineering National Liberal Party, the party dominated by the Brătianu family. Leaving government in 1919, the National Liberals came back to power in 1922, and from then steered the legal and economic process of unification. One of the first steps their government took was to deny official approval of all the plans of the non-Romanians for circumventing nationalization. Among them the PMKB's scheme developed with the *Banque de Crédit Roumaine* – affiliated to the Viennese *Creditanstalt* and managed until the end of the 1930s by its trustee, Oscar Kaufmann<sup>48</sup> – to salvage its network of branches and affiliated banks.<sup>49</sup> Thus, PMKB – after exhausting all other options – coopted *Blankbanca* and *Banca Chrissoveloni*<sup>50</sup> for managing together the *Erdélyi Bank/Banca Ardeleană* in Cluj that took over the PMKB branches. The same Romanian banks – which offered their assistance for cloaking quite broadly<sup>51</sup> – were part of the founding of the Titan-Nădrag-Călan Ironworks, and they also helped PMKB to salvage the Lugoj Textile Company and the Tesatura Iași<sup>52</sup> in which the Budapest based Kammer Brothers held a significant share too.

None of these transitions was simple and it was often a bumpy road until a stable new situation could be secured. Alternative plans were often drafted and negotiated, only to be thwarted by changing circumstances. But by the mid-1920s, Hungarian capitalist securely held their assets in what was now Romania, often reaping handsome profits. Among them PMKB held most probably assets of the largest value, very significant even at the level of the whole Romanian economy. Two Viennese banks, the Wiener Bankverein and the *Creditanstalt* had a comparable presence in pre-1914 Romania, but no other Hungarian bank was involved in the Romanian economy to the same extent. Before 1914, PMKB's Hungarian group of affiliated companies constituted the largest such network in Hungary, extending to mills, chemical companies, coal and stone mines, ironworks, food processing and trade, and machine factories.<sup>53</sup> With the annexation of a large part of this network to Romania, it is safe to claim that PMKB's holdings were the largest of any formerly Austro-Hungarian bank in Greater Romania.

The weight of this economic conglomerate is well illustrated by a few figures. The bank was the largest shareholder of the Jiu Valley mines, which produced over one half of all coal in Greater Romania (more than 1.6 million tons in 1927). Petroșani was – among industrial firms – the company with the third-largest share capital (about 820 million lei) in the country in 1929. The ASTRA the wagon and machine factory in Arad, another PMKB affiliation, was the sixth on this list (450 million lei). Petroșani yielded a profit of over 100 million lei in 1925

and 1926, and paid dividends of 125 million lei. Titan-Nădrag-Călan and UDR were by far the largest steel and machine conglomerates. Finally, Erdélyi Bank had a balance sheet of 606 million lei in 1926, but 130 million lower than Temesvári Bank és Kereskedelmi Rt., a bank of regional importance. But Erdélyi's balance sheet grew to 1.8 billion (with deposits over 1 billion lei and a yearly turnover over 50 billion lei) in 1937, which made it the fourth largest bank in the country.<sup>54</sup>

Obviously, these companies all had their ups and downs. The economic crisis between 1929 and 1933 took a heavy toll on them. UDR, for example, came close to insolvency twice (in 1929 and 1931), but was saved by state aid and capital it mobilized from banks, including some of its non-Romanian owners. *Bankblanca* went bankrupt, while Titan managed to survive the hardships much better than UDR. Erdélyi Bank, on the contrary, started its ascent from a bank of regional significance to the fourth largest bank in the country during this period.

There was some realignment among non-Romanian owners too. Austrian banks left following the collapse of *Creditanstalt* in 1931, but the PMKB stayed on board until the end of the WWII. What is important, however, is the stability of the non-Romanian high-level managers within these companies despite all of the formal changes in ownership. It certainly tells something about their managerial skills and might be a sign of how indispensable they became for the company due to their technical expertise too. Perhaps it was also a sign of how informal ownership relations, often vested in their person, persisted despite all the formal changes. Whatever was the case, the most important moment in their careers was not 1929 or 1931 but 1919.

## Roads to the Elite

Although broader economic changes had a bearing on all sectors of society, here I will focus on two specific groups that were more directly connected with the changes of the business networks extending into Greater Romania: managers at various levels, and politicians of local and regional importance. Employees and others who were not (primarily) owners of the large companies and works, but instead administered business, managed commerce, or ran the production lines, were more and more influential already before the First World War. Even classic definitions of the “entrepreneur,” like Schumpeter's from 1926, tended to include many of the tasks of such managers. Moreover, the process of corporatization made these “bureaucrats” of production more powerful – a development that again did not elude observers and economists<sup>55</sup> – and which contributed to promoting ideas of the solely technocratic management of industrial sectors or even of the economy as a whole.<sup>56</sup>

Local politicians were similar to the emerging group of managers in that their role in business did not come with the end of the war. Rather, it was a long-held custom to include important figures with political clout in leading bodies of companies, or even to help political figures with their business adventures. For example, in 1911 it was Krassó-Szörny (Caraş-Severin) County's Lord Lieutenant, Zoltán Medve, who approached the Budapest-based Kammer brothers' textile company to buy out the assets of a bankrupt company in the city of Lugoj. It was through this dealing that, after the PMKB joined the Kammers, the Lugoj Textile

Company was established. In turn, Medve was co-opted into its board and rewarded with a few dozens shares.<sup>57</sup> Just as in the case of the managers, resources and capital were variegated and prone for transformation. However, as the personal composition of local political elites was often disproportionately dependent on political influence, radical changes could bring profound alterations, which happened in Romania after 1919.<sup>58</sup> Hungarian politicians lost their positions and their minority parties became part of an eternal opposition; conversely, an unusually large space was opened for the new, Romanian political guard.

### ***Managers High and Managers in the Middle – From the Top of the Company to the (Trans)National Business Elite***

Among the managerial group which rose to the transnational business or the national business and political elite (category (1) from the introduction), two distinct trajectories appear. The first is the relative change of position of individuals who were already among the higher-ranking figures of business conglomerates or companies, and who rose even higher as they became crucial for the continued existence of these businesses that now transcended state borders and confronted economic nationalism. The second group consisted of people who were previously rather mid-level figures for whom the necessary reconfiguration of businesses opened opportunities, not least because, under the new circumstances, it was harder to operate businesses from Budapest (or for that matter from Vienna), making managers on the ground indispensable.

Béla Veith was one of those already high-ranking managers who rose to prominence beyond the confines of Hungary and Romania and became a revered figure of international steel and metal industrialist circles. Veith was almost 60 when Austria-Hungary collapsed. Since 1900 he had worked for STEG, a large conglomerate of mines, forest holdings, and ironworks strongly affiliated with the Rothschilds, especially with their Viennese branch and their *Creditanstalt*. However, STEG was a transnational company with prominent French industrialists and public figures on its board and among its shareholders.<sup>59</sup>

Veith joined the Budapest directorate of STEG managing Reșița and assets in the Banat, and soon became its head. His obituaries credited him with shaking to life the slumbering Reșița works. After the outbreak of the war, Reșița soon managed to become more than a site of steel production. The factory produced ammunition and components for artillery pieces, and Veith became one of the key figures of the Monarchy's economic mobilization.<sup>60</sup> Not surprisingly, he was already a part of the Hungarian business elite and an active participant in efforts at economic imperialism.<sup>61</sup> He served, for example, as one of the co-chairs of the *Magyar-Bosnyák és Keleti Gazdasági Központ* (Hungarian-Bosnian and Eastern Economic Center), an association of business representatives and politicians that lobbied the government for economic expansion into Bosnia-Herzegovina and into the Balkans.<sup>62</sup> Expansion was, however, at hand at home too: as Veith acquired the ironworks of Nădrag (Hun. Nadrág, Ger. Nadrag) in the Banat for STEG in 1915,<sup>63</sup> his personal wealth also grew significantly. In 1917 he bought the Mönchstein Villa (later Castle) in Salzburg, on the Mönchsberg, demonstrating outwardly how much he became part of a transnational, imperial, and continental elite.

We have little insight into how much he may have felt that this status was threatened at the end of 1918, but whatever he feared regarding his own future, his career continued unabated. Reșița was now the largest steel factory in Romania, and while it was immediately targeted by Romanian politics for takeover, its owners turned out to be resilient. The assets in the Banat were transferred in 1920 from STEG to a new company, UDR, in exchange for shares. While the Romanian owners acquired a nominal majority of shares, STEG and Viennese capital holders remained in a strong position, not least because with time capital was raised through Viennese banks. It was in this way, for example, that the *Bodencreditanstalt* provided a 2 million USD loan in 1927, and shares with a nominal value of 150 million lei were pledged as security to the bank, which was entitled to vote with those shares too.<sup>64</sup> Not surprisingly, Veith remained the head of the company throughout the 1920s, not least because he was trusted by all interested parties. Allegedly it was the French group of owners who helped him save his position in the company when the Romanian government wanted to sideline him, although he traded his position as director-general for head of the administrative committee (*administrateur delegué*).<sup>65</sup> But Veith himself was well connected within Romanian political circles too, and he used these connections for his own benefit and for that of the company. According to Nicolae Iorga's journal, when in 1921 the Avarescu government came under attack because of its handling of Reșița, the king himself defended Veith at an audience with Iorga, who was one of the opposition politicians in the parliament, and applauded the engineer's technical competencies.<sup>66</sup> But the National Liberal government that replaced Avarescu in early 1922 also lauded Veith's expertise (or at least were reported to do so in newspapers), despite political attacks by the now opposition parties demanding Veith's removal from Reșița. These attacks alleged that the economic policy of the government was rather Veiths making.<sup>67</sup>

Veith's influence is demonstrated by how he managed to organize the Titan-Nădrag-Călan corporation with PMKB and Max Aușnit, effectively creating a single steel manufacturing conglomerate in Romania.<sup>68</sup> He was its vice-president, delegated by the Austro-Hungarian members of the syndicate, and one of the managing directors, together with P. O. Vassalopol (delegate of the *Chrissoveloni Bank*), Ferenc Chorin, and Max Aușnit. In parallel, he retained his role in Reșița. Although in 1929 Veith finally had to give up his managerial position in Reșița, he remained vice-chair of STEG, preserving significant influence on the workings of Reșița. Unlike several similar figures around Viennese banks, he was much less active in interlocking directorates in Romania.<sup>69</sup> He usually held positions in companies affiliated with Reșița, especially in the forestry and wood processing industries. The only significant position he held outside of the close circle of affiliated companies was at the board of directors of the Turda wire factory (*Industria Sârmei Societate Anonima Cluj*).<sup>70</sup>

What helped Veith was not only his indispensable expertise in arms production, a crucial issue for the enlarged Romania. He was well-networked in a transnational elite already before 1918, and he very quickly turned it to his advantage after the First World War. His knowledge of the Reșița works and his social capital made him a crucial go-between for both the old company owners and the new state and its political and economic elites. Thus, exactly the dissolution of the monarchy and Reșița's uncertain future created the preconditions of his further rise within the business conglomerate he had served for almost two decades in 1918. Meanwhile, the transnationalization of the conglomerate as a result of new borders and the arrival of new investors from Great Britain made his position one of continental significance.

Another example of a similar rise was Richárd Söpkéz, one of the directors of the *Blankbanca*. He was 18 when he joined the PMKB, and from 1905, as the group's delegate, he oversaw the expansion of the "new" *Blankbanca* into one of the most important financial institutions in the country. However, he was on the payroll of the Budapest-based institution until August 1920 (and perhaps even longer), and worked only for PMKB during his career.<sup>71</sup>

His key role was revealed during the wartime occupation of Romania by the Central Powers. The occupation itself was an endeavour whose aim was to exploit the country's resources for war aims as much as possible, if necessary by semi-colonial means. Thus, the occupation authorities were strictly controlled by the German Army, and most businesses in the strategic oil industry were allotted to German companies.<sup>72</sup> As the Blanks escaped the country to neutral Denmark, the bank's operation was suspended, only to restart in 1917 when PMKB leaders gained permission for Söpkéz – who probably had to leave the country as enemy alien – to return.<sup>73</sup>

Until nearly the end of the war it was Söpkéz who managed *Blankbanca*, engaging in ventures that included buying a marmalade factory, a lignite mine together with Deutsche Bank, a chocolate factory, a warehouse at the Obor market in Bucharest, and a mill in Ploești. Some of these were initiated by well-informed Germans looking for financial support to buy assets cheap. Still, Söpkéz always took care to include other partners who represented Romanian capitalists among the shareholders.<sup>74</sup> It was sometimes a careful act of balancing. When the Blanks could return in the summer of 1918, Leó Láncki, the chairman of PMKB, had a tense discussion about the future of the bank with Maurice Blank in Budapest. As he expected that Blank, Sr. might refuse his demands regarding higher stakes in *Blankbanca* and more direct managerial influence, he wrote in a memo: 'I reminded Söpkéz that ... he has a moral obligation vis-à-vis us and the Handelsgesellschaft to represent our opinion.... Söpkéz must decide whether he wants to march with us'.<sup>75</sup>

Whether it was this considerate approach – a customary strategy of Austro-Hungarian banks in pre-1914 Romania which advised the Ministry of Foreign Affairs in 1918 not to treat Romanian capital too harshly in the occupied country<sup>76</sup> – or other factors that helped him, Söpkéz remained in Bucharest after the war. He even rose within the hierarchy of the bank, after receiving a medal, Commander of the Romanian Order of the Crown (*Coroana Romaniei*) from the Romanian king, signalling his strong reputation too.<sup>77</sup> It was all the more significant as *Blankbanca* – after a short episode of supporting the National Liberal Party's rivals<sup>78</sup> – became associated with the party of Ion I. C. Brătianu. The bank expanded its business rapidly, acquiring Romanian companies and taking over assets from Austrian, Hungarian, and German owners; throughout this process, Söpkéz landed on the boards of directors of several affiliated businesses, and not only in Transylvania, as these included the Arad Textile factory, Zarojani (Ukr. Zarožan) agricultural company in Bukovina, Lujeni (Ukr. Luzhani) sugar company, and the paper factory in Petrifălău (Hun. Péterfalva).<sup>79</sup>

While part of these acquisitions, like the Lujeni sugar company, represented real expansion carried out with capital invested from Budapest and Vienna,<sup>80</sup> some of the transactions were devised to avoid the nationalization of Austro-Hungarian assets, using the PMKB's cloaking method applied to the Jiu Valley mines in 1920. Söpkéz was not always involved personally, but when he was there, he might well have been acting as a *Treuhand* for PMKB. The Marta Car Factory was the property of PMKB since 1915 (not surprisingly as a wartime acquisition)

and its assets were transferred to the new Astra Waggon Factory in 1921 following the same script to prevent nationalization.<sup>81</sup> The new company was affiliated with the *Magyar-Olasz Bank* (Hungarian-Italian Bank) in Budapest and indirectly with the Triestine Camillo Castiglioni, who played an active role in salvaging Austrian and Hungarian assets for their owners.<sup>82</sup> With an Italian citizen as its visible owner, the company was no longer enemy property. Thus, the company immediately received a ten-year contract from the government.<sup>83</sup> Four years later, Castiglioni sold Astra to a group of businessmen including Söpkéz, who this time acted as a private individual, retaining an important asset of his erstwhile employer.<sup>84</sup>

He was, for the public, however, more and more associated with *Blankbanca* instead of PMKB, and someone who displayed deep integration into Romania. He became a senator in the Romanian parliament, and he donated 51 million lei for a village school in Vlaşca County (south of Bucharest to Giurgiu), where he was also member of the county council. Consequently, he was accused of being a traitor to the Hungarian nation, though later his donation made possible the construction of the new parish building of the Hungarian-speaking Roman Catholic parish in Bucharest.<sup>85</sup> During the Great Depression, *Blankbanca* went bankrupt and Söpkéz resigned as director, together with Aristide Blanc, but he still retained many of his other positions on the boards of directors around the country.

Söpkéz's reputation was more national than international, but this may have been the result of how he acted as the trusted representative of PMKB and its owners even after 1918. He was deeply embedded in Romanian business by the end of the war, and his role as go-between for PMKB, the bank that managed nationalization transactions for its own assets and for other Hungarian businesses, certainly strengthened his position and contributed to his rise. His ascendance can be seen not only in terms of new positions, including his cooptation into Romanian party politics, but also in terms of personal wealth, even if part of his official property was certainly not his own. He combined business with politics, demonstrating his recognition by the Romanian elites, which was simultaneously a transformation of his capital and also proof of his loyalty to Romania, despite being a Hungarian nobleman of Jewish origins. Even if his task was to manage the assets of other Hungarian capitalists in Romania, whose ownership was not wise to acknowledge, he in his own right became part of the business elite in Romania too.

### ***From the Clerk's Desk to the Director's Office – From Mid-Level to National Prominence***

The career of Max Auşnit's godfather, Károly Révay, differed from Söpkéz's as far as his rise was tightly connected to a single person – Béla Veith's ascent to the top of the company – and that he stayed away from national level politics (category (2) from the introduction). Révay's upward trajectory was, however, not interrupted by Veith's sidelining around 1930. Born in Budapest in 1886 and a graduate of the law faculty there, he started working in the Budapest directorate of STEG as the secretary of the director, Veith.<sup>86</sup> In 1915, he was delegated to the newly acquired Nădrag Ironworks as substitute auditor, which suggests that he was considered an expert in accounting and commercial law.<sup>87</sup> He moved to Reşiţa with Veith in 1919 and later to Bucharest as the local representative of the UDR and its Austro-Hungarian owners. We can assume this based on the fact that he participated in the creation of Titan-

Nădrag-Călan and was regularly consulted on the matter by the Budapest-based owners; likewise, he was almost always their delegate in supervising the legality of the general assembly of the new company.<sup>88</sup> In this capacity, he was the one who – together with the delegate of the Romanian group of owners – verified the minutes and decisions of the general assembly, including decisions about rescheduling payments from the Romanian partners to the old owners, negotiations with potential investors, among them Vickers from Great Britain.

From the end of the 1920s, Révay was a familiar face within Bucharest high society circles, admired as an amicable figure.<sup>89</sup> He took the social role of a high ranking business manager very seriously too. In the 1930s, he was member of the Association of Finance and Great Industry and a regular attendee of its weekly lunches. At his event he was meeting his peers from the Romanian business elite and the occasional guests, like the Swedish envoy Patrik Reuterswård or the French chargé d'affaires, Jean Paul Boncourt.<sup>90</sup>

It is not surprising that he was part of the crisis negotiations around the fate of Reșița in 1929 and 1931, when the company faced the repayment of debts in the range of 2 million USD first to *Bodencreditanstalt* and later to *Creditanstalt*. While it was the time of Veith's departure from the direct managerial position, and some newspapers reported that the UDR was taken over by the National Peasant Party from the National Liberals through the delegation of Aușnit as its general manager (*administrateur délégué*), Révay's seat was stable. He rose in the hierarchy with Aușnit's arrival, who was accused of purging Romanians from UDR, while keeping "foreigners" like Révay.<sup>91</sup> As one of the highest managers in the company, he must have been instrumental in fostering ties with the Banat business community and broader society for his boss, Aușnit, together with another UDR director, Ioan Băltescu, who was the vice-chair of the Banat Association of Industrialists.<sup>92</sup> When the chairman of this organization, Rezső Tótiș, a customary frontman of PMKB, resigned in 1935, Aușnit replaced him.<sup>93</sup> It was just a few months after Aușnit's spectacular baptism and marriage in Timișoara, but still not the end of Révay's career. He was elected first director of the company's center in 1937 and in 1938 he became a member of the board of directors of UDR. His fate, however, was tied to Aușnit. After Aușnit's arrest during the king's dictatorship in late 1939 and first trial in 1940, Révay was forced to resign from the board of directors together with Augustin Pordea, Aușnit's father-in-law.<sup>94</sup> These developments might not have been entirely unexpected by Révay. The Reșița had been subject to political and press attacks many years before due to the allegedly high number of non-Romanians in key managerial positions, and Révay was singled out specifically as an "Austrian citizen."<sup>95</sup>

Révay's professional trajectory was rather simple, tightly connected to his role in the company before the dismissal of his first patron, Veith. After the First World War, he moved only once, from Budapest to Romania; afterwards he stayed put, while Veith shared his time between Reșița, Budapest, Vienna, and Salzburg. As the liaison in Bucharest, Révay managed local affairs and certainly accumulated enough important knowledge about the informal deals behind the operations of the new Romanian steel and machinery conglomerate to remain indispensable afterwards. The financial arrangements with the Viennese *Creditanstalt* and *Bodencreditanstalt* were so complex and wrapped up in obscure transactions that it was hard to deal with the company's financing without such intimate information. Maybe that is why Révay participated in the negotiations with their owners. His role in Aușnit's marriage testifies to how close he grew to his boss, just as does the fact that he left Reșița after Aușnit's fall.

Révay was, while certainly recognized as a key figure of one of the largest Romanian companies, less of a public figure. He held a low profile in politics, participating only in state corporatist bodies (*Consiliul Superior al Muncii*, Supreme Council of Labour) dealing with labour relations as a representative of employers.<sup>96</sup> He never took on a leading role in associations or business corporations. Nor was he delegated to other companies outside of the subsidiaries of Reșița, except a paper factory in Zărnești (Hun. Zernyest, Ger. Zernescht), close to Brașov (Hun. Brassó, Ger. Kronstadt).

In contrast, Bertalan Hargitay, the chairman of *Banca Ardeleană/Erdélyi Bank* seemed to enjoy bathing in public attention. Hargitay's work anniversary in 1936 was celebrated around Transylvania, with Hungarian newspaper reports of the events praising him as an outstanding business figure in the region: vice chair of the Cluj stock and goods exchange, recipient of the first class of the Romanian Order of the Crown, publishing extensively in Romanian language media outlets, and involved in Central and East European attempts of establishing tighter economic cooperation in the early 1930s.<sup>97</sup> And two years after his jubilee, Greece designated Hargitay as her consul in Cluj, highlighting the bank director's international reputation too.<sup>98</sup>

No one who knew Hargitay's career in detail (which resembled Révay's as it brought him to the national business elite too, category (2) from the introduction) was surprised that he was also one of the "go-betweens" on the directorates of companies within the business network around PMKB, such as the Kissebes Granite Mines in Kissebes (Rom. Poieni), the Orezul rice factory in Brăila, or the Bitumen construction stock company in Oradea (Hun. Nagyvárad). He sat on the boards of all these companies, just as he was invited to join the leadership of some new institutions dedicated to the stabilization of the Romanian financial sphere after the Great Depression.

Even the articles devoted to his jubilee admitted that he belonged lock, stock, and barrel to PMKB. He started his career in the Sopron (Ger. Ödenburg) branch, moved to Nagykanizsa, then to Oradea in 1916, and one year later to Arad. The collapse of Austria-Hungary found him here, struggling with the economic fallout.<sup>99</sup> His career was similar to Söpkéz's, the only difference being their education: Hargitay had graduated from law school. But while Söpkéz acted as the liaison within the most important bank of Greater Romania, Hargitay's task was less enviable: to salvage PMKB's network of branches on the detached territories. These institutions faced several simultaneous challenges, from political pressure to close or be handed over to Romanian banks, to the disruption of capital flows from Budapest and the huge losses they carried on their books without ever fully revealing them.<sup>100</sup>

First, PMKB fostered an agreement with *Banque de Crédit Roumaine*, one of the large banks that was (not coincidentally) associated with the Rotschild's and the *Creditanstalt*. But despite a draft agreement being signed with Oscar Kaufmann, the bank's director general (and a member of the boards of directors of Reșița and Titan-Nădrag-Călan) the Romanian National Bank denied its approval after the National Liberal Party reclaimed the government in 1922.<sup>101</sup> Hargitay closely followed these developments and he was consulted by the Budapest directorate continuously. It may not have harmed his career prospects that he correctly predicted how the Romanian government would reject the combination with Kaufmann. It took, however, several more years to settle the fate of the Banat and Transylvania branches—and the eventual solution immediately led to Hargitay's rise. PMKB, *Blankbanka*, and the *Chrissoveloni* came together as shareholders of the *Erdélyi Bank/Banca Ardeleană*, an



existing affiliated company of PMKB. The PMKB branches were apportioned into the new bank, while the Romanian partners guaranteed existing but undisclosed losses up to 80 million lei.<sup>102</sup>

The board of the new bank was full of distinguished Romanian and Hungarian names, among them aristocrats, high-ranking military officers, and high-profile lawyers and politicians – in 1936, in a highly symbolic manner, an MP and a senator from the governing National Liberal Party praised the results of the bank at its general assembly<sup>103</sup> – and Hargitay was its director-general. Obviously, henceforth *Erdélyi Bank* served as the representative of PMKB within Romania, though it was already one of the front companies used to avoid nationalization before this reconfiguration. Now, it could act in the open. Soon Hargitay publicly acquired a large portion of shares from the Lugoj Textile Company, another PMKB affiliate, joining its board too.<sup>104</sup> Taking over part (and later most) of Söpkéz's role meant joining the highest elite of the country, an attained status shown by the medal he received and his invitation to join institutions that were crucial for Romanian economic policy.<sup>105</sup> Hargitay had matched expectations and salvaged PMKB's assets at a relatively low cost, and this propelled him upwards within the company and society.<sup>106</sup>

### ***Bribes, Influence, Symbolic Capital: The Rise of New Local Politicians and the Fate of Austro-Hungarian Capital***

When Hargitay joined the board of the Lugoj Textile Company, there had already been several rounds of maneuvers to avoid its nationalization. One common element of these attempts was the participation of Marmorosch as *Treuhand* for PMKB and the Kammer brothers, the majority owners. To meet the legal mandate on the proportion of Romanian shareholders, Romanian-based Hungarian businessmen, among them Rezső Tóti were also invited to join the company, mostly as frontmen. Even their shares were paid for by the PMKB through various means, and they were reassured that if their position as board members would lead to personal financial losses, PMKB would reimburse them.<sup>107</sup>

Lugoj was, however, exemplary about how the companies handled local political elites. The local elite's personal composition changed abruptly around mid-1919, when Romanians took over the local administration and disbanded all the existing representative local and county self-government bodies without holding new elections until 1926. The new leaders emerging in the Banat were rarely of national prominence; those kinds of figures were invited to join the boards of *Banca Ardeleană* or even the Renner tannery and shoe factory.<sup>108</sup> But there was a custom of much less significant political figures participating on company boards, and the Lugoj Textile Company very soon pivoted to incorporating Romanian ones. They quickly co-opted Ionel Moconi (Mocsonyi), a Romanian landowner aristocrat from the Banat, while the former Lord Lieutenant Zoltán Medve (who was one of the initiators of the company) departed. Soon the county's chief notary (second highest ranking administrative official after the subprefect) joined the board, and subsequently it became a custom to invite the prefects of Caraș (Hun. Krassó) and Severin (Hun. Szörény) counties. So were dignitaries like the mayor of Lugoj (Ioan Harambașa), the subprefect, and other prominent local Romanian figures who occasionally held political roles. Even the head of the Lugoj Appellate Court, Nicolae

Iovanovici, whose career was on the rise already before 1918 was invited. It was Iovanovici who held the power of assigning the company's court cases to (likely amicable) judges.<sup>109</sup> In their internal correspondence, the company managers openly discussed not just the importance of such arrangements for the company, but the methods of inclusion. Those considered important not only received a mandate as directors, but they were also offered a small number of shares. (Altogether 2% of shares was reserved for these so-called *Lokalinteressen*.) While these were not provided free of cost, actual payment schemes made their acquisition often *de facto* gratis. If necessary, these shareholders were offered loans whose repayment could last years.<sup>110</sup>

Furthermore, bribes were also offered to local politicians and administrative officials, not least the police and the state security. These were disguised in the accounts as small personal loans, but these were never actually repaid and often grew in value over time. What the company received in exchange for these loans varied, and the whole business world, not only the non-Romanian companies, was reliant on such assistance.<sup>111</sup> But local political figures had influence over how the local administration worked and they could offer more immediate help if necessary. Those bribed assisted in various forms depending on their position. Sometimes they helped the company even if they seemingly carried out their supervisory roles strictly and firmly.<sup>112</sup>

For these politicians bribes were a source of income and – paradoxically – prestige, and sometimes they functioned as another channel of communication with national-level figures or international businessmen. (One might only wonder how, for example, voting with fronted shares happened, because often the representatives of the Bucharest-based *Treuhänder* were the local political figures at the general assembly.) It was also a symbolic conquest, owing to the prior custom of Hungarian (and magyarophile non-Hungarian) politicians to sit on these boards, a practice often seen as a sinecure.<sup>113</sup> And it was certainly a sign of acceptance from a part of the regional elite that survived the transition more or less intact. In exchange, local politicians not only received money and resources, they – or more precisely, their parties – were rewarded more directly. This was because the electoral law of 1924 stipulated that the chambers of commerce and industry – over which these business networks exercised significant influence – elected senators to the upper house of parliament.

While for national level politicians, abundant among the members of board of directors of the largest companies such invitations were rather symbolic and strictly pecuniary, for these local and regional level politicians business relations sometimes meant real work. The relationship became symbiotic, creating cases in which individuals either based their political career mostly on these relationships, or switched from politics to business and potentially back again. Aușnit's father-in-law, Augustin Pordea, fit into the former category. Living in the unofficial capital of Transylvania, and while associated with the National Liberal Party, he represented the *Erdélyi Bank* in court cases already before its reconfiguration. Within a court system in which politics was often inseparable from law having a relatively high profile politician as the company's representative promised to exploit all options, not just the legal ones of achieving a positive court decision.<sup>114</sup> (Thus, it should not surprise anyone that *Erdélyi Bank* also had a lawyer associated with the liberal's most important rivals, the Romanian National, later National Peasant Party, Aurel Socol, who enjoyed generous loans to the value of 171,000 lei in 1920, and whose legal fees were deducted from this amount.<sup>115</sup>)

But Pordea's socialization made him an ideal go-between not only for government and business, but also for Hungarians and Romanians. This is why he got his seat – what he passed on to a relative, Ioan Pordea in 1933<sup>116</sup> – on the board of *Erdélyi Bank* after its reconstruction, together with all the Hungarian dignitaries and aristocrats of all ilk whom he knew all too well from the high society of Cluj.<sup>117</sup> For his eventual monetary losses after departing *Erdélyi Bank* he was more than compensated for with a new position on the board of directors of UDR, the company managed by his son-in-law. As the UDR board was usually reserved for the most prominent national level politicians, his presence there was clearly the result of his new family relation and not his National Liberal political credentials. That is why he had to leave after Aușnit's fall. Nevertheless, it was still a position that attested to his membership in the highest social circles of the country for a while (moving from category (3) to category (2)).

A good example of the second type within this category, switching to and from politics, is Ioan Băltescu, who in 1935 was director of Reșița and vice chair of the Banat Association of Industrialists. Before 1918, Băltescu was a public employee and since 1912 mayor of the city of Lugoj (Ioan Harambașa's predecessor). Although the scene of often bitter political struggles between local Romanian, German, and Hungarian political groups,<sup>118</sup> Lugoj still provided an environment where ethnic tensions remained subdued, and which fostered lasting transethnic ties. Băltescu was actually praised for his efficiency with the wartime provisioning of the city, efforts that earned him a decoration from Karl II,<sup>119</sup> and in 1919 he became subprefect of the county, a position that he used to help Hungarian officials keep their positions. He had a short stint as political figure, being delegated to the northwest of Romania, Sătmăr (Hun. Szatmár, Ger. Sathmar) County, another multiethnic area,<sup>120</sup> as county prefect. Afterwards, however, he left politics behind. He moved back to the Banat, to Timișoara, and was soon acting as the director of STEG and Reșița at the company's directorate in city. (There he represented the company at the occasion of the visit of Crown Prince Carol in 1924.)<sup>121</sup> His credentials as an efficient city manager before 1919 certainly did not hurt his chances. Elected to the post of vice chair of the chamber of industry and commerce – a position for which he certainly needed his Hungarian and German connections<sup>122</sup> – he became Swedish consul and chairman of the chamber of industry and commerce, later rising even higher within Reșița's hierarchy.<sup>123</sup>

Besides Băltescu's consular role the case of Hargitay, the frontman Rezső Tóti from Timișoara, who was Belgian consul too, or the Timișoara banker and industrialist Zsigmond Szana, English consul in the city highlights how being a consul was another form of transforming and accumulating capital, and a sign of reputation too. Timișoara, a bustling commercial and industrial center of Austria-Hungary before 1918, retained much of its prominence within the new Romanian state (the city even had an operational international port<sup>124</sup>), making local business elites well embedded in international networks. Tóti, was Aușnit's predecessor as chairman of the Banat Association of Industrialists, he and Szana sat on the boards of many of the transitioned companies, including Lugoj Textile. They acted in part as frontmen and in part providing interlocks between directorates and means of control for Budapest and Viennese capitalists. They were rich by the standards of the region. Băltescu, with his consular role, joined them as a recognized member of the regional elite, while he also served Reșița's erstwhile foreign owners, who kept their hold on the company despite all the changes in the official registers of the shareholders.

## **Becoming Elites? Locality, Upward Mobility and the Reconfiguration of Austro-Hungarian Businesses in Interwar Romania**

Max Aușnit's marriage ceremony was literally and figuratively the knot tying together all the threads that helped Austro-Hungarian businessmen salvage their assets in Romania after the First World War. His godfather was a technocrat who represented the managerial group that was transferred to Reșița to safeguard the company for its non-Romanian owners; in fulfilling this task, he made an exceptional career for himself. His father-in-law was one of those regional politicians who had enough clout at the national level to negotiate on behalf of non-Romanian capital, saving it from expropriation or nationalization. Among the attendees were all the local politicians who were on the payroll of companies like Reșița or Lugoj Textil, or who – like Reșița's director, Băltescu – made a career switching from politics to business and back again. Even the best men, Virgil Madgearu for Aușnit and Richard Franassovici for Livia Pordea, were two ministerial figures. The first – born in Galați where the Aușnit's had their business and who was rumored to have fostered the groom's takeover of UDR<sup>125</sup> – was from the National Peasant Party. Ironically, he was one of those MPs who in 1924 attacked Béla Veith in parliament for keeping the stranglehold of foreigners over Reșița. The second best man was from the National Liberals. Both represented the Old Kingdom's political elite that gave its blessing to the cooperation of Romanian and Austro-Hungarian capital. Even Aușnit was part of this web, and not only as a Romanian businessman who benefited from the war with a better position within the network of Austro-Hungarian capital. As a graduate of the Vienna *Exportakademie* who began business in Romania by importing sheet metal from Austria-Hungary, he embodied the multiple entanglements of that network with mobile local businessmen.

Still, there was no iron law of managers making it to the elite, or of local and regional politicians benefiting uniformly from the transition to the new Romania. Nor was it solely the First World War and its aftermath that granted some figures from these groups a position in what contemporaries considered the business elite. Changes that favored managers were under way well before 1914 and political embedding was customary in Hungary and Romania too. However, the collapse of the Monarchy generated a reconfiguration of economic and corporate networks that offered opportunities for those who could use them effectively. These opportunities did not only offer prospects of material benefits or an ascent up the ladder of a business hierarchy; if resources were used cleverly and various forms of capital transformed effectively, a rise within society at large was possible too.

Operating in an environment of heightened economic nationalism (frequent political attacks on foreign businesses, interpellations in the parliament, plans of legal expropriation, etc.) and intense state-building and facing the effects of border changes, these challenges were hard to manage from Budapest or Vienna. On the one hand it fostered a more localized management that – through more relaxed control from the center – enabled local managers to tap into resources of capital hitherto not accessible for them. On the other hand, it made the skills and connections for “managing political risks”<sup>126</sup> even more important.

But how did the local feed into this process of reconfiguration of states? Moving away from what these figures attained, to what level – categories (1), (2), or (3) – and into which elite group (political, business or both) they rose, looking instead to where they came from reveals important lessons. First, it was easiest for local politicians to adapt to the new circumstances because of long-held traditions regarding their incorporation into businesses. It was almost automatic that now prominent Romanians, whose political influence was on the rise, were to become board members and buy small packages of shares. Together with the often-bribed officials of the administration, these local politicians served as the first defensive line against state abuse or political attacks.

Second, some figures, like Pordea and Băltescu, profited more from these changes. They rose much higher than others, practically rubbing shoulders with the national-level elites and they gained reputation too, among a wide range of diverse social groups and elites, creating a self-reinforcing loop. Social capital invested in performing elite status generated material capital and symbolic positions. Symbolic positions strengthened their reputation which was in turn used to reinforce their elite status too. In both cases, the ability to transform different types of capital was the source of success. Pordea's Hungarian socialization made him a successful middleman who enjoyed cultural capital within all ethnic segments of Transylvanian society,<sup>127</sup> while his loyalty to the National Liberal Party also made him welcome in Bucharest. By providing his daughter with an education and the means of an upper-class lifestyle enabled Livia Pordea to meet Aușnit, someone from the national elite still beyond the reach of a family like the Pordeas. Băltescu, on the other hand, soon abandoned politics, but in his short political career he too proved his reliability to non-Romanians as a transaction partner. Such goodwill (something the manager Söpkéz accumulated in Bucharest too) made him welcome within the non-Romanian business elites of the Banat, where Romanians were still a minority.

Both were in this sense tied to their region or locality, as their capital very much depended on their networks there, even though Băltescu made a short move out of the Banat as a politician. But their case highlights the limits of what this locally accumulated capital could offer too. Especially Pordea's story is instructive in this regard as he was briefly part of the highest circles of the country, and this social position manifested itself very visibly in his various corporate and political roles. However, it depended solely on his family relation with Aușnit, that is why he lost it immediately when Aușnit was not an asset anymore.

Third, for the group of managers, it was essential to first move out of the center of the business networks, or using a neologism: to localize themselves. Under pre-1914 conditions this would have implied a potential move away from the elite, self-relegation but shifts after 1918 made these formerly peripheral positions more important due to the possibilities they offered to engage with the new political and business elites. Moreover, it was a source of discretionary rights over capital hitherto reserved to the center of the network, and – in case of success, a source of trust and another important form of capital – that strengthened their position within the PMKB network too. Beyond the usual skills expected from managerial figures, the rise of these specific ones was linked to how the transition and preservation of assets was not uniform and based on legal provisions, but rather according to how the law was circumvented. Knowledge of the company, the local environment, and surrounding business networks, as well as lobbying efforts and even personal recognition were among the many factors that decided whether a business scheme succeeded or failed. While there was a

template, its concrete realization was always based on informality – a condition that made human actors crucial. The combination of these factors opened the gates to various routes of ascendance for reliable company bureaucrats, trusted frontmen, efficient managers to enter into the elite; the “old” managers – Veith, Söpkéz, Révay, and Hargitay – used them skilfully for their own benefit. In the meantime, regional business elites from the pre-war era, like Rezső Tóti or Zsigmond Szana, also gained in influence, with their rise manifested in reputation: their consular positions.

Taken together, these trajectories outline a more general picture of how the transition affected regional and local business and political elites. Continuity, often emphasized by recent literature, was just half of the picture. The complex relationship between national, international, and local politics, transnational business, and local managers certainly enabled access for the managerial group to resources and helped them in the transformation of different types of capital. But the post-war reconstruction within a new political framework made these transformations inevitable for businesses’ survival. The entanglement of the actors and their efforts reconfigured the makeup of elites, but the changes amounted more to an extension of the existing elite rather than a drastic alteration of its composition. At least in the cases used in this article, the dissolution of Austria-Hungary had a slightly paradoxical effect on how these elites were integrated into transnational economic networks and elites. While figures from the managerial group mostly still moved within the existing structures of the business conglomerates around Budapest or Viennese banks, those regional businessmen who assisted them received international recognition in their own right, and not merely from their old business partners from Austria-Hungary. The several consular assignments they held suggests that the more these regional business elites fronted for the “old” transnational capitalists, the more visible they became internationally, creating a form of symbolic and network capital that elevated their position in ways that surpassed national boundaries.

#### *Note on place names*

In this article I use the interwar official name of all localities. At their first appearance I give the versions customary in the languages that a significant part of their population spoke in the period covered by the article.

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<sup>2</sup> Bathory, “Capitalul străin în industria minieră”; Crețu, “Humanitarian Aid...,” 70–71; Rigó, *Capitalism in Chaos*, 137–151.

<sup>3</sup> Bathory, “Evoluția economică a principalelor societăți carbonifere”; Rigó, *Capitalism in Chaos*, 220–30; Hungarian National Archives National Archives (MNL OL) Pesti Hungarian Commercial Bank (PMKB) Z41 84 cs. 1015 t. 1550n/I-30, 189 cs. 1812 t. 2885o/XXX.

<sup>4</sup> Jones and Lubinski, “Managing Political Risk,” 88; Gehlen, Marx, and Reckendrees, “Ambivalences of Nationality,” 17; MNL OL PMKB Z41 189 cs. 2085 t. 2085oo/XXVII-4.

<sup>5</sup> “Kolozsvári levél az Auschnit legendáról,” *Esti Újság* (December 14, 1939), 9.

<sup>6</sup> Berecz, “Az ‘oláh fiúk’.”

<sup>7</sup> Sárándi, “Konzolidáció után”; Egry, “Unruly borderlands”

<sup>8</sup> Iudean, “Between National Solidarity”; Iudean, “Cea de-a doua cale.”

<sup>9</sup> “Kolozsvárt megszállják a Románok,” *8 Órai Újság* (December 19, 1918), 6.

<sup>10</sup> Egry, “The Empire’s New Clothes,” 15–22, 36–38.

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- <sup>11</sup> “A liberálisok a Székelyföldön akarják kiépíteni a legjobb szervezeteiket,” *Ellenzék* (July 10, 1929), 2; *Magyar Pénzügyi Compass 1923-24*, vol. 2, 761.
- <sup>12</sup> “A resicai acélművek vezérigazgatójának negyedszázados jubileuma,” *Ellenzék* (May 6, 1925), 4; “Veith Béla 1859-1934,” *Magyar Ipar* 55, no. 3–4 (1934): 23–24.
- <sup>13</sup> MNL OL Z41 190 cs. 1814 t. 2085ö/I-2.
- <sup>14</sup> “A munkaügyi minisztériumban megállapodás jött létre,” *Déli Hírlap – Temesvár* (January 25, 1932), 7.
- <sup>15</sup> “Társaságból,” *Hölgyfutár* (June 15, 1934), 13.
- <sup>16</sup> “Titokban esküdött meg az acélkirály,” *Pesti Napló* (January 27, 1935), 36; “Tegnap délután esküdött örök hűséget Max Auschnitt Pordea Líviának,” *Temesvári Hírlap* (January 12, 1935), 2; Nándor Hegedűs, “Az acélkirály,” *Haladás* (April 12, 1948), 2.
- <sup>17</sup> Jones and Lubinski, “Managing Political Risk”; Matis, “Disintegration”; Reckendrees, *Das Stahltrust-Projekt*; Reckendrees, “Business as Means of Foreign Policy”; Reckendrees and Priemel, “Politik als produktive Kraft”; Rigó, *Capitalism in Chaos*; Pogány, “Crisis Management.”
- <sup>18</sup> Priemel, “Twentieth Century Flick,” 754–56.
- <sup>19</sup> Reckendrees, “Business as a Means of Foreign Policy.”
- <sup>20</sup> Priemel, “Twentieth Century Flick,” 764–65.
- <sup>21</sup> Rigó, *Capitalism in Chaos*; Müller, *Bodeneigentum*.
- <sup>22</sup> Jones and Lubinski, “Managing Political Risks.”
- <sup>23</sup> On post-Habsburg border changes and the various ways they affected people see Venken and Frandsen, eds., *Debordering and Rebordering*.
- <sup>24</sup> Denord, Palme and Réau, “Introduction,” 3–4.
- <sup>25</sup> Lunding, Ellersgaard, and Larsen, “The Craft of Elite,” 58–59; Endruweit, “Elitebegriffe,” 36–45.
- <sup>26</sup> Pohl, “Elite in Wirtschaft,” 50; Endruweit, “Elitebegriff,” 43–45; Denord, Palme, and Réau, “Introduction.”
- <sup>27</sup> Khan, “The Sociology of Elites.”
- <sup>28</sup> Khan, *Privilege*, 136.
- <sup>29</sup> O’Neill, “How Should Historians,” 165.
- <sup>30</sup> Jones and Lubinski, “Managing Political Risks,” 88; an example of how the scarcity of material obscures the concrete techniques even if the actual cloaking is obvious is the case of the Zenica Ironworks. Natmeßnig, “Krise und Neuanfang,” 273–74.
- <sup>31</sup> Matis, “Disintegration”; Bathory, “Capitalul străin”; Rigó, *Capitalism in Chaos*.
- <sup>32</sup> Rigó, *Capitalism in Chaos*, 137–51. Cagliotti, *War and Citizenship*, 301–305.
- <sup>33</sup> MNL OL Z41 841. cs. 4918/V, 4918/V-2; 189. cs. 2085 t. 2085oo/XXVII-4
- <sup>34</sup> Kopsidis and Schulze, “Economic Growth.”
- <sup>35</sup> Marcus, Nikolic and Straumann, “Economic Policy”; Morys, “Economic Growth,” 174–75.
- <sup>36</sup> Rigó, *Capitalism in Chaos*.
- <sup>37</sup> Bathory, “Capitalul străin,” 249–54.
- <sup>38</sup> *Ibid.*, 256–57.
- <sup>39</sup> Bathory, “Capitalul străin,” 254–55; Bathory, “Evolutia economică,” 194–95.
- <sup>40</sup> MNL OL Z41 841 cs. 4918/V-4; Rigó, *Capitalism in Chaos*, 167–70.
- <sup>41</sup> MNL OL Z41 84 cs. 1550n/I/2; 86 cs. 1550v/II-3, 1550v/IV.
- <sup>42</sup> Haus- Hof und Staatsarchiv Vienna (HHStA) Foreign Ministry (MdÄ) Administrative Registratur (AR) F23 55 Anleihen Österreich-Ungarn 23 Rumänien Akt 110. K. k. Postsparkassenamt to the K. u. k. Foreign Ministry, Vienna, October 18, 1916.
- <sup>43</sup> For the Allgemeine Depositen AG being indirectly a subsidiary of PMKB, see *Magyar Compass 1922-1923*, 242; MNL OL Z41 189. cs. 1812. t. 2885o/XXX, 2085 t. 2085oo/XXII-1, XXVIII-4, XXVII-4; 190 cs. 1814 t. 2085ö/II-1
- <sup>44</sup> Bathory, “Contabilitatea secreta a societății Lupeni”; Bathory, “Contabilitatea secreta a societății Valea Jiului de Sus.”
- <sup>45</sup> MNL OL Z41 84 cs. 1550n/I/2.
- <sup>46</sup> MNL OL Z41 34 cs. 421 t. f. 52.
- <sup>47</sup> MNL OL Z41 34. cs. 422. t. Aktennotiz 16 April 1918.
- <sup>48</sup> “Cincizeci de ani de activitate a Bancii de Credit Roman,” *Curentul* (April 21, 1938), 4.
- <sup>49</sup> MNL OL Z41 12 cs. 141 t. 539r/XX-7, 539r/XXX-2, 539r/I-3, 539r/XII-4, 138 t. 539s/I-1, I-2, I-3.
- <sup>50</sup> Petrescu, “Bourgeoisie and Nation-Building.”
- <sup>51</sup> Bathory, “Capitalul străin,” 256.
- <sup>52</sup> *Monitorul Oficial*, no. 270 (March 16, 1916): p. 11513.
- <sup>53</sup> Tomka, *Érdek és érdektelenség*, 126–29.

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- <sup>54</sup> Bathory, "Evoluția economică," 199–201; *Magyar Pénzügyi Compass 1927-1929*, vol. 2, 739, 759; "A Banca Ardeleana az ország negyedik pénztintézete," *Ellenőr* 24, no. 7–8 (1937): 26; for the Banca Ardeleană balance from 1937, see *Patria* (March 17, 1938), 4.
- <sup>55</sup> Rigó, *Capitalism in Chaos*, 24; Madarász, "Hogyan született a vállalkozó?," 3–4.
- <sup>56</sup> Péteri, "A Tanácsköztársaság iparirányítási."
- <sup>57</sup> MNL OL Z41 842 cs. 4918a/II-13.
- <sup>58</sup> Pál and Popovici, "The Transformation of the Mid-Level"; Iudean, "From Budapest to Bucharest."
- <sup>59</sup> *Nagy Magyar Compass* 42, no. 2 (1914): 485.
- <sup>60</sup> "Veith Béla 1859–1934." *Magyar Ipar* 55, no. 3–4 (1934): 23–24.
- <sup>61</sup> Csaplár-Degovics, *Nekiünk nincsenek gyarmataink*; Juzbašić, "Bosnien und die Herzegowina"
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- <sup>65</sup> "A Resica Művek új vezérigazgatója," *Brassói Lapok* (January 18, 1924): 3.
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- <sup>72</sup> Hamlin, *Germany's Empire*, 172–250.
- <sup>73</sup> MNL OL Z41 34. cs. 421. t. 1164e/XXV, 1164e/I/2.
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- <sup>94</sup> "Situația Soc. 'Reșița' pe anul 1939," *Argus* (July 31, 1940): 3.
- <sup>95</sup> "Uzinele internaționalizate de la Reșița," *Universul* (June 9, 1934): 7. The irony of Aușnit's story is that he was later trialed by the Communists. While Révay was not implicated in the first trial in 1940, he was often mentioned as a typical capitalist in the second trial. Feinberg, *Curtain of Lies*, 17.
- <sup>96</sup> *Monitorul Oficial*, no. 283 (December 3, 1935): 9698.
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- <sup>100</sup> MNL OL Z4112 cs. 139 t. 539v/XXV-1a.
- <sup>101</sup> MNL OL Z41 12 cs. 138 t. 539s/I-1.
- <sup>102</sup> MNL OL Z41 12 cs. 138 t. 539s/I-2, I-3, 139 t. 539v/I-1, 539v/V-1.
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- <sup>107</sup> MNL OL Z41 12 cs. 138 t. 539s/XVI-23.
- <sup>108</sup> Rigó, *Capitalism in Chaos*, 231–41.
- <sup>109</sup> MNL OL Z41 842. cs. 4918a/II-14, 841 cs. 4918/V-6.
- <sup>110</sup> MNL OL Z41 841. cs. 4918/V-8., 4918/XXVIII-15, 4918a/I-18, 4918/V-4.
- <sup>111</sup> Ciuperca, *Opoziția și putere*; MNL OL Z41 841 cs. 4918/XXVII-8, 842. cs. 5983 t. 4918a/XXIX Rohbilanz, 4618/III-7, 12 cs. 141 t. 539s/XXVI-1.
- <sup>112</sup> MNL Z 41 842. cs. 4918/III-7; Egry, “The Moral Economy.”
- <sup>113</sup> Egry, “The Moral Economy,” 25–26.
- <sup>114</sup> “Bonyodalom egy bankátutalás körül,” *Ellenzék* (January 25, 1924), 2.
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- <sup>126</sup> Jones and Lubinski, “Managing Political Risks,” 98.
- <sup>127</sup> On the significance of middle-class social capital, see Egry, “A Crossroad of Parallels.”

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