

## FOREIGN COMPANIES' ACTIVITIES IN THE TURKESTAN GENERAL GOVERNORSHIP

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### ABSTRACT

The article is devoted to the activities of foreign companies in the Turkestan General Governorship. The role of foreign investors (Gerhard and Gay, the Kraft brothers, the Knop brothers, Louis Zalma, the Schlossberg brothers, and the "Beshbosh" joint-stock company) in the country's infrastructure, local winemaking, and silk production is analyzed.

**Keywords:** Turkestan, foreign companies, joint-stock companies, foreign investments, cotton companies, foreign entrepreneurs, silk industry.

### INTRODUCTION

When discussing the history of Uzbekistan during the period of the Russian Empire's colonization, it is impossible to overlook the emergence of industrial enterprises in the country, their sectors of activity, and their role in the region's social and political processes. In particular, the study of foreign companies' activities during this period is of special importance. Under the influence of the growing international capitalist relations, the entry of Russian and foreign capital into the economy of Turkestan strengthened. The entry of monopoly capital into the country's economy was based on a number of factors, including the construction of many cotton-processing

and oil production enterprises, the laying of railroads, and the launch of the mining industry. After the launch of railroads connecting Russia to the region, opportunities for the entry of Russian and foreign capital into Turkestan were greatly expanded. In a relatively short period, within 20 years, railroads connecting the province's major cities and districts to central Russia were built, and various companies and firms were established, which effectively contributed to the development of trade and economic relations between the colony and the metropolis.

## LITERATURE ANALYSIS AND METHODOLOGY

The first companies involved in the purchase of Turkestan cotton were affiliated with the metropolitan fabric industry and were formed from the “Great Yaroslavl Manufacture”, “S. Morozov”, “N. Kudrin and Company”, and others. Based on their participation in the cotton trade, these companies can be divided into three groups:

1. Companies limited to sending cotton to European Russia (e.g., “Russian Treasury Placement Society”, “Caucasus and Mercury Company”);
2. Private cotton factories (e.g., “Brothers Kamensky's Company”);
3. Companies involved in various operations related to cotton, such as cotton fields and ginning factories (e.g., “Great Yaroslavl Manufacture”, Meyer Kort Company, “N. Kudrin and Company” and others).

Additionally, with extensive connections with local banks, companies such as “Brothers N. and A. Termikrtichevs”, “Fors Company”, “S. X. Kevorkov”, “B. Arzumanov”, and the “Vadyayev Trading House” in Ashgabat and Merv cities earned significant profits by buying large quantities of cotton. Among the firms and companies established in Turkestan, the “Great Yaroslavl Manufacture” was the leader in terms of its role in the cotton market and the volume of capital transactions. From 1881 to 1884, this company was exclusively involved in purchasing local cotton varieties. By 1884, it had purchased around 40,000 poods of

cotton from Tashkent and Kokand and 100,000 poods from the Bukhara Emirate. By 1888, the company had purchased 450,000 poods of ginned cotton for its own factory from local markets, and by 1889, this figure had increased to nearly 590,000 poods. The company was also engaged in cotton cultivation and the sale of prepared fabrics. In the late 19th century, the company owned 450 acres of land in the Syr Darya region. According to the law adopted in 1894 on the administration of the Turkestan province, “Only joint-stock companies and companies formed by Christian Russian citizens and citizens of Turkestan and neighboring Central Asian countries are allowed to purchase land and immovable property in Turkestan.” This law prohibited foreigners or persons of Jewish faith from purchasing immovable property but allowed them to buy it for temporary use. Additionally, in 1907, joint-stock companies in Turkestan requested the removal of the clause in their regulations that prohibited foreigners from owning shares in the company. On October 30, 1907, the Ministry of Trade and Industry issued a decree allowing foreign joint-stock companies from France, England, Germany, and Belgium to operate in Russia. As a result, foreign companies and their capital entered the Turkestan region. Among them, the famous “Zinger” company held a special place. After the railroads connected Russia with the region, many opportunities for the entry of Russian and foreign capital into Turkestan opened up. German political circles, especially their entrepreneurs, were interested in developing economic ties with Turkestan.

Foreign trade operations with these companies were conducted with the help of German Mennonites (Emil Rizen and others). Construction materials for the Khan's summer residence, hospital, and trade-telegraph office in Nurillaboy Palace were supplied by Moscow and German companies. Beadwork materials and electric devices, including chandeliers, were brought from Berlin through companies like Pollack, Westinghouse, and the Universal Electric Company. German entrepreneurs were highly interested in Turkestan's natural resources, including medicinal plants, and bought and exported them to Germany. One of the most famous pharmaceutical entrepreneurs was Dragendorf, who engaged in buying and exporting various

beneficial minerals, especially ozokerite (natural wax), which was in high demand. German companies purchased it and sent it to Germany via Baku and Batumi. In 1912, only the Lyuborad firm was engaged in the extraction of ozokerite, and in 1913-1914, other firms, such as Feysflog and Baxshi-Baxshiyev, also joined the business.

Many foreign firms operated in the region, and German and Austro-Hungarian trade and industrial companies such as Gergard and Gay, the Kraft brothers, the Knop brothers, Louis Zalma, and the Schlossberg brothers, used various methods like fictitious trades, including Russian-sounding names and Russian shareholders, to avoid their property being seized and continued to make profits. For example, in May 1915, the “Brothers Knop” trading house renamed itself “Volokno” (“Fiber”), and the “Gergard and Gay” firm became the “Russian Transport Society”. In 1917, the factory of “Louis Zalma”, which produced military clothing, was owned by Petr Vakhruchev.

There is also information about Germans who came to the region for entrepreneurial purposes and tragically ended their lives. For instance, Gustav Gustavovich Granberg, who arrived in the Caspian region, successfully obtained a five-year entrepreneurial permit from the government in 1905 to improve meat supplies in Ashgabat. He set up a large meat shop, started farming and cattle breeding, and was promised that the government would extend his privileges if successful. However, in 1906, Granberg was murdered, highlighting the significant role of foreign entrepreneurs in the region’s economic development during that period.

Additionally, foreign firms such as Shmidt, Gladishev, Shustov, Agriyev, Alishev, and Filatovs played a significant role in the rapid development of local winemaking in the Samarkand region. In 1915, tea companies such as Vogau, Rizayev, Tagiyev, Kuznetsov, and Kin-Chong sold 11 million poods of tea. Moreover, Russian investors showed great interest in the silk industry in Turkestan. There were 583 silk production points in the region, including 84 in Syrdarya, 157 in Samarkand, and 304 in the Fergana region. Silk fibers were purchased by companies and sent to Russia. In Fergana, for example, three companies were active in this business, with Tumanyans being the largest buyer. In 1904, about 84,246 poods of silk

were exported from Fergana alone. The silk was not only bought by Russians but also by French, Italian, and British companies such as Barbkeri, Mozer, Adamoli, Govaldi, Sukeli, Nogaro, Janjone, and Bryume, who visited the region to procure high-quality Central Asian silkworms. The economic relations between Germany and Uzbekistan have deep roots, as the First President of the Republic of Uzbekistan, I.A. Karimov, emphasized: "At the beginning of the century, the Siemens company participated in the establishment of the first telephone station in Tashkent." Unfortunately, these relations later stagnated. In 1914, five major companies, "Vl. Alekseyev", "Brothers Schlossberg", "Moscow Trade and Industry Company", "Fors", and "Great Yaroslavl Manufacture", established the "Beshbosh" joint-stock company in Turkestan. The company aimed to establish a monopoly over the cotton ginning and oil industry in the region. At the time of its formation, the company owned 39 cotton ginning factories and five cottonseed oil production plants. The shares of "Beshbosh" were distributed as follows: 14/60 to the "Brothers Schlossberg Trading House", 12/60 to the "Moscow Trade and Industry Company", 11/60 to the "Great Yaroslavl Manufacture", and 9/60 to an Iranian and Central Asian trade and industrial company. Foreign companies continued to expand their operations in the region, including in the wool cleaning industry, where five major firms, such as "Russian Wool", "Brothers Asyev", "Stupen and Co.", "Yakobi and Zorganin", and "El Trilling and Sons", competed for dominance. The major investors in these companies were from England, America, Germany, and Belgium, and they operated not only in local markets but also in Russia and global markets.

## CONCLUSION

In conclusion, after the defeat of Russia in the Russo-Japanese War of 1904-1905, European financial investments increased in Turkestan. The growing foreign capital led the Turkestan General Governor, Samsonov, to express concerns in 1911, writing, "Many enterprises in the province are falling into the hands of foreigners, not Russians." Based on this information, we can infer that the imperial authorities were worried about the increasing foreign capital and were seeking ways to maintain

Turkestan as “only for Russians”. However, when analyzed comprehensively, it becomes clear that the economic potential of all companies established by local and Russian investors was much weaker compared to the companies involving foreign capital. This situation forced the government to seek cooperation with foreign investors and exploit Turkestan’s natural resources together.

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