The Alienation of State-owned Mining Plants of the Kingdom of Poland in the Second Half of the 19th – early 20th Century

Prywatyzacja państwowych zakładów górniczych Królestwa Polskiego w drugiej połowie XIX – początku XX wieku

ABSTRACT

An important part of the implementation of the mining reform in the Russian Empire in the second half of the 19th – early 20th century became the eminent domain of state-owned mining plants located in the Kingdom of Poland. This process was prepared in the 1860s and began with the sale of Starachowice factories in 1870. Later it was integrated into the general imperial process, which also covered the Urals, the Caucasus and the Donbass, where the state had its own enterprises. The company for the eminent domain of state-owned mining plants was intermittent and lasted until the beginning of the First World War.
During the first phase (1870–1880), when privatization was recognized as the main way of eminent domain, in the Kingdom of Poland, except for the Starachowice plant, the Dabrowa (Huta-Bankowa) and Serock plants were sold. Prevalent in the government circles in the early 1880s, a more cautious approach to the eminent domain of state property led to the approval of the rental method. Since the 1890s the remaining iron and zinc enterprises were leased out. As a result, the state no longer returned to the management of mining plants in the Kingdom of Poland, transferred to private entrepreneurs.

**Key words:** Kingdom of Poland, mining plants, Treasury, entrepreneurs, eminent domain, privatization, lease

In the middle of the 19th century in the Russian Empire, in addition to private metallurgical (mining) enterprises, there were factories owned by the state, which were located in the Urals and the Caucasus, in Karelia, the Donbass, and the Kingdom of Poland. They were founded by the Treasury in the 18th – first half of the 19th century in the regions of development, where the state took the initiative in organizing a strategically important mining industry.

In the early 1860s, during the preparation of the Great reforms of the reign of Alexander II, a reform of the organizational foundations of the mining industry was planned, which included the privatization of a significant part of state-owned factories. Elaborated in the Commission for the Revision of the System of Taxes and Fees in 1866–1868, the draft of the Rules on the Sale was authorized by the Emperor on October 18, 1871. In accordance with this act, only enterprises that manufactured military products and served their metallurgical enterprises were to remain in the possession of the Treasury, and the rest were put up for public auction on favourable terms. In the 1870s, based on these Rules, several factories in the Urals were privatized. Since the 1880s, the main method of eminent domain has been leasing, which affected enterprises in the Urals, the Donbass, and the Caucasus.

The eminent domain of the state-owned factories of the Kingdom of Poland, although it had its own somewhat different history, became a part of this general imperial campaign. As early as in 1862, ‘in view of the unsatisfactory financial situation of state-owned mining in the Kingdom of Poland’, Alexander II ordered ‘not to expand the activity of the state-owned factories there and to discuss the conditions under which the state-owned mining could be turned to the path of private enterprises’. By the Decree of February 19, 1864, the Liquidation Commission was formed.

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1 Е.Г. Неклюдов, Горная реформа в России второй половины XIX – начала XX в.: от замысла к реализации, Санкт Петербург 2018.
to determine the conditions for ‘selling part of the real estate owned by the Treasury’, including mining plants. The privatisation process has only begun when the Mining Department in Warsaw was abolished on 1 July 1870 and its functions transferred to the Mining Department in Saint Petersburg. Henceforth, ‘on general conditions’, the local administrations of the Western and Eastern mining administrative districts of the Kingdom of Poland were subordinate to it; it also had to continue the privatization that had already begun on the basis of general imperial rules.

The centre of the ‘most significant’ Western district, located southwest of Warsaw, on the border with Prussia and Austria, was the village of Dabrowa in the Bedzin district of Piotrkow province. On the territory of the district there were state-owned iron-smelting and steelworks factories of Huta-Bankowa, as well as zinc factories near Dabrowa (‘Konstantin’), near Bedzin (plant ‘Xaveria’) and Slawkow. The Pankovsky iron-smelting and steelworks factory was located near the city of Czestochowa and formed a separate mining industry attached to the Western district.

The Eastern district with the centre in Suchedniow was located at the south-east of Warsaw, in Opozno and Opatow districts of Radom province and in Kielce district of Kielce province. Iron-melting and steel production there has been developed at Starachowice, Mostkowo, Reev, Bzinsk, Mroczkowsky and Samsonov factories, refined iron was manufactured in Suchedniow and Baranov, puddling and flattening production functioned in Michalovsky, Brodsky, Nietulice and Selpice factories; state-owned mechanical factory was in Bialogon. In 1870, the Serock steel factory, located in the Lublin province was attached to the Eastern district. All these enterprises were grouped into the so-called ‘departments’ (production complexes), which did not produce military products and operated ‘exclusively for private needs and on a small scale’.

Initially, only the enterprises of the Eastern district were designated for eminent domain. From the reference of the Mining Department it becomes known that ‘in execution of the supreme will’, the Committee on the Affairs of the Kingdom of Poland (in force as 1864–1881 under the Emperor), ‘recognized more convenient and in accordance with the interests of the Treasury to allow

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for the first time the transfer of only some part of the mining plants in the form of experience on the basis proposed by the Minister of Finance’. According to the statement of Minister M. Kh. Reutern, the members of the Committee agreed to elect the plants belonging to Starachowice-Nietulice department of the Eastern district, as ‘we have already had in mind the proposals of some capitalists for the purchase of this group of factories’. The approval of the Emperor ensued on June 20, 1869⁴.

In accordance with the conditions, approved in the beginning of 1870, ‘iron smelting factory in Starachowice together with the Mikhalov puddling factory, Brody puddling and refined iron factory, flattening plant in Nietulice and assigned to them 19 dachas of the forestry Ilzha, having territory of 21 950 des., 44 estates of forest guards, territory of 334 des., as well as iron mines ‘Hercules’, located within Starachowice factory, ‘Henryk’ – within Ilzha forestry, and ‘Elzhbieta’ – under the village of Tychow, with all the squares, buildings, machines and tools, located on them stocks of products, ore, coal, etc.’⁵ were exhibited for sale. The auction was scheduled on March 14, 1870 in the Warsaw State Chamber. Their starting price was equal to 1,166,150 rubles.

At the ‘secondary auction’ organized on March 18, the company of famous entrepreneurs and mining figures ‘resisted’: Baron A.-E.S. Frenkel, Collegiate Councillor P. I. Gubonin, Major-General A. A. Gall, Lieutenant-General A. R. Gerngross, merchant of the first guild F. P. Rodokonaki, Engineer-Captain V. I. Potemkin, State Councillor M. I. Ratkov-Rozhnov and Collegiate Councillor V. U. Bykovsky. They offered 1,167,000 rubles for the factories. As it was stipulated in the terms of the auction, 1/5 of this amount (i.e. 233,400 rubles) should have been paid at the conclusion of the bill of sale, and the payment of the remaining share (933,600 rubles) was provided for by instalments for a period of 36 and a half years, ‘according to banking rules’. In addition, the buyers agreed to accept the movable property of the factories ‘with a 20% discount’.

⁴ Рапорт директора Горного Департамента, представленный господину министру финансов о состоянии горнозаводской промышленности в России за последние десять лет, ‘Горный журнал’ 1874, 1/2, pp. 25, 26, 33; Rossiyskiy Gosudarstvennyy Istoricheskiy Arkhiv [hereinafter: RGIA], f. 37, inv. 7, ref. no. 314, sheet 158.

⁵ ‘чугуноплавильный завод Стараховице с состоящим в связи с ним пудлинговым заводом Михалов, пудлинговым и кричным заводом Броды, плющильным заводом Нетулиско и с причисленными к ним 19 дачами лесничества Илжа, имеющими пространства 21 950 десятин, и 44 усадьбами лесной стражи, пространством 334 десятин, а также железные рудники ‘Геркулес’, находящиеся в черте Стараховицкого завода, ‘Генрих’ – в черте Илжевского лесничества, и ‘Эльжбета’ – под деревней Тыхов, со всеми площадями, строениями, машинами и орудиями, находящимися на них запасами изделий, руды, угля и прочим’.
The results of the auction were approved on March 28, 1870, and on March 30, the partners brought a petition to M. Kh. Reutern ‘for the transfer of the factory property purchased by them... to Baron Anton Frenkel’. It was with him (from the Warsaw Trading House ‘S. A. Frenkel’ acted a banker Anton Lyasky) the contract was signed on June 3, 1870. The owner of the enterprises turned out to be a well-known Warsaw banker A.-E.S. Frenkel, who was awarded the baronial title in 1857 for ‘exemplary diligence in the execution of orders of special importance entrusted to him by the government’.

For several years after the purchase, ‘bickering’ over the settlement of the movable property, as well as over the boundaries of allotments continued. Five years later, on June 28, 1875, the owner organized a Joint-Stock Company of Starachowice Mining Factories, inviting to be the founder rich Prussian Count Guido Henckel von Donnersmarck and Privy Councillor N. N. Sushchov – a former major Senate official who turned into a well-known Russian entrepreneur. The mortgage debt and all the property purchased from the Treasury were transferred to the new Company, which intended not only to operate the former state-owned enterprises, but also to engage in new exploration on the territory of Poland and even set up a rail rolling plant. The Department of Mines stated that by 1877 the Company ‘spent money on the construction of factories and forestry’ and almost doubled their valuation (up to 2,470 thousand rubles). At the same time, it regularly made instalment payments and by 1886 reduced its debt to the Treasury to 709 thousand rubles, becoming one of the largest metallurgical companies in the Kingdom of Poland.

After the sale of Starachowice factories the eminent domain of other enterprises of the Eastern district suspended (there is a mention of the upcoming sale of Bialogonsk and Serock plants), ‘for fear that their simultaneous sale would not lower the price at auction, as well as in order to eliminate speculative buyers who, not caring about maintaining the mining business, would want to exploit only the forests assigned to these plants’. In the mid-1870s the imminent completion of railway construction, which was supposed to ‘improve the economic situation of factories and at the same time increase their value’ was recognized as an additional reason for the delayed sale of state-owned enterprises.

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6 RGIA, f. 37, inv. 7, ref. no. 2, sheets 8, 94–126; Gosudarstvennyy Arkhiv Sverdlovskoy Oblasti, f. 24, inv. 18, ref. no. 4081, sheets 11v–12v.
8 ПСЗРИ, собрание второе, vol. 50, отделение первое, 1875, Санкт Петербург 1877, no. 54870.
9 RGIA, f. 37, inv. 7, ref. no. 2, sheets 292, 356, 553.
10 А.М. Лоранский, Горнозаводское дело в России в 1875 г., ‘Горный журнал’ 1876, 3, p. 274.
The transfer of the mining plants of the Kingdom of Poland to the subordination of the Department of Mines raised the expectations of entrepreneurs regarding the bidding for the factories of the Western district. In June 1870, Adjutant General Prince L. L. Radziwill applied for the purchase of all state-owned enterprises in this district. He repeated his request in February 1871, representing now the company of Manufacturing Adviser I. A. Vargunin and Hereditary Honorary Citizen Istomin. In March 1871, the owner of the estate Michewice, Simon Kuznicki, and in January 1873 – Captain 2nd rank A. P. Plemiannikov, filed a petition for the same.

Of particular interest were the enterprises of the Pankovsky department – the eponymous iron-smelting and steelworks plants with mines and three separate refined iron factories, since 1868 already inactive. This independent production complex was located in the Czestochowa district of the Piotrkow province, 94 versts from Dabrowa. Up to 70 thousand poods of cast iron were smelted there, some of which was used for casting dishes and other products, and the other part was immediately put on sale. The production was based on charcoal purchased from the state forestry or from private individuals. According to the assessment made in 1864, Pankovsky plant together with factories cost about 103 thousand rubles and assigned to it 7396 des. of forests – 518 thousand rubles, mines belonging to the plant – 17.5 thousand rubles. In 1869 and 1871 refined iron factories of the Department of Mines were put up for auction, but there were no buyers for them at that time.

In October 1871, mentioned above Anton Lyasky made a request to sell him the Pankovsky plant; in June 1873, the firm ‘Lilpop, Rau and Co.’ applied for the purchase or lease of the same enterprise; in November 1873, the desire to accept this plant for a six-year lease was declared by Warsaw merchants Moses Neufeld and Ludwig Levy, who pledged to pay 5 thousand rubles annually. All petitioners were then refused. M. Kh. Reutern only ordered to keep these offers in mind when the order for the sale of plants is received11.

The preparation of such decision was hastened after the transition of the Department of Mines to the Ministry of State Property in 1874. In May of the same year, in particular, the conditions for the sale of the Pankovsky plant were developed. Finally, on the recommendation of the Minister P. A. Valuev from November 27, 1875 to the Committee on the Affairs of the Kingdom of Poland, the Western district was divided into two parts, one of which was ‘intended to be alienated into private hands by sale at

11 RGIA, f. 37, inv. 7, ref. no. 314, sheets 1, 3, 15–18, 158–164.
public auction’12. The highest approval of this decision followed on January 25, 1876. However, that was not the sale of the Punkovsky department, but the sale of that part of the Western district, which consisted of Dabrowa iron factories under the name Huta-Bankowa, terminated in 1872, and coal mines, ‘the extraction of coal from which, gradually decreasing, became unprofitable for the Treasury’ was recognized as ‘particularly suitable’. According to the developed conditions, 20% of the ‘purchase amount’ had to be paid within 30 days, and the rest had to be paid within 25 and a half years at 7% (or 36 and a half years at 6%). The buyer was given the right to pay the entire amount within the first year in the ‘liquidation papers’ – credit papers that Polish landowners received as a ransom for peasant duties. This benefit was supposed to encourage local entrepreneurs to bid for these factories, located on the border with Prussia and Austria. To limit the participation of foreigners in the auction, P. A. Valuev ordered ‘not to make a call to buyers in foreign newspapers... and to allow only those whom he, the Minister, recognizes as trustworthy to participate in the auction’13. In February 1876, another condition for the delivery to the Treasury of up to 500 thousand ‘korets’ (buckets) of coal from the mines sold to ensure production at the zinc and rolling mills factories that remained in the hands of the Treasury in another part of the Western district, was added to these ‘conditions’.

The announcement of the auction, scheduled for June 12, 1876 in the Council of the Minister of State Property, was published in the ‘Правительственном вестнике’, the capital’s ‘Ведомостях’ and ‘Варшавском дневнике’. A month before their opening, five applications were submitted, but on the day of the auction, only two applicants announced their participation – the company of the Actual State Councillor Durasov, and the Court Councillor Baranov, who gave 1,265 thousand rubles for the factories and mines, and at that time Captain 1st rank A. P. Plemiannikov, who offered 1,300 thousand rubles with an additional obligation for the first five years to pay 1/10 kopecks to the Treasury for each extracted ‘korets’ of coal. So on the 16th of June the results of the auction were approved14.

However, the bill of sale was drawn up for two owners – the same Captain and, ‘at his request’, the rotmistr of the Life-Guards Cuirassier Regiment A. E. Riesenkampf (it is known that in 1886 he will also buy at auction Zalazninsk factories in the Urals and in the same year, sell them to

12 В.В. Хорошевский, О горнозаводском товариществе в Царстве Польском, ‘Горный журнал’ 1879, 12, pp. 381, 382.
13 ‘не делать вызов покупщиков в иностранных газетах... и допустить к торгам лишь тех, коих он, министр, признает благонадежными’.
14 RGIA, f. 37, inv. 67, ref. no. 1395, sheets 2–12, 15.
his father-in-law, ‘the vodka king’ of the Urals, the Polish A. F. Pokleowski-Kozell)\textsuperscript{15}. The ‘purchase amount’ increased to 1,398,536 rubles, as the state-owned mechanical workshops in Dabrowa and iron mines were also transferred to the buyers ‘for their inventory value’; 80% of this amount was paid for 36 years at 32,907 rubles a year. In addition, the new owners of the plants were transferred movable property for 85 thousand rubles with an instalment payment for three years\textsuperscript{16}.

Already in July 1876, A. P. Plemiannikov was allowed to transfer the development of coal mines for 90 years to the French-Italian Bank in Paris, and in May 1877, he applied for permission to establish a partnership for the construction of a steel-rail plant together with the French engineer Eugene Verdier, ‘who was a member of the anonymous Society of Steel and Ironworks plants of Firmini’. All these projects, apparently, were the result of the deplorable state in which the purchased enterprises were at the time of the transaction. As reported in the note of the Department of Mines, ‘all buildings due to dilapidation were with cracks in the walls, with rotted rafters and partly without roofs’, and therefore ‘with a few exceptions it was not possible to use them in the construction of a new plant’. Four blast furnaces were built 40 years ago ‘to an outdated design... and did not meet the current requirements’. The Commission, which included Russian and French engineers invited by A. P. Plemiannikov, concluded that ‘Huta-Bankowa plants, which were once a model of such plants, are now so dilapidated and outdated that they have no industrial significance and are only a place that is economically advantageous for the construction of a new plant for the purpose of preparing steel rails and railway accessories’. Verdier also promised to set up a new plant on the site of the old one ‘in such a size that it will be able to roll at least 500 thousand poods of steel rails from the first year’, with the prospect of increasing production to 1 million poods\textsuperscript{17}.

The petition was supported by P. A. Valuev, and on the 17th of May 1877 the Committee on the Affairs of the Kingdom of Poland allowed the partnership to be organized ‘with the responsibility of A. P. Plemiannikov to the government for the fulfilment of the obligations assumed by him for the purchase\textsuperscript{18}’. Verdier undertook to contribute up to 4 million francs to the plant ‘from his own funds or to attract the capital of third parties

\textsuperscript{15} В.П. Микитюк, Т.П. Мосунова, Е.Г. Неклюдов, Род Поклевских-Козелл, Екатеринбург 2014, p. 161.
\textsuperscript{16} RGIA, f. 37, inv. 67, ref. no. 1398, sheets 26–35v.
\textsuperscript{17} Ibidem, sheets 18–20.
\textsuperscript{18} ‘с оставлением за Племяниковым ответственности перед правительством за исполнение принятых им по покупке обязательств’.
who can form a joint-stock company’. The new plant was soon built, and was probably considered to have been leased from the French anonymous society. Officially, the terms of operation of the Joint-stock Company of the Huta-Bankowska Iron and Steel Works Plant in Dabrowa (‘Russian Poland’) were approved on the 1st of August 1907. The Company with an operating capital of 6.3 million francs aimed to acquire and operate this enterprise together with 100 des. of land owned by the heirs of the deceased A. P. Plemiannikov and A. E. Riesenkampf, and also buy their concession rights to mine mineral wealth for 11 thousand des. in Piotrkow province.

In February 1876, when the terms of sale of the Huta-Bankowska plants were being developed, P. A. Valuev intended to submit to the Committee on the Affairs of the Kingdom of Poland the proposal for the sale of the plants of the Pankovskoy department of the Western district ‘because of their low productivity and low profitability’. The difficulty was that, unlike the Huta-Bankowska plants, these enterprises operated on charcoal and could only be sold with forests assigned to them. ‘In order to preserve for the Treasury as much forest space as possible, which is of considerable value in that region’, the Minister of State Property intended to significantly reduce the area of the existing factory dacha. Moreover, in the state forests located near the factories, there were hunting grounds of Field Marshal Prince A. I. Baryatinisky, who petitioned ‘to prohibit the eminent domain into private hands of some sections of the factory forests’. Another plot was claimed by the owner of the Klobuck estate, Count Donnersmarck, who wanted to purchase it ‘to regulate the boundaries of the hunting park (menagerie) in the aforesaid estate’.

The Commission that had to solve this question, decided to sell the Pankovsky department, which, being far from the centre of the district administration, ‘presented a difficulty for constant supervision’ and required ‘due to the dilapidation and insufficiency of the available water power’ significant costs, which ‘in view of the highest will to sell state-

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19 ‘из своих собственных средств или привлечь капиталы третьих лиц, могущих образовать акционерное общество’. RGIA, f. 37, inv. 67, ref. no. 1398, sheets 39–40v, 46.
20 ПСЗРИ, собрание третье, vol. 27, 1907, Санкт Петербург 1910, no. 29446.
21 ‘В видах сохранения за казной как можно больших лесных пространств, представляющих в том крае значительную ценность’.
22 ‘о воспрещении отчуждения в частные руки некоторых участков заводских лесов’.
23 ‘для регулирования границ охотничьего парка (зверинца) в означенном имении’. RGIA, f. 37, inv. 7, ref. no. 314, sheets 47, 64.
24 ‘представлял затруднение для постоянного надзора’.
25 ‘по причине ветхости и недостаточности имеющейся при нем водяной силы’.
owned factories in the Kingdom of Poland would hardly be useful’\textsuperscript{26}. Then they decided to cede the refined iron factories to the existing ‘applicants’ on the conditions proposed by them, and to put the Pankovsky plant up for public auction ‘on the conditions according to the previous sale’\textsuperscript{27}.

It is known that in 1878 the refined iron factories were sold at prices from 1.2 thousand to 6.5 thousand rubles. Auctions for the Pankovsky plant were postponed, as reported by ministerial officials, due to a statement made by ‘one private person about the acquisition of all mining properties in the Western district’\textsuperscript{28}. But ‘the delay in resolving this issue gave the applicant an excuse to refuse the offer made by him’\textsuperscript{29}. According to the testimony of a mining engineer S. A. Khilinsky, in 1880 the plant was closed\textsuperscript{30}. In the following years, local entrepreneurs applied for the lease of the inactive plant, but apparently did not receive consent.

In the same year, 1880, on the 26th of March, the auctions were held for the sale of the inactive Serock steel plant, assigned to the Eastern district. It was purchased for 7.1 thousand rubles by the merchant Sh. M. Spiegelstein, an inhabitant of the Posad Firley, located near the plant. The bill of sale was signed on the 1st of August of the same year with an instalment payment for six years ‘equal semi-annual payments’. The owner, however, was not able to pay the Treasury within the specified period, paying only by 1893\textsuperscript{31}.

As a result of all these sales in the Western district, the Treasury had only got zinc plants and mines of Dabrowa department, in the East – iron smelting and ironworks enterprises of Mroczkowski-Reevsky department and the Bialogonsk mechanical plant. Mining engineer V. K. Zglenicki, speaking at the Congress of iron manufacturers in 1885, noted that after the sale of the best factories and mines, in the Treasury in the Kingdom of Poland, ‘has only the most miserable piece of factories called the Eastern mining district, zinc factories and abandoned coal mines in Dabrowa’\textsuperscript{32}.

\begin{itemize}
\item \textsuperscript{26} ‘ввиду высочайшей воли о продаже казенных заводов в Царстве Польском едва ли было бы удобным’.
\item \textsuperscript{27} ‘на условиях, согласно с предыдущей продажей’. RGIA, f. 37, inv. 7, ref. no. 314, sheets 156–164.
\item \textsuperscript{28} ‘одним частным лицом, о приобретении всех горнозаводских имуществ Западного округа’.
\item \textsuperscript{29} ‘происшедшее замедление в разрешении сего вопроса подало заявителю повод отказаться от сделанного им предложения’.
\item \textsuperscript{30} С.А. Хильчинский, \textit{Статистико-экономический очерк железной промышленности Царства Польского}, ‘Горный журнал’ 1883, 6, р. 434.
\item \textsuperscript{31} RGIA, f. 37, inv. 73, ref. no. 234, sheets 2–3, 18, 37–48v, 258.
\item \textsuperscript{32} ‘остался только самый жалкий клочок заводов под названием Восточного горного округа, цинковые заводы и оставленные каменноугольные рудники в Домброве’.
\end{itemize}
Some unsold enterprises were closed, and ‘managers of existing factories
turned into rural owners’\(^{33}\). These enterprises, ‘both for their low
productivity, and for the high cost and quality of products produced’\(^{34}\),
could not compete with private factories. The engineer believed that the
remaining plants should either ‘give up their passive role’\(^{35}\), to which
they were pushed by ‘their internal bureaucratic and administrative
organization, which requires constant reports, relations and permits from
the highest authorities in every slightest deviation from the estimates’\(^{36}\),
or be subject to sale. ‘Driving through the mountainous districts of the
Kingdom of Poland – V. K. Zglenicki shared his impressions, – everywhere,
at every step, you can see the abandoned mines and picturesque ruins of
factories, where not so long ago there was a lively activity. In order to
raise the local mining industry, the Treasury must sell all these abandoned
iron mines and factories, which will develop independent productivity,
leaving only a few behind, strengthening their exemplary production’\(^{37}\).
‘The Treasury should never be an industrialist – the engineer insisted, –
but the Treasury must always be a guide, a tool for existing mining, and
a guide for non-existing mining’\(^{38}\).

The same expert mentioned that in the mid-1880s, the sale of state-
owned Olkusz zinc-silver-lead mines, remnants of Dabrowa coal mines
and zinc factories was already being prepared, but transactions on them
were carried out only in the next decade, when the authorities preferred
the rental method of transferring state property to private hands.

According to the regulations of The Committee of Ministers approved
by the Emperor on the 3rd of December 1890, the auctions were held for

\(^{33}\) ‘заведующие действующими заводами превратились в сельских хозяев’.

\(^{34}\) ‘как по своей малой производительности, так и по дороговизне и качеству
производимых продуктов’.

\(^{35}\) ‘отказаться от своей пассивной роли’.

\(^{36}\) ‘внутренняя бюрократически-административная их организация, требующая
во всяком малейшем отступлении от сметы постоянных рапортов, отношений
и разрешений высшего начальства’.

\(^{37}\) ‘Проезжая по горным округам Царства Польского […] везде, на каждом шагу,
видны оставленные рудники и живописные развалины заводов, на которых еще
не столь давно кипела оживленная деятельность. Чтоб поднять местное горное
deло, казна должна продать все эти заброшенные железные рудники и заводы, на
которых разовьется самостоятельная производительность, оставив только за собою
некоторые, упрочив на них образцовое производство’.

\(^{38}\) ‘Казна не должна быть никогда промышленником, […] Это уже всеми и везде
признано. Но казна должна быть всегда руководителем, пособием для существующего
и водворителем для несуществующего горного дела’. В.К. Згленицкий, О состоянии
железной промышленности в Царстве Польском и необходимых мерах для ее развития,
‘Горный журнал’ 1886, 5, pp. 335–353.
the enterprises that remained in the possession of the Treasury in the former Western district: the Bedzin zinc smelter factory and the same inactive zinc smelter factory, ‘Konstantin’, the Slawkow zinc rolling plant, five zinc mines and two coal mines. Apparently, such a full-fledged industrial complex attracted the attention of not only local entrepreneurs. In November 1891, the lease of these enterprises was approved by the company of Life-Guard Cornet P. P. von Derviz, the youngest son of the famous Russian ‘railway king’, and retired Engineer Lieutenant Colonel N. M. Shevtsov, a major military engineer, builder of the Yalta and Libava ports. To monitor the actions of tenants, a ‘government supervision’ was established in the person of a mining engineer with the rights of a district engineer, and the officials who previously held administrative positions were left ‘out of staff’.

The lease contract was signed on the 11th of December 1891 by the Director of the Department of Mines K. A. Skalkovsky, with the mentioned persons, who were joined by a third partner – a reserve Captain of Artillery A. A. Pomerantsev. The terms of the 60-year lease (until the 19th of October 1951) included necessary preparatory work on pits and mines for five years ‘with the aim of developing them at deeper horizons’. For the used areas, the partners made annual payments of 30 to 60 rubles per desyatina. The rent for the extracted coal was 1/2 kopeck, for the smelted zinc – 45 kopecks, for the zinc ores sold by the tenants – 9 kopecks per pood, for the lead ores mined and taken away from the mining site – 15 kopecks per pood, ‘it doesn’t matter whether they sell these ores or process them with their own funds‘. At the same time, in the first five years, the ‘rental amount’ should not have been less than 40.5 thousand rubles per year. At the end of this period, the tenants were obliged to produce at least 10 million poods of coal annually and to melt at least 250 thousand poods of zinc ‘with the fact that in case of failure to achieve these standards, the annual rent paid to the Treasury could not be lower than 162.5 thousand rubles’. State bonds in the amount of 162.5 thousand rubles became a collateral for the state property transferred to them, from which possible rent debts could be repaid.

However, the lease on such, certainly, favourable terms for the Treasury continued only during the first five years of ‘more preferential

39 ‘все равно будут ли продавать эти руды или обрабатывать их собственными средствами’.
40 ‘с тем, что в случае недостижения указанных норм ежегодно вносимая в казну арендная плата не могла быть ниже 162,5 тыс. руб’.
41 Узаконения и распоряжения правительства, ‘Горный журнал’ 1891, 12, рр. XXII–XXXIII.
maintenance of the property’. Then the tenants filed a petition to lower the rent limit, promising to involve French entrepreneurs in the case. After discussing the matter, the Ministry of Agriculture and State Property, with the participation of the representatives of the Financial and Control Departments found that the terms of the existing contract really ‘seemed currently impossible due to... the extraordinary fall in the price of zinc against the former at the time of conclusion of the contract (more than 30%) and generally very oppressed condition of our zinc industry, this is also due to the complete discrepancy between the state of the leased coal mines and the minimum mandatory mining of this minerals determined by those conditions’

In April 1898, a proposal to change the terms of the lease ‘in case of the transfer by the tenants of their enterprise to the French-Russian Mining Company formed for this purpose’ was submitted to the Committee of Ministers. The Charter of this Company had been already approved on the 20th of December 1896. Of the previous tenants, only one A. A. Pomerantsev, now lieutenant colonel, was the founder. N. M. Shevtsov died in 1892, and his participation in the Company passed to his heirs. The third partner, who belonged to a well-known business family, apparently transferred his powers to A. A. Pomerantsev, who, according to some sources, was the case manager of the Derviz family (he is also known as the civil husband of the famous ballerina A. Ya. Vaganova). The episode was interpreted in the press as ‘Derviz’s crash’ with the subsequent ‘sale of the Russian zinc business to the Belgians’.

Of ‘the French citizens’, the Company was organized by Julius Ranvier, Edmond-Elius Coutelier and Emile Collen. The main capital of the Company was 1.5 million gold rubles, divided into 12 thousand shares of 125 rubles each. The former tenants received shares in exchange for the property they transferred to the French-Russian Company, and the ‘conditions of the transfer’ of this property were to be the subject of discussion at the first general meeting of shareholders with the tenants. The Company also inherited the

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42 ‘представлялись в настоящее время невыполнимыми как вследствие... чрезвычайного падения цен на цинк против бывших во время заключения договора (более чем на 30%) и вообще крайне угнетенного положения нашей цинковой промышленности, так и вследствие оказавшегося полного несоответствия между состоянием арендуемых каменноугольных копей и определенной теми условиями минимальной обязательной добычей сего ископаемого’.

43 ‘в случае передачи арендаторами своего предприятия образующемуся для сего Франко-русскому горному обществу’.

44 И.А. Корзухин, Памяти горного инженера И.А. Антипова, ‘Горный журнал’ 1912, 12, p. 393.
lease, which expired in 1951.\(^{45}\) The terms of the contract were significantly simplified: the Company was allowed to contribute a ‘certain amount’ of 50 thousand rubles annually to the Treasury, but it also had to produce an ‘additional fee’ for each pood of melted zinc for 10 kopecks at the price of a pood of zinc on the St. Petersburg Stock Market from 3.5 to 4 rubles, for 25 kopecks – from 4 to 4.5 rubles and for 45 kopecks – at a price of 4.5 rubles or higher. In addition, new tenants had to pay 1/4 kopecks for each pood of coal produced in excess of 3 million poods from the designated areas specified in the contract. These more realistic conditions were approved by the Committee of Ministers on the 12th of June 1898. According to data for 1913, the French-Russian Mining Company was still listed as a tenant of the ‘plant near Bedzin’ and the ‘Konstantin’ plant\(^{46}\).

According to the regulations of the Committee of Ministers on the 12th of November 1893, inactive Mroczkowski iron smelting plant, had also been leased, without bidding, for 12 years, to ‘the owner of the Kamenna factory, nobleman Vitvitsky for a fee of 1 thousand rubles per year with an obligation to pay mining fee for cast iron on equal terms with private factories’\(^{47}\). As the mining officials testified, the transfer of the plant on such easy terms took place for the simple reason that ‘the plant, which was not operating for a long time, consisted of dilapidated buildings, the repair of which required a significant amount of up to 30 thousand rubles, however, in addition, the plant felt a lack of fuel material’\(^{48}\). The tenant also reported that ‘he did not need the state forest’, intending to resume the operation of the blast furnace on mineral fuel, and promised ‘to repair the plant with his own funds, and to return it in good condition at the end of the lease period’\(^{49}\), which seemed ‘very profitable for the Treasury’. In addition, the nobleman, as it turned out, ‘had in his previous activities in the factories of the Urals and the Kingdom of Poland the sufficient technical experience for the proper management of the factory enterprise’\(^{50}\).

\(^{45}\) ПСЗРИ, собрание третье, vol. 16, 1896, отделение I, Санкт Петербург 1899, no. 13556.

\(^{46}\) С.А. Турьян, Горнозаводская промышленность России в 1913 г., ‘Горный журнал’ 1917, 1–3, p. 119.

\(^{47}\) ‘владельцу завода Каменна дворянину Витвицкому за плату по 1 тыс. руб. в год с обязательством вносить горную подать за чугун наравне с частными заводами’.

\(^{48}\) ‘не действующий в течение продолжительного времени завод представлял собой одни полуразвалившиеся здания, ремонт которых требовал значительной суммы до 30 тыс. руб., кроме того завод ощущал недостаток в горючем материале’.

\(^{49}\) ‘произвести собственными средствами ремонт завода, а по окончании арендного срока вернуть его в исправном виде’.

\(^{50}\) ‘обладал по предыдущей своей деятельности на заводах Урала и Царства Польского достаточной технической опытностью для надлежащего ведения заводского
For the same reason, because of the ‘complete decrepitude’, the Bialogonsk mechanical plant, listed for the Department of Mines (located in the Niewachlow municipality of Kielce district) also passed into rental maintenance. For more than 60 years, the Treasury produced ‘agricultural machines and tools’ there and, according to the future tenant, ‘reached a significant development at the time, when in 1871 preferential conditions were established for the factory to sell its products to the farmers of the Kingdom of Poland on a six-year credit’\textsuperscript{51}. In the following years, ‘the production declined significantly, and the plant was completely destroyed’. In 1889, a well-known scientist-agronomist V. V. Chernyaev was sent there ‘to draft the necessary changes and improvements’. But the project, which required about 25 thousand rubles, seemed too expensive, so instead of reconstruction, it was proposed to lease the plant for a long period.

According to the regulations of the Committee of Ministers of the 1st of March 1896, the Bialogonsk plant was transferred without bidding for a 15-year lease to the co-owners of the firm ‘Kamensky and Grossman’ civil engineers Kamensky, Dunin-Borkovsky and a merchant of the 1st guild Grossman for an annual fee of 3 thousand rubles\textsuperscript{52}. However, the representatives of this firm suddenly ‘evaded the conclusion of a lease agreement with the Treasury’, as a result of which in May 1898, the Ministry of Agriculture and State Property ‘recognized the need to start a petition’ concerning on the transfer of the plant to lease for the same amount, but for 30 years to retired engineer Lieutenant Colonel Josef Skibinski, and the Treasury had the right to increase the rent in 15 years by 50%. ‘The highest permission’ followed on the 26th of June 1898\textsuperscript{53}.

‘Having accepted the Byalogonsk plant in rental maintenance in an extremely unsatisfactory condition, with an annual turnover that did not even reach 15 thousand rubles, – complained J. Skibinski in 1900 from Warsaw, – I have already done everything possible and available to me with my very limited personal funds to put the plant in order and develop its productivity, arranging, among other things, a new large iron foundry’\textsuperscript{54}. At the plant it was still produced threshing machines, chaff-
cutters, harrows, rollers, root choppers and other agricultural machines. Wanting to expand production and give the plant a ‘permanent, exclusive specialty’, the tenant intended ‘to start a special section of improved tools for mill and peasant farms and for cutting peat and making bricks from it’. But, having neither experience and ‘sufficient information’, nor money ‘or order and test of necessary machines and tools that are most suitable for small farms’, he asked the Minister A. S. Yermolov to write out from abroad and send him samples of these devices. However, the Minister ‘did not find sufficient reasons’ to fulfil the tenant’s request.

Production at the remaining Polish enterprises owned by the Treasury, as follows from the reports of the Department of Mines, decreased every year. If in 1896 three – Bzinsk, Reev and Mostkowo – iron smelter factories smelted 329,241 poods of cast iron, in 1902 only 165,534 poods were produced. In 1898, the Bzinsk plant was closed first due to lack of coal. The furnace of the Reev plant worked for some time in 1901, but next year it didn’t work ‘as due to lack of fuel, and due to lack of demand for cast iron, the reserves of which accumulated and did not sell out’ in terms of the onset of the industrial crisis. Then it was supposed to stop the Mostkowo plant or ‘together with other state – owned factories of the Western mining region (in such a way they began to call the mining region of the Kingdom of Poland since 1895. – Ye. N.)’ to transfer it to private hands. ‘The main reason for inactivity… – explained the engineer A. P. Shepovalnikov, the author of the articles about state-owned factories in the ‘Горный журнал’, – lack of fuel, because the Department of State Property of the Radom province, which is responsible for local mining forest dachas, in view of the increasing demand for forest materials in this area, finds it more profitable for the Treasury to sell wood to private hands in the form of construction material’. Having smelted 140 thousand poods of cast iron...
in 1903, the Mostkowo plant was stopped in December, 1903, because ‘it was supposed to stop completely the state exploitation of factories in the Western region and transfer them to private individuals for rent for a longer or shorter period’\(^{62}\).

The auction was held on the 30th of June 1904. According to its terms Bzinsk, Mostkowo and Reev cast iron smelter and Sielpia ironworks plants were leased for 24 years ‘with the provision to the tenant of all belonging to the Treasury rights to develop iron ore mines and exclusive rights of exploration and development during the rental period all iron ore deposits in state forestry of the West mining region for 12 miles around the state-owned factories’\(^{63}\). The ‘subject of the competition’ was the payment for one pood of iron ore in the form of an obligation to pay at least for 2 million poods per year. The annual fee for the exploitation of state property was 4.5 thousand rubles.

In October 1904 the Senate approved the results of the auction for the Bedzin merchant of the 2nd guild E. K. Rupp, who offered the highest fee of 6 rubles 12 kopecks for every 1.6 thousand poods of ore. The Western mining administration, which then exercised mining supervision in the Kingdom of Poland, on the 29th of October signed a contract in hope of reviving these last state-owned enterprises in the region. But the tenant soon ‘proved to be an unfair contractor of the Treasury’, and the contract with him had to be terminated\(^{64}\). By 1912, a new tenant was found. Then the Council of Ministers approved the transfer of the state-owned enterprises to the Ostrovets Plants Company without bidding, reducing the rate of obligatory ore production to 1 million poods. However, this joint-stock company ‘in view of the changed circumstances in the life of the enterprise’ refused to lease. As the officials testified, the Department of Mines ‘began to take measures to find new tenants, but none of the proposals could stop their attention due to their insufficient profitability

\(^{62}\) Н.И. Сурдул, Сведения о действии доменных печей на казенных горных заводах за 1903 г., ‘Горный журнал’ 1906, 1, p. 122; idem, Сведения о действии доменных печей на казенных горных заводах за 1904 г., ‘Горный журнал’ 1906, 8, p. 241.

\(^{63}\) ‘с предоставлением арендатору всех принадлежащих казне прав на разработку железных рудников и исключительного права разведки и разработки в течение арендного срока всех месторождений железных руд в казенных лесничествах Западной горной области на протяжении 12 верст вокруг казенных заводов’.

\(^{64}\) RGIA, f. 37, inv. 67, ref. no. 94, sheets 14–15.
for the Treasury’\textsuperscript{65}. Finally, in 1913, an acceptable offer was received from the owner of the ‘Skarzhysko’ metallurgical plants, an engineer Stepan Grabinsky, who requested the transfer of the state-owned enterprises to him without bidding ‘on the exact basis of the contract with Rupp’, but with a rate of ore production of 1 million poods and payment exemption for the first three years of lease. He also asked to transfer to him, apparently, the Mroczkowsky factory that was out of lease and inactive, as well as the territory of the long-closed Samsonovsky and some other plants.

‘It is difficult to expect a more favourable offer... – the officials of the Department of Mines believed, – the engineer Grabinsky – a rich man and the owner of factories located in the nearest neighbourhood of the state-owned factories, is a person who is quite trustworthy as a counterparty to the Treasury’\textsuperscript{66}. It was desirable, they agreed, to transfer the factories without bidding, so as not to attract ‘speculative applicants’, not to lose time and not to cause a loss to the Treasury. Minister of Trade and Industry S. I. Timashev, fully agreed with this opinion, and the state-owned factories probably managed to find a new tenant\textsuperscript{67}. In June 1917, the head of the Department of the Liquidation Commission for the Kingdom of Poland K. B. Brodsky, reported that in 1915 the territory of Poland was occupied by the troops of the ‘Central powers’, and the remaining state property was now transferred to the property of the newly formed Polish state\textsuperscript{68}. Thus, the process of the eminent domain of state-owned mining enterprises in the Kingdom of Poland, which began in 1870, lasted to the beginning of the First World War. It became an important part of the implementation of the mining reform in the Russian Empire, which involved a significant reduction in the state sector of industry by transferring factories to private entrepreneurs. A special feature of the process was its earlier start: the first deals on the Ural plants were made only in 1872–1875. This was due to the fact that the decision to privatize Polish factories was made before it spread to other regions of the Empire. Only with the approval of the Rules of 1871 the ‘Polish campaign’ became part of the general imperial campaign and accepted its common features, which consisted, in particular, in the complex

\textsuperscript{65} ‘стало принимать меры к приисканию новых арендаторов, но ни на одном из сделанных предложений не могло остановить своего внимания вследствие недостаточной их выгодности для казны’.

\textsuperscript{66} ‘Более выгодного предложения ожидать трудно... – полагали чиновники Горного департамента, – инженер Грабинский – богатый человек и владелец заводов, находящихся в непосредственном соседстве с казенными заводами, является лицом, вполне заслуживающим доверия как контрагент казны’.

\textsuperscript{67} RGIA, f. 37, inv. 67, ref. no. 94, sheets 15–16v.

\textsuperscript{68} RGIA, f. 37, inv. 73, ref. no. 157, sheet 1.
nature of the process, its discontinuity and duration. This was due to the hesitation of the Russian authorities on the issue of the purpose of the state-owned mining plants – from recognizing the exclusively defence profile of such enterprises, their importance as initiators of the introduction of new metallurgical technologies or as regulators of market prices for metals, to encouraging their broad commercial activities. The more cautious approach to the eminent domain of state property that prevailed in the early 1880s led to the approval of the lease method instead of privatization. As a result, after the sale of Starachowice, Dabrowa (Guta-Bankowa) and Serock factories in 1870–1880, the remaining zinc and ironworks enterprises that belonged to the Treasury in the Kingdom of Poland were given only for long-term lease. Despite the difficulties that accompanied the search for an effective tenant, the state did not return to managing its factories. The composition of the new owners or tenants reflected both the inclusion of the Kingdom of Poland in the Russian Empire, which led to the appearance of large Russian businessmen along with local entrepreneurs, and the general processes in the country’s economy related to the policy of attracting foreign capital, in particular German and French.

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Ważną częścią realizacji reformy górnictwa w Imperium Rosyjskim w drugiej połowie XIX – początku XX w. stało się uwłaszczenie państwowych zakładów górniczych, zlokalizowanych w Królestwie Polskim. Proces ten przygotowywano w latach sześćdziesiątych XIX w. i rozpoczął się sprzedażą fabryk w Starachowicach w 1870 r. Następnie w wyniku przekształceń proces objął całe terytorium Imperium Rosyjskiego, w tym również Ural, Kaukaz i Donbas, gdzie skarb państwa posiadał własne przedsiębiorstwa. Prace nad uwłaszczeniem państwowych zakładów górniczych były nieregularne i rozciągnęły się do początku I Wojny Światowej. W pierwszym etapie (1870–1880), gdy za główną metodę uwłaszczenia została uznana prywatyzacja, w Królestwie Polskim, obok fabryk starachowickich, sprzedano również fabryki w Dąbrowie (Huta Bankowa) i Serocku. Na początku lat osiemdziesiątych XIX w. w kragach rządzących zaczęło przeważać bardziej ostrożne
podejście do uwłaszczenia majątku państwowego, co doprowadziło do wprowadzenia metod dzierżawy. Od lat dziewięćdziesiątych zaczęto więc wydzierżawiać pozostałe przedsiębiorstwa, zajmujące się żelazem i cynkiem. W efekcie państwo nie wróciło już do zarządzania zakładami górniczymi w Królestwie Polskim, które zostały przekazane prywatnym przedsiębiorcom.

**Słowa kluczowe:** Królestwo Polskie, zakłady górnicze, skarb państwa, przedsiębiorcy, uwłaszczenie, prywatyzacja, dzierżawa

**ABOUT THE AUTHOR**

Yevgeniy Neklyudov – chief researcher of the Institute of History and Archaeology of the Ural Branch of the Russian Academy of Sciences. The author of more than 150 scientific papers, including 4 author’s monographs.