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**THE INFLUENCE OF JOIN-STOCK COMPANIES ON THE  
DEVELOPMENT OF CREDIT POLICY OF THE RUSSIAN EMPIRE AT THE  
BEGINNING OF THE XX CENTURY**

**Summary**

The article analyses the activity of joint stock companies of the Russian Empire at the beginning of the XX century and especially their impact on the development of credit policy. It defines the basic functional methods of the interaction of these two systems and their regulatory support. The legal and financial situations that arose in the Russian Empire at the beginning of the XX century with the participation of join-stock companies and banking institutions are reviewed and analyzed.

**Key words:** joint-stock company, bank, chamber of commerce, financial institutions, legal act, capital and legal persons.

**Formulation of the problem.** One of the pressing issues of modern historiography is the consideration of joint stock companies, their regulatory support in the Russian empire XVIII - XX centuries., And especially their impact on the development of monetary policy. At the current stage of the credit relationship is also very important historical experience this problem.

Russian historians, historians of law, economists today are paying enough attention to this large area of research, in contrast to the Ukrainian

researchers. Last just beginning to explore the material contained in the collections of Ukrainian archives and libraries.

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**Analysis of recent research and publications.** The first publication of the corporations - namely, the banks were at the beginning of the XIX century. Of credit institutions second half XIX - early XX century. generally paid little attention. By the early 90's. XIX century. researchers have observed a limited number of works. Among the pre-revolutionary economists renowned researchers of credit institutions were Alexander Antonovich, D.A. Batiushkov, M. Bunge, S. Witte, M. Wessel, P. Mihulin, D. Pihno, M. Tugan-Baranovsky, L. Yasnopolsky, E. Lamansky, L. Hodsky, I. Levin, O. Beaman, O. Zak, Y. Zhukovsky, V. Sudeikin, Yu. Serbinovych, M. Sobolev et al.

In pre-revolutionary period there was a significant amount of historical, legal and applied economic literature on the commercial banks. Particular attention was paid to the history of the bank, stock exchange and founding of activity, the evolution of the banking legislation. Among the most fundamental is the study of the Ukrainian school and, in particular, the book of Kharkov University Professor P. Mihulina "Our bank politics 1729-1903". Notable were the work of professors of Kiev University M.H. Bunge and D.I. Pihna.

Legislation of the Russian Empire has always attracted the attention of scientists. This issue in the first third of the twentieth century. were devoted to the works of F. Dyakov, G. Kolozhnikova and G. Kremeneva, and at the present stage of the study involved - S. Tychynin and Z. Hadzhuova. However, researchers often escaped on how to reform the financial legislation, which tried to use the power themselves or society.

**The purpose of this article** is analysis of JSC Russian Empire at the beginning of the XX century and especially their impact on the development of monetary policy. Identify the basic functionality of the interaction of these two systems and regulatory support. Reviewed and analyzed the specific legal and

financial situation which arose in the Russian Empire at the beginning of the XX century. involving joint stock companies and banks.

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**Presenting main material.** The development of trade and industrial activities in the Russian Empire at the beginning of the XX century. little economic importance. That is why the research question, joint stock companies in the named period of empire we manage relevant. Yes, and the current development of credit relations are very important historical experience this problem.

Legislation days of empire has long attracted the attention of scientists. This issue in the first third of the twentieth century. were devoted to the works of F. Dyakov, Kolozhnikova and G. Kremeneva, and at the present stage of the study involved - C. and S. Hadzhuova Tychynin. However, researchers often escaped on how to reform the financial legislation, which tried to use the power themselves or society.

The proposed article concerns the aim to reproduce and analyze the laws of the monarch government and representatives of trade and industry, which included making important changes in the regulatory framework of joint stock companies and their unions. It is believed that the disclosure definite questions will help better assess the development of legislation in the Russian Empire and the problems faced by domestic financial trading community in pre-revolutionary period of development.

The company acted as a new form of economic relations with the European Empire capital: there is inflow of foreign capital in railway construction, banks and industry. Thus, another feature of the joint-stock movements in the period were a significant number of foreign participants. In 1900, they accounted for 29% of the total capital of the company empire. The fact that the percentage of profit acclaimed Russian shares was higher than in other European countries. In addition, intensified and activities of foreign corporations that carry out their operations in the Russian Empire. In general, the 1898 in there were 98 Belgian, German, British, Swiss and American corporations [6 p. 22].

Stimulating the development of joint stock companies, the state at the same time kept national interests. Thus, when the end of the XIX century a significant number of

railway companies turned debtors treasury, the state began to buy private railway. This was possible because, firstly, much of the capital of these companies consisted of public funds, and secondly, in the charters of these companies supposed right of the state to ransom for a certain period. In the absence of funds for such redemption, practiced specific financial transactions. According to the government treasury shares began its bonds. The state acquired the shares in his ownership Railway Society, swim, while assuming all obligations of the partnership. For the first time the state compulsory redemption of shares occurred in 1895 when there were 14 Treasury shares 22 of the railway corporations [5, 12]. Given all the historical features of it was, you might say, the first experience through the purchase of de first experience of using government securities operations, indicating the possibility that the share capital represented for change of ownership [4, p. 31].

In the context of economic recovery, growth of profitability of joint stock companies in 1893 began regular exchange boom. However, due to an excess of offers of shares in the absence of free provision of funds in 1899 was almost entirely suspended the issue of new shares. The government took over the loans secured by joint stock companies existing shares.

When analyzing the legal regulation of public credit institutions in general in Ukraine in the XIX century. should bear in mind a number of circumstances. Russian Empire, which included Ukraine was, spread into the territory of its own banking system, which was manifested in the creation of offices, branches, agencies of central banks in its territory or the formation of a network of other banks that have corresponding analogues in Russia. In Russia, banks emerged later than in Western Europe, due to its backwardness from other countries in industrial development. This is reflected both in the structure of the banking network and its economic potential. For Ukraine, by virtue of its status as these circumstances have direct and immediate value. The dynamic development of the banking network observed here as in Russia as a whole, only in the post-reform period.

In the pre-reform period of public credit institutions were underlying cash storage, orders of public concern, the State Loan Bank and the National Commercial Bank,

established in 1818, which opened its offices in Ukraine. The decision to open the office of the State Commercial Bank in Odessa, was taken on Oct. 24, 1819, in Kyiv - May 24, 1839 in Kharkiv - February 9, 1849.

A characteristic feature of public banks in the pre-reform period was that with all regulatory - legal specifics of their activities they performed the same operations: taking deposits and providing loans against estates. A substantial part of the contribution of the State commercial bank loan was transferred to the State Bank, which effectively turned it into a deposit bank.

An important component of reforms in the banking activities that were carried out in 60-ies of XIX century. Was the creation of the State Bank, which became the central bank of Russia. He had nine offices, three of which were in the territory of Ukraine, Odessa, Kiev and Odessa.

The Russian economy XIX - early XX century., Reflecting global developments, characterized by craving for monopolization. While the old imperial legislation still did not know all the familiar procedures of reorganization of legal entities (joining, merger, division, separation, etc.), so the fusion of companies was based on mutual purchase of shares. According to Belinsky, syndicates and trusts have not been legalized, they occurred mainly in the form of joint stock companies [3 sec. 20]. In any case, one can not deny the fact that monopoly arose or that actual monopoly position which took the market some of the largest joint stock companies or by contractual relationship, which eventually could grow beyond that and become are organizational or using those methods whose implementation was possible thanks to the very specifics of corporate ownership: for example, through the centralization of major stakes. If necessary stock form was a convenient form for the construction of monopolistic structures not to change the formal status of input in their enterprises.

The immediate cause of corporatization of existing businesses could be a need for new capital. Even recourse to bank credit could be a stimulus for auctioning. Banks preferred lending to businesses in the form of shareholder whose activities are easier to control. In return for stocks of close links with the bank provide permanent financial assistance and support in exchange. Financial ability of banks and joint stock

companies were uneven: the first was mobilized capital and the free and the second capital - bound to produce. The most widely used credit issued by commercial banks against securities. A major form of financing was the adoption by banks over the implementation of new issues of shares of joint stock companies. Banks not only acted as co-owners of joint stock companies, such as acquiring their shares on the stock exchange, but also using shares owned by it, and shares clientele, temporarily in their possession as collateral, held in governing bodies of companies representatives, consolidating thereby its relationship with companies [8].

During the global economic crisis (1900-1903 biennium.) Observed a decrease joint stock was founded.

The process of growth of the shares of Russian joint stock companies influenced political events. Thus, the Russo-Japanese War led to a decline in the shares, and the revolutionary events in 1905 in the Russian Empire caused the reduction in demand for securities.

In 1906 there was economic growth again. Total in 1914 in virtually all sectors of the Russian economy, there were 3101 joint stock company (excluding railway companies) with total capital of 4.538 billion. Rubles [1 p. 217]. The First World War caused a change in stock market conditions and the impact on the nature of the joint-stock founder. In January-July 1914, the average monthly opened 20 companies with a capital of 27 mln. Rubles, and in August-December - 7 companies with a capital of 14 mln. Rubles [7 p. 51].

During the war there was a tendency to invest in stocks, as the real value to avoid losses when devaluation of the ruble. Suffice it to say that just from the beginning of the war until the end of 1916 was created 417 Russian and foreign commercial and industrial joint-stock companies with a capital of 637 million. Rubles; 117 joint stock companies that are already operating, increased its capital to 272 million. rubles [2].

By the summer of 1917 there was an excessive surge in the creation of joint stock companies. But this happened on the eve of major social and political upheaval.

After the February 1917 revolution canceled all legislative acts of the Russian empire, limited joint stock companies. In particular, joint stock companies were exempted from restrictive rulings against foreign nationals and Jews (except nationals of States that war with Russia), contained in the existing laws. Questions corporations to resolve discovery with the permission of the Minister of Trade and Industry. However, the interim government, with certain circumstances did not go for a full joint-stock reform legislation.

Joint laws of the Russian empire XIX - early XX centuries maintained its strength after the October Revolution until the transition to the policy of the Soviet government nationalization of industry in June 1918

Conclusions. Thus, to the activity of JSC Russian Empire at the beginning of the XX century. and especially their impact on the development of monetary policy. The basic functionality of interaction between these two systems and regulatory support. Reviewed and analyzed the specific legal and financial situation which arose in the Russian Empire at the beginning of the XX century. involving joint stock companies and banks.

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