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ECONOMIC DEVELOPMENT IN NEWSPAPERS OF AZERBAIJAN (end of the 19th beginning of the 20 th c.)

The Treaty of Turkmenchay (1828) brought forward significant economic developments in both parts of Azerbaijan that now were to exist on the two different sides of the newly established border.

"After becoming a part of Russia, Azerbaijan faced a state of affairs that caused withdrawal from some feudal legacies and resulted in a shift towards a modern order of society". All diverse local currencies were replaced with Rubles in 1830.(1) Production was remaining low due to limited land ownership by local peasants and descendants of Khans, whose properties were hugely trimmed by Russian reforms of land ownership from the 1840s. Up until the 1860s, Azerbaijan remained merely an agricultural country with deficient production of oil, copper, tobacco, cotton, wine, and carpets.

Remarkably, there is a considerable amount of research on the economic development of Baku and its environs in the second half of the 19th century and one of the main sources of information least known yet is the contemporary press.

Towards the end of the 19th century, Azerbaijan was a convenient country for the Russian government to settle there temporary exile undesirables.(2) Baku became a brisk city. Thus, aspirations for non-conventional ideas, revolutionary deeds and tolerance for any contrast flourished in that region. Also, because of the rapid growth in oil production, Azerbaijan was about

to change its face forever. As mentioned by Tadeusz Swietochowski: "The turning point came as a result of the most consequential government act the Russian bureaucracy ever issued in Azerbaijan. In 1872, the practice of granting oil concessions on state lands was changed from long-term leasing to the highest bidder. The door was thrown open to native, Russian, and foreign investors with substantial capital who were willing to engage in large-scale mechanised production." The main foreign investors were the Nobel Brothers and Paris Rothschild. "The extraction and processing of oil grew to an unparalleled scale, with Baku's 1898 output surpassing that of the United States."(3)

Another reference presents oil production and population numbers: "No other city in the world has developed so rapidly as Baku. Indeed, in terms of production of oil, it held the very first place during 1898-1901. Production of oil increased up to 70% during the years 1876-1914."(4) A vast number of working-class representatives were gathering around the industrial areas of the city. "In this context, numbers of the population growth of Baku speak for themselves: in 1897 – 113,004 people, in 1904 - 222 412 people."(5)

Foreigners generally were arriving with their families, this had a tremendous impact on cities of Azerbaijan. Some examples of statistics would demonstrate the scope of influence of the rapid economic development

of the country and the city of Baku in particular. Consequently, in 1900, Baku's harbour held the first place in the world in terms of the shipment of dry goods, crude oil, and passengers. In 1903, the first motor ship vessel, "Vandam", was floating in the Caspian Sea as a symbol of a new era in marine transportation.⁽⁶⁾ In 1900, the gross amount of crude oil sent from Baku's harbour to the units of engineering industry and metallurgy of the Russian Empire was 20,653,000pud (over 338,306 tons).⁽⁷⁾

Father of Azerbaijani journalism Hasan Bey Zardabi described the reality: "The time when the eastern part of Transcaucasia was regarded as almost plague infested had lasted long, then oil fountains and rocky fields around Baku shot high up, and all watched with fascination those marvellous phenomena of nature. As the owners of fountains were quickly pulling up their millions, capital and expertise began to flow in from everywhere: what used to be in effect the place of administrative exile now began to bubble with life."⁽⁸⁾

Significantly and least mentioned fact here is that this circumstance had a tremendous impact on the development of the Russian economy. Moreover, the prominence of the Azerbaijani oil trade remained crucial in the following decades, when the socialist movement gained force in the region. In their turn, the Bolsheviks were keen on holding Baku and Azerbaijan within the Soviet State. Such economic developments indeed influenced understandably the cultural life of society. Therefore, the fast economic growth of Azerbaijan, mainly due to the exploration and production of oil, became a source of social diversity after many investors and manufacturers decided to come and settle down in the country, at first in Baku.

Obviously, the economy of the region was mainly based on the oil trade. "According to records, in 1873, the number of companies functioning in the Baku re-

From left to right: Ismayil Bey Gaspirali, Hasan Bey Zardabi, Alimardan Bey Topchubashov



gion was 12, while towards the end of the 19th century, this number rose to 140. This was a result of the changes in the law and regulations introduced by the Russian authorities in 1872. Before that, chances to develop possibilities in the oil industry and any economic growth were significantly limited by the state. As a result of the new situation, the flow of Russian and foreign capital began. In 1879, the Nobel Brothers Company was founded. In the 1880s, Rotsild's French capital started to nourish the economy. Subsequently, in 1890, the British capital started to gain its place in the Baku oil industry. Later, other countries' representatives advanced in gaining a concrete place among Baku region oil industry leaders."⁽⁹⁾

Baku, as a harbour city, had an advantageous situation in terms of trade possibilities with Iran, Russia, and Ottoman Empire. Along with oil production, weaving and mechanical engineering were prominent fields of economic growth. An increase in the number of industrial establishments resulted in organised finances, bringing forward a need in the banking system. Due to these reasons already in the 70- ties of the 19th century, the special Bank was opened. According to the Əkinçi newspaper dated 1876, such a bank was functioning already "since few years".⁽¹⁰⁾

Due to recession in Russia in 1877 the prices of oil dropped per barrel from 4 kopeyka to 1,5 kopeyka while the price of gold rose from 5 Rubble per unit to 7,5

Editorial board of "Azerbaijan" newspaper (1919). M. A. Rasulzade, U. Hajibayov and others



Rubble. As a result, the State Bank branch of Baku was obliged to demand additional stocks of gold from Saint Petersburg. "Əkinçi" was explaining the situation, stating: "Customers prefer American oil to the one extracted in Baku. When compared, American products are considered of better quality. In this respect, the number of customers for American oil is surpassing those for the local one." (11)

On 23 November 1881, the first telephone line was established in Baku by the Nobel Brothers Company. The broader phone line exploitation was introduced in Baku in 1885 (12) and was owned by the Gustav Listin Səhmdar company. Despite this fact, the Baku municipality was trying to gain the lawful right to hold the lines. (13) The main factor in the increase of the number of phone lines was the rise in numbers of companies and wealthy people. As a result, in 1886, only 40 lines were available in Baku. In 1903 the number of permissions granted for phone lines was already 1216. (14)

The matter of taxes was duly scrutinised. Each type of earnings, from one of the street sellers walking about as pedestrians or using a trolley to the taxes applied to artists was a subject of relevantly calculated taxation. Those taxes appeared to be unquestionably high and were influencing the trade market negatively. The detailed information on taxes rates in numbers can be found in Əkinçi, dated 30 January 1876. (15) Remarkably the situation seems not to change at all and even on the contrary, as Şərq-i rus dated 6 August 1903 was inform-

ing about the act of a few citizens presenting a petition to the municipality, demanding the tax rates to be lowered. (16) According to the newspaper, the taxation applied to land owners was so high that it was resulting in the worsening of the situation of the citizens, particularly the poor, who would be totally deprived of the chances to recover financially with already limited earnings they were capable of making. The same newspaper depicted the situation of Baku beggars in 1903 who "miserable and humiliated, bare foot and hatless would wander about being ridiculed at the streets of the city and bazaars." (17)

The first riots by Baku workers against their severe working conditions began at the end of the 1970s and the beginning of the 1980s of the 19th century. Those were anxious about losing the source of their income upon the establishment of steep railway workers that were earning their living from trolley transportation of oil between Sabuncu and Balahani districts of Baku. At the same time, the largest riot of workers in the history of the period mentioned occurred in 1881. (18)

According to the newspaper Əkinçi, public notaries' offices were crazily flooded with lines of customers feeling the documents related to selling and buying lands for oil exploration. All traders and artisans of Baku were abandoning their tiny workplaces to rush and catch the job of builders or workers at Sabuncu district of the city, or the so-called Black Town, to be able to gain an impressive fortune just within one or two years. The same

newspaper was writing as follows: "Oil is flowing under our soil as if the blood were in the veins and with an intercity of water. If it appears in the villages of Balahani, Sabuncu, Ramana, that means it will also appear in the surrounding places. If so, why rush to the Sabuncu district of Baku to buy the land for the price of gold? That is simply a folly created by the landowners to be able to sell for a higher rate".(19)

Curiously enough, every year the prices of lands from which oil exploration began were rising. While in the 1870s the desyatin of the land was 10 Rubles, at the end of the century it would be sold for hundred thousand Ruble.(20)

Significant contribution to the oil industry developments occurred after the initiation of the Baku-Batumi oil railroad transportation bridge, which created opportunities for Azerbaijani oil to be transported to Russia and Europe even faster and in large amounts. As a result, in 1873, Russia received 40 thousand pud oil from Baku in total. In 1901, this number reached 51,6 million puds per year. (21)

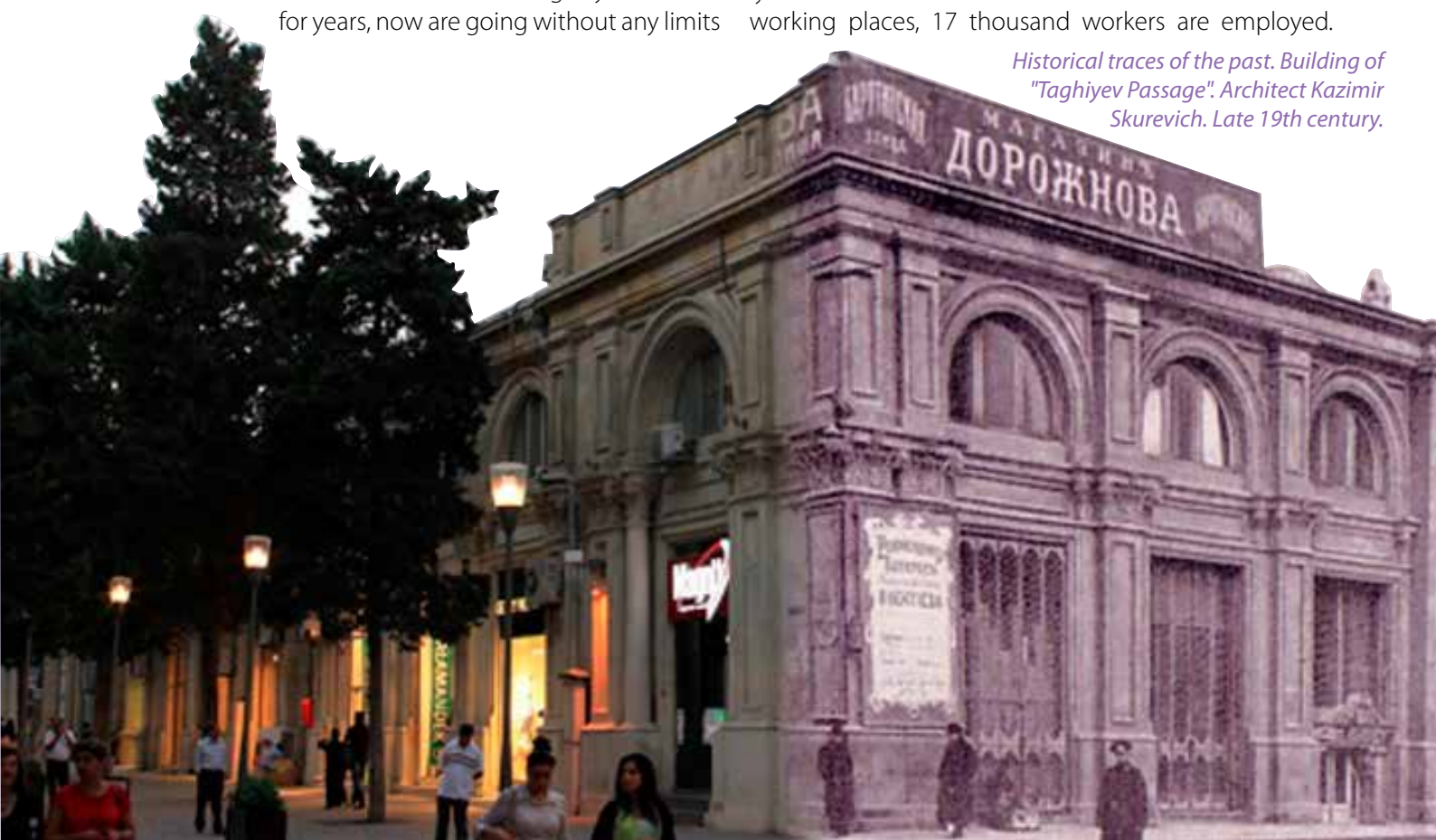
Significant improvement in the economic situation started to show itself after the Baku-Tiflis Railroad connection was established. It already began functioning in 1880 partly and was completed in 1883. In 1888 Kəşkül Newspaper stated as follows: "The minor local sellers that would not be able to visit a big city in their life for years, now are going without any limits

once to Baku, once to Tiflis and even some to Batumi to bring there their products and sell so that it becomes a trade and a visit, cultivating a phrase famously known to describe this fact "həm ziyarət həm ticarət".(22)

Starting from 1885, fair trade was established in Baku. Russian factory owners and capitalists were selling their machines and products through the market in Baku to Iran.(23)

As a result, even though the 19th-century oil industry of Baku underwent an economic crisis, the amount of oil extraction by the number of prominent companies functioning in the region was still significant and from time to time was excising 100 thousand pud per day. According to Şərg-i Rus in 1903, the level of oil extraction per day of the Soukhasnik Company was 100 thousand pud per day. As a result of an oil fountain that erupted in June 1903 at the oil exploration fields belonging to Musa Nagiyev the daily extraction level has reached 100 thousand puds per day. The establishment of big companies in Baku, while having a significant influence on the frame of the whole city's industrial capitalism development, has placed Baku in the leading position among all the Transcaucasian cities of that time. Referring to that, the newspaper Şərq-i Rus stated in 1904: "In the Baku region, the number of factories and workplaces has reached almost 2000, with a yearly income of 76 million Rubles. At those factories and working places, 17 thousand workers are employed.

Historical traces of the past. Building of "Taghiyev Passage". Architect Kazimir Skurevich. Late 19th century.





According to the production level among all those, the oil companies are the leaders." Along with the development of the oil exploration and extraction industry, the mechanical engineering factories were rising in numbers securing a broader and more organised production system. Another significant production line that functioned in Baku at those times was a tobacco factory that contributed to the whole production of tobacco factories as much as 60% of the gross number of this item. At this point, it would be necessary to add that the total value of tobacco products of those factories altogether was 700 thousand Rubles.(24) Factories for flour and rice in the husk were functioning in Baku on an extensive level. The produced rice was sent to Odessa to be distributed further.

The problematic situation of workers gave way to multiple and wide-ranging strikes in Baku. The widest were the 1903 July and 1904 December strikes, which came about due to hardships experienced by workers in terms of their economic and political status.

Those were the years when fires on oil exploration fields at Baku and the Abşeron Peninsula were storming around, leaving enormous financial casualties along with numerous fatalities. According to the narration of such newspapers of the time as the Şərq-i rus, Keşkül,

and Ziyayi Gəfgəziyə, numerous fires were storming the environs of Baku, expanding and diffusing mercilessly into the soil on which they had been extracted, upon easily flammable material such as oil and crude products of it, jumping from one to another, nourished by frequent winds of the Abşeron peninsula. As a result, of the Bibi-Heybət fire, the oil lake of Taghiyev and four fuel oil depots of Adamov were burned out. The disastrous situation caused by fires on the lands operated by the Kaspi and Chernomor companies situated in the Bibi-Heybət districts was widely described in detail by the local press. Similarly, we read that a fire started on June 1st, 1903, at Gashinyev's factory, spread to the factories of Nobel and Montashov, and as a result, many people were wounded, 4 lost their lives, and the property damages of those factories reached millions of Rubles. In the same year, on June 14th, in the fire that started at Balaxani, ten mines of Tumayev and five mines of Nobel were burned out. As a result, the governmental commission to investigate the fire disasters was established to work on the situation and prevent new ones from coming. The final toll of those fire disasters so far was 50 burnt oilfields and oil reservoirs.(27) Yet, on 23rd July 1903, another fire started and lasted till August 1st, making the situation even more complicated.(28)

Notably, in the 70s of the XIX century, the economic growth of Azerbaijan was deeply affected by the recession in Russia; as a result, particularly Baku was going through a financial crisis. In addition, the drought that initiated in Baku in 1876 lasted till the end of the 80th of the XIX century. Historical events such as the 1900–1903 economic crisis, the Russia–Japan War, and the First Russian Revolution of 1905 profoundly influenced the state of the Azerbaijani oil industry and its future development.(29)

The situation of workers heavily exploited by Russian and foreign capitalists was in turn smartly used by communist propagandists, who were infusing into the exhausted masses of thousands of workers deprived of basic rights and aware of the merciless blind exploitation of the soil and peoples of Azerbaijan by the regime of the time along with foreign magnates. Starting in 1903 and continuing until the end of 1905, significant mass strikes by the working population occurred in Baku and other regions. Thousands of them were leaving jobs to gain some rights, both economically and in terms of their new status. The riots were so widespread that the government had to take precautions by sending Cossack battalions and army troops to suppress the

Baku millionaire Agha Musa Naghiyev

rebellious masses. Some of the insubordinates were arrested. There were deaths on both sides.

The facts given above present the economic situation of the discussed time from various aspects. We would like to underline the fact of representatives of business owners and in general the bourgeoisie of Azerbaijan, in its composition, being multinational. The correlation of the positions of the local bourgeoisie was different in various industries. Baku attracted many foreign investors as a capital. The fact that the local bourgeoisie could not be considered as powerful in numbers and influence created an even more attractive environment at the initial stage of the boom around Caspian oil production.

Despite all the administrative and economic difficulties, the changes were yet to come, and the fate of the Azerbaijani nation would have been given its turn to handle matters of its own independence and development. ✨

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