The impact of decisions of Mining Industrialists Congresses on the Industrial Revolution increasing in Ukraine in the late XIX century

Abstract. The activity of the mining industry in the South of the Russian Empire, of which Ukraine was part at that time, is analyzed. It is noted that the rapid development of industry in the Russian Empire after the abolition of serfdom in 1861 opened up opportunities for investors to raise capital. Information is given about why Kharkiv became the center of investment life of mine owners, namely its good geographical location. Data on the number of inhabitants of the city and the number of trading institutions are provided. The stages in the formation of the mining industry of the South of the Russian Empire as a driving force for economic development in Ukraine are highlighted. The causes of weak coal sales from the Donbas and the development of the factory industry of Ukraine in the 1860s are analyzed. It is shown how these issues were resolved. In particular, mining congresses were organized to discuss and resolve these issues. It is shown how the decisions of mining congresses influenced the development of the country's economy at the end of the nineteenth century. Examples of issues discussed at these congresses are given. In particular, the congresses discussed – workers, higher and secondary specialized education, mining credit, insurance, the ratio of the mining industry to zemstvos and land taxation of enterprises of the mining industry, taxes, land relations, postal, telegraph and telephone traffic, passenger traffic in the Southern Russia area, duties, ports, marinas, navigable rivers and canals, shipbuilding and merchant shipping, export of mineral fuel abroad, construction of new railways, etc. It should be noted that the central issue discussed at almost all mining congresses was the question of tariffs, and this was not a coincidence, since it directly concerned...
the markets for industrialists without whom production could not be developed, and with it the intensification of the industrial revolution. Therefore, this problem, in one form or another, has arisen constantly. Information is provided on the number of such congresses, as well as on the creation of a permanent body, the Council of Miners of the South of the Russian Empire. It analyzes the so-called “coal crisis” and the role of major mining companies in the collusion. The monopolization of the market is considered. Emphasis is placed on the customs policy of the tsarist government. Speculation on temporary fuel difficulties is illustrated. It is noted that at the end of the 1890s, there were especially high rates of development of the Donbas coal industry. Special tariffs for the export of Donetsk coal abroad were introduced. Thus, in the last quarter of the 19th century, the mining and monopolization of the mining industry of the south of the Russian Empire were enlarged and monopolized.

**Keywords:** mining congresses; the South of the Russian Empire; coal; tariffs; exchange committees; the industrial revolution

**Introduction**

The rapid development of the Russian Empire’s industry after the 1861 serfdom abolition opened up opportunities for raising investors’ capital. This had a significant impact on the Kharkiv city because of its favourable geographical location. At that time, this provincial city numbered no more than 50 thousand people. Among them were accounted for 1.4 thousand trading institutions and 4.5 thousand merchants and salesmen (Vasiljeva & Pernatjev, 2004). More important, that here intensification of research in the field of metallurgy was started. This was due to the rapid development of the coal and metallurgical complex in the Donbas and the Dnieper region.

According to research (Krutikov, 1981), there were three stages in the formation of the mining industry in the South of the Russian Empire which become the driving force for economic development in Ukraine. The first stage occurred in 1869–1881 and connected with the process of the mining environment formation. These were mainly the interest area of local landlords, local and some foreign merchants. In small-scale coal mining were engaged Cossacks and peasants. They didn’t use mercenaries or advanced equipment. The second stage was characterized by the 1882–1893 economy crises, which led to the internal industry concentration. Small and even some medium-sized enterprises have ceased operations and large enterprises have changed owners. A lot of the local landlords and merchants bankrupted. Entrepreneurs from the central part of the Russian Empire gained market share that became free. The third stage (1894–1899) was characterized by the rapid development of heavy industry. Most of the mines are concentrated in the hands of joint-stock companies with the participation of foreign investors. These companies were led by the second generation of Donbas entrepreneurs with a professional background. The heads of these joint-stock companies became the so-called “technical intelligentsia” – mining local and foreign engineers. Many of this
generation have become mine-owners or have acquired significant stakes in coal companies.

The activities of the mining industry in the South of the Russian Empire were considered in the scientific publications (McCaffray, 1987, Zhurilo, 2011, Shandra, 2011, Zhurilo & Zhurilo, 2014, Brivko, 2014). However, with the onset of the anti-terrorist operation in the Donbas, the interest of science historians has changed the vector of research and this region has ceased to be the subject of research in that way. Despite existing publications, the issue of railway construction in the southern region, changes in legislation tariff from the mining congresses decisions point of view did not form the subject of a separate historical study. After all, the growth of the industrial revolution in Ukraine depended on coal production.

**Research methods**

The methodological basis of the study consists of the basic principles of modern historical science – the principles of historicism and objectivity. The principle of objectivity implies consideration of the studied historical events in their interrelation and development, the principle of objectivity is focused on a comprehensive analysis and reliable assessment of historical facts. The use of methods of bibliographic and source study analysis contributed to the search and systematization of primary information, and the use of the system method allowed to investigate comprehensively the impact of Mining Industrialists Congresses decisions on the Ukrainian industrial revolution at the end of the XIX century.

**Results and discussion**

The 1st Congress of the Association of South Russian Miners was convened On November 10, 1874 in Taganrog. Only two issues there were discussed here: 1. About the order of goods transportation on the southern railways 2. About the labour involvement in the mining industry. The question about newly formed representative organization activities was not even discussed at that time.

The first discussion about “The Regulations on Mining Congresses of Southern Russia” was raised only at the VII Congress of Mining Industrialists in November 1882. That was 8 years after the organization began work. Subsequently, these conventions were held annually until the end of the First World War. So, before the twentieth century began, 25 regular and 5 emergency congresses were held. The council of the Association of South Russian Miners was a permanent executive authority that functioned between the congresses. It was organized in 1887 and located in Kharkiv along Sumska Street (fig. 1). Essentially, it was an organization that represented the interests of the Russian Empire’s big capital by taking into account the peculiarities of the region (Potolov, 1959).

A wide range of issues was discussed at those congresses. Among them were even those that did not address the mining industry's problems but did affect its development as a whole. Discussed issues included workers, higher and secondary
special education, mining credits, insurance, mining industry's attitude land taxation of mining enterprises, taxes, land relations, postal, telegraph and telephone traffic, passenger traffic in the Southern Russia area, duties, ports, marinas, navigable rivers and canals, shipbuilding and merchant shipping, mineral fuel exports abroad, construction of new railways, etc.

Figure 1 – Kharkiv, Sumska 18-20

The council of the Association of South Russian Miners has purchased a house on Sumska 18 from the nobility of O. G. Harina. According to the architect Boleslav Mikhailovsky's design another floor was added to this building.

The neighbouring building on Sumska 20 was bought from the merchant A.Yu. Sapozhnikov and rebuilt by architects Sergii and Iliodor Zagoskin in combination with the neighbouring house.

It should be noted that the issue of tariffs was the central one that discussed at almost all mining conventions. It was no accidental. This question directly concerned the industrialists’ markets.

Therefore this problem time constantly arose. The question of road tariffs was the most important for the coal industry in Southern Russia. The lack of a railway freight unified paying system has led to the availability of individual tariffs for each rail. That has hampered the transportation of coal.

On January 1, 1869, a new customs tariff was introduced. It was believed that this tariff excluded "third-party patronage" of the industry. However, it was lenient for foreign goods. It undermined the domestic industry. The discovery of large coal deposits in the South of the Russian Empire and its industrial development (Gutnyk, 2013) led to a revision of customs issues. Already at the first mining industrialists meeting, mine owners raised the issue about imported through the ports of the Azov and Black Sea coal and coke imposing duties. At the second congress in 1877, this proposal was supplemented by a petition to impose a customs duty on coal coming from the southwestern railway (Moskin & Belonozhko, 2010). This was the first step
towards the unification of tariffs. The decision of the congress offered the introduction of the same tariffs on all the railways.

The exchange committees of maritime cities were also opposed to the idea of cast iron duties increasing. They also opposed the introduction of a duty on cheap foreign coal. On the contrary, the Moscow Stock Exchange Committee, the Ivano-Voznesens'kij Committee of Trade and Manufactures, and the Nizhny Novgorod Stock Exchange Committee spoke in favour of raising the tariff on cast iron. Also, the unification of tariffs was opposed by the railway administration, which believed that the introduction of the same tariffs would lead to significant losses.

The Russo-Turkish War of 1877–1878 led to financial difficulties. These circumstances forced the Ministry of Finance to revise customs policy. In 1879, Minister of Finance S. O. Greig proposed to reduce the cast-iron duty, to increase the iron and steel duty, to abolish the duty-free importation of metals for machine-building plants and the taxation of foreign-made machinery. The State Council approved a lot of the Minister's proposal. There was only one exception connected with reduction cast-iron duty. In addition, the transportation of foreign coal duty was imposed. The latter point was particularly sought by the mining industry (Fomin, 1908).

The 3rd Mining Congress was held in Kharkiv, the IV was held in Novocherkassk. But from 1880 the congresses were held in Kharkiv. At the fifth congress, the petition to establish a unified tariff on pood (~16.4 kg) and mile (~1.06 km) on all railways was raised again. This petition became a key one. The Ministry of Railways has considered it. It was a great step. After that, it was made an order for the reduction of the coal tariff in the Kursk – Kharkiv – Azov railway compared to other routes.

Despite the measures taken by the Ministry, coal from the Donbas did not find widespread sales in local markets, as the factory industry of Ukraine was poorly developed; there was no railway communication between the South and the Central regions of the empire.

Due to the construction of railways, coal markets have changed. There was an internal competition between Polish, Moscow coal miners, and external competition with the mining industry of England. It should be noted that it was the primary objective of Donbas coal miners that counteracted the presence of English coal in the empire, as well as entering into international markets. This problem was repeatedly given publicity to the authorities. In particular, mining engineer A. F. Mevius, in his note to the Minister of State Property O. O. Liven described the problems of the Donetsk Basin coal industry. The note raised the issue of private homes, public, country and city buildings, factories, plants, bakeries, etc. heating by coal (Kupriyanova, 1994).

At the VIth Congress, the question of introducing a differential tariff was raised for the first time. Under this tariff, for long distance would be set at a lower tax by increasing it at shorter distances. As early as 1882, a decision was made at the VIIth Congress on the need for a tax on foreign coal. The mining industry's small victory in
this question can be seen as an order passed on June 16, 1884, which imposed a tax on foreign coal to support the southern coal industry.

The issue of further protectionism was repeatedly discussed at the mining conferences in 1884–1886. The condition was set to raise the tariff from 2 to 3.5 kopecks to coal imported through the Black Sea-Azov ports. The Moscow Stock Exchange Committee and the Moscow Branch of the Trade and Manufactory Council supported the requirements of the X Congress. And the Odessa, Riga, Libavsky (now the city of Liepaja in Latvia) and the St. Petersburg Stock Exchange Committees rejected the demands of the Donbas coal industry. It should be noted that the Minister of Finance M. Kh. Bunge proposed to the State Economy Department of the State Council the proposals of the miners of the south of the country and since May 1886 the duty from the pood increased to 3 kopecks on the Black Sea-Azov border. As can be seen, the set rates were lower than required by the coalman, but the main goal was achieved – the position of Ukrainian industrialists strengthened.

It should be noted that although the successes in the development of the coal industry were evident, in 1888 the coal crisis began throughout the empire. Today, it is believed that this crisis was organized by the coal industry itself. Several short-term agreements on price increases between large coal miners for higher monopoly profits have just led to crises. Thus, at the beginning of 1888, due to the sharp decline in the price of coal, large coal-miners in the Donbas “held back coal production” (Potolov, 1959). At the same time, coal imports were also reduced. As it turned out, there were more than 7 million poods of coal in the mines.

As a result of this conspiracy, the price of coal jumped to 8 kopecks per pood in mining sites and up to 40 kopecks and above in cities. The coalman considered these prices fair and tried in every way to secure them at this mark (Proceedings of the Congress, 1888). The government has intimidated industrialists with the abolition of the duty on foreign coal and prices have been reduced. Miners tried to reverse the conspiracy in 1893 when 15 million poods of coal were not supplied to railways and metallurgical enterprises. Because of this, some metallurgical plants stopped and coal prices were raised again. The main production of coal was concentrated in several large mines, which completely monopolized the coal trade, which already reached 30 kopecks per pood.

South industrialists have successfully speculated on temporary fuel difficulties, seeking various benefits from the government. In the spring of 1890, the Ministry of Finance introduced a series of preferential tariffs for the transportation of Donetsk coal to Moscow and St. Petersburg, at the same time increasing the tariff for foreign coal for these cities (Ministry of Finance, 1902).

The late 1890s were marked by particularly high rates of development of the Donbas coal industry. Only in the last five years of the XIX century coal production increased by 2.3 times. First of all these high rates were the success of the large coal producers who have completely bought the lands of Donbas.
Among the largest mining industry businessmen of the South of the empire O. K. Alchevsky, O. A. Auerbach, P. M. Gorlov, I. G. Ilovaysky, M. F. von Dietmar can be mentioned.

O. K. Alchevsky was one of the first Ukrainian oligarchs, banker and philanthropist. His family made an invaluable contribution to the development of Kharkiv at that time. His wife – Kh. D. Alchevska patronized the education for women in the city. By projects of his son-in-law – architect O. M. Beketov in the centre of the city about ten luxury buildings were built (Rofe-Beketova, 2019). The industrialist O. A. Auerbach was considered the “mercury king of Russia” – he founded the first mercury plant in Russia (Fomin, 1915).

Geological engineer P. M. Gorlov is one of the pioneers of coal mining in the Donbas. I. G. Ilovayskiy founded the Makeyevka Coal Mine and Mechanical Plant in Zuyivka Sloboda. M. F. von Dietmar participated in the construction of the Ryazan-Kazan and Balashov-Kharkiv railways. He was the owner of plants specializing in the production of equipment for the mining and metallurgical industries (Gaiko & Biletsky, 2013, 2016).

In 1898, keeping the coal market tense, these owners conspired to increase coke production. A significant amount of coal was converted to coke. Only in 1899, the number of coke furnaces increases from 3 to 4 thousand, with a capacity of up to 147 millions pood of coke (Potolov, 1959). As a result of these measures, in the following years, locally the price for coal per pood ranged from 11 to 14 kopecks.

The tsarist government tried to regulate the coal industry but to no avail. All this resulted in the consolidation of large capital in the Donbas.

At the same time, a special reduced tariff was introduced for the export abroad of Donetsk coal. As a result, the competitiveness of Donetsk fuel has increased markedly. The results of the tariff issue were summarized at the XXVIII Congress, held in 1903.

Conferences of Mining Industrialists of the Southern Russia that took place before and during the World War I gradually moved away from discussing tariff issues and focused on analyzing the current state of the mining and processing industries in wartime, as well as issues of a legal nature (eg, “About the law on subsoil that contains mineral resources”) and social issues (eg, “Mining and technical education”, “Fund for the provision of enterprises in the case of mass accidents”, etc.).

Conclusions

Thus, Congresses of Mining Industrialists can be considered as an association that represented the interests of large capital in tsarist Russia, of which Ukraine was a part at that time. The decisions of these congresses influenced on the railway tariff policy. In the late XIX century, the empire made a significant leap in the development of production. New factories and plans were being built, railways were being expanded, and new territories were being developed. Businesses have consolidated. Small and medium-sized businesses were not able to compete with big
capital. The city of Kharkiv became the centre of investment life for the mining industry of the South of the empire. It was the great miners like O. K. Alchevsky, O. A. Auerbach, P. M. Gorlov, I. G. Ilovaysky, M. F. von Ditmar and others were the progressive pioneers of the country’s industrial revolution.

The study on mining industry activity in the late XIX century in Ukraine requires further scientific research.

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Вплив рішень з’їздів гірничопромисловців на розгортання промислової революції в Україні у другій чверті XIX ст.

Анотація. Аналізується діяльність гірничопромисловців півдня Російської імперії, частиною якої на той час була Україна. Наголошується, що бурхливий розвиток промисловості Російської імперії після скасування кріпацтва у 1861 р. відкрив можливості інвесторам для збільшення капіталу. Подано відомості про те чому саме Харків став центром інвестиційного життя гірничопромисловців. Надані дані про чисельність мешканців міста та кількість закладів торгівлі. Виокремлено етапи у формуванні гірничопромисловців Півдня Російської імперії як рушійної сили розвитку економіки в Україні. Показані причини слабкого збуту вугілля з Донбасу та розвиток фабрично-заводської промисловості України у 1860-ті. Показано, яким чином було вирішено ці проблеми. Зокрема, вказано, що саме для обговорення та вирішення цих питань було організовано з’їзди гірничопромисловців. Встановлено, яким чином рішення з’їздів гірничопромисловців впливало на розвиток економіки країни наприкінці XIX ст. Наведено приклади питань, що обговорювалися на цих з’їздах. Серед них: робітники, вища і середня спеціальна освіта, гірничопромисловий кредит, страхування, відношення гірничої промисловості до земств і земського оподаткування підприємств гірничозаводської промисловості, податки, земельні відносини, поштово-телеграфне і телефонне повідомлення і пасажирський рух у районі рудників та заводів півдня Росії, мита, порти, пристані, судноплавні річки і канали, суднобудування і торговельне мореплавство, експорт мінерального палива за кордон, будівництво нових залізниць і т.д. Треба зазначити, що питання тарифів обговорювалося практично на всіх гірничопромислових з’їздах. Це було не випадково, адже воно безпосередньо стосувалося ринків збуту для промисловців, без яких не могло розвиватися виробництво, а з ним й інтенсифікація промислової революції. Тому ця проблема, в тій чи іншій формі, виникала постійно. Подано інформацію про кількість таких з’їздів, а також створення постійного діючого органу – Ради з’їздів гірничопромисловців півдня Російської імперії. Здійснено аналіз так званої «вугільної кризи» та роль великих гірничопромисловців у зговорі. Розглянуто монополізацію ринку. Акцентується увага на митній політиці царського уряду, спекуляціях на тимчасових паливних труднощах.
Аннотация. Анализируется деятельность горнопромышленников юга Российской империи, частью которой в то время была Украина. Отмечается, что бурное развитие промышленности Российской империи после отмены крепостного права в 1861 г. открыло возможности инвесторам для увеличения капитала. Представлены сведения о том, почему именно Харьков стал центром инвестиционного бизнеса горнопромышленников. Приведены данные о численности жителей города и количестве предприятий торговли. Выделены этапы формирования горнопромышленников Юга Российской империи как движущей силы развития экономики в Украине. Показаны причины слабого сбыта угля из Донбасса и развитие фабрично-заводской промышленности Украины в 1860-е. Приведена информация, каким образом было решено эти проблемы. В частности, указано, что именно Харьков стал центром инвестиционного бизнеса горнопромышленников. Определено, каким образом решения съездов горнопромышленников влияли на развитие экономики страны в конце XIX в. Приведены примеры вопросов, которые выносились на обсуждение на этих съездах. Среди них: рабочие, высшее и среднее специальное образование, горнопромышленный кредит, страхование, отношение горной промышленности к земствам и земское налогообложение предприятий горнозаводской промышленности, налоги, земельные отношения, почтово-телеграфное и телефонное сообщение, пассажирское движение в районе рудников заводов юга России, судоходные реки и каналы, судоходство и торговое мореплавание, экспорт минерального топлива за рубеж, строительство новых железных дорог и т.д. Надо
отметить, что вопрос тарифов обсуждался практически на всех горнопромышленных съездах. Это не было случайностью, ведь он непосредственно касался рынков сбыта для промышленников, без которых не могло развиваться производство, а с ним и интенсификация промышленной революции. Поэтому эта проблема в той или иной форме, возникала постоянно. Представлена информация о количестве таких съездов, а также создании постоянно действующего органа – Совета съездов горнопромышленников юга Российской империи. Проанализирован т.н. «угольный кризис» и роль крупных горнопромышленников в сговоре. Рассмотрена монополизация рынка. Акцентируется внимание на таможенной политике царского правительства. Спекуляция на временных топливных трудностях. Отмечается, что на конец 1890-х годов пришлись особенно высокие темпы угольной промышленности Донбасса. Были введены специальные тарифы для вывоза донецкого угля за границу. Таким образом, в последние четверти XIX в. произошло укрупнение и монополизация горнодобывающей области юга Российской империи.

Ключевые слова: съезд горнопромышленников; юг Российской империи; уголь; тарифы; биржевые комитеты; промышленная революция

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