Вестник РУДН. Серия: Юридические науки 2024 Т. 28. № 2. 329–344
RUDN JOURNAL OF LAW. ISSN 2313-2337 (print), ISSN 2408-9001 (online) http://journals.rudn.ru/law

https://doi.org/10.22363/2313-2337-2024-28-2-329-344
EDN: JNZTTY

Research Article / Научная статья

Incorporation of foreign timber concessions in Soviet Russia in the 1920s

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Abstract. The article based on legislative acts of Soviet Russia and unpublished sources of the State Archive of the Arkhangelsk Oblast, describes the features of incorporation of Russangloles, Russhollandoles and Russnorvegoles joint-stock companies, operating in the North of Russia in the 1920s. The article analyzes the Standard Agreement on Timber Concessions (1922), which was used by the Soviet state and foreign entrepreneurs in the process of drafting concession agreements in the timber industry and the Scheme for Constructing a Standard Agreement on Timber Concession. The study of these sources allows reconstructing the principle of forming contracts contributing to Russangloles, Russhollandoles and Russnorvegoles functioning.

Key words: concessions, timber concessions, RSFSR, USSR, concession law, concession legal relations, new economic policy, Russangloles, Russhollandoles, Russnorvegoles

Conflict of interest. The authors declare no conflict of interest.

The authors' contribution. *Minchuk O.V.* – development of the research concept, selection and analysis of archival and normative materials, writing of introduction, conclusion and the main part of the article; *Zaozerskiy D.S.* – selection and analysis of archival materials, preparation of abstract and conclusion for the article; *Nikiforov A.S.* – preparation of a review of academic publications on the topic of the article, writing conclusion of the article.

Funding information. The article was prepared as part of the study supported by the grant from the Russian Science Foundation (project No. 22-18-20061 Foreign Concessions in the Arkhangelsk Province: Regional Experience of Foreign Economic Contacts under the Isolation of Soviet Russia).

Received: 19th September 2023
Accepted: 15th April 2024

For citation:

Minchuk, O.V., Zaozerskiy D.S., Nikiforov A.S. (2024) Incorporation of foreign timber concessions in Soviet Russia in the 1920s. *RUDN Journal of Law.* 28 (2), 329–344. https://doi.org/10.22363/2313-2337-2024-28-2-329-344

Юридическое оформление иностранных лесных концессий в Советской России в 1920-е годы

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Аннотация. На основе законодательных актов Советской России и неопубликованных источников Государственного архива Архангельской области (ГААО) выявлены особенности юридического оформления концессионных отношений при организации смешанных акционерных обществ «Руссанглолес», «Руссголландолес» и «Русснорвеголес», действовавших на Севере России в 1920-е гг. Проанализирован «Нормальный договор о лесных концессиях» (1922 г.), который использовался советской стороной и иностранными предпринимателями в процессе подготовки концессионных договоров в лесной промышленности, а также рассмотрена «Схема построения типового договора о лесной концессии». Работа с данными источниками позволила реконструировать принцип подготовки договоров, на основе которых функционировали «Руссанглолес», «Руссголландолес» и «Русснорвеголес».

Ключевые слова: концессии, лесные концессии, РСФСР, СССР, концессионное право, концессионные правоотношения, новая экономическая политика, Руссанглолес, Руссголландолес, Русснорвеголес

Конфликт интересов. Авторы заявляют об отсутствии конфликта интересов.

Вклад авторов: *Минчук О.В.* – разработка концепции исследования, подбор и анализ архивных и нормативных материалов, написание введения, заключения и основной части статьи; *Заозерский Д.С.* – подбор и анализ архивных материалов, подготовка аннотации и заключения к статье; *Никифоров А.С.* – обзор исследований по теме научной статьи, работа с научными выводами статьи.

Информация о финансировании. Статья подготовлена в рамках исследования, поддержанного грантом РНФ (проект № 22-18-20061 «Иностранные концессии в Архангельской губернии: региональный опыт внешнеэкономических контактов в условиях изоляции Советской России»).

Поступила в редакцию: 19 сентября 2023 г.
Принята к печати: 15 апреля 2024 г.

Для цитирования:

Минчук О.В., Заозерский Д.С., Никифоров А.С. Юридическое оформление иностранных лесных концессий в Советской России в 1920-е годы // RUDN Journal of Law. 2024. Т. 28. № 2. С. 329–344. https://doi.org/10.22363/2313-2337-2024-28-2-329-344

Introduction

Today, the Russian Federation is under sanctions pressure from Western countries. A large number of foreign enterprises cease their activities in Russia; there is an outflow of investment, technology and human resources. At the same time, the state develops and implements mechanisms to ensure the technological sovereignty of the country. Against the background of these processes, the need for scientific understanding of historical experience of the state performing in the difficult geo-political and economic environment gains certain relevance.

The most important historical experience, which can certainly be used to solve contemporary problems, is attracting various forms of foreign capital to Soviet Russia in the 1920s: granting concessions to foreign industrialists, concluding agreements on technical assistance, etc.

Studying the mechanism of legal formalization of concessions is one of the key tasks to achieve a holistic understanding of the results of concession practice in the USSR. The experience of public-private partnerships, implemented in the form of mixed joint-stock companies in the timber industry of the Russian North, is the most indicative, since logging, both in the USSR and in modern Russia, is of strategic importance and high export potential.

The purpose of this study is to identify the characteristic features of legal formalization of concession relations in the timber industry in the North of Soviet Russia in the 1920s on the example of the activities of mixed joint-stock companies Russhollandoles, Russangloles, Russnorvegoles.

The study applies a systematic approach, which allows considering concession as a complex legal institution regulated by various branches of legislation. Also, formal logical and formal legal methods are used to analyze normative materials.

The source base for the study is represented by the legislative acts of the Soviet government of the period under consideration, as well as unpublished sources, some of which are introduced into scientific circulation for the first time.

Among them, the most valuable sources include incorporation agreements on the formation of mixed joint-stock companies (Russhollandoles, Russangloles, Russnorvegoles), as well as concession and additional concession agreements concluded with these companies, materials of business correspondence between foreign industrialists and representatives of the Soviet government regarding formation of timber concessions, materials of meetings and reports of Glavkoncesskom, the Main Concession Committee under the Council of Peoples' Commissars and other authorities of Soviet power. Unpublished sources are stored in the following funds of the State Archive of the Arkhangelsk Oblast: fund No. 71 - Severoles, state sawmill and woodworking trust; fund No. 552 – Rusangloles, Arkhangelsk branch of the joint-stock timber company; fund No. 352 – Arkhangelsk Gubernia Executive Committee.

The study and scientific reflection of the legislative support for foreign concessions in Soviet Russia began back in the 1920s. The rapidly forming practice of concluding concession agreements and granting concessions attracted close attention of researchers and ideologists of the Soviet state to this topic. Among the authors who made a significant contribution to the study of concessions are V.I. Lenin (Lenin, 1963), N.I. Bukharin (Bukharin, 1988), I.N. Bernshtein (Bernshtein, 1930), B.A. Landau (Landau, 1925), V.P. Butkovsky (Butkovsky, 1928), A.V. Karass (Karass, 1925), A.A. Ioffe (Ioffe, 1927) and others (Lyandau, 1925; Reichel, 1930).

In fact, A.A. Ioffe emphasized that Russhollandoles, Russangloles and Russnorvegoles were among the "most important" concessions, because they were not short-term, but designed for a long period, and the recipients of these concessions "fulfilled their obligations under the contract" (Ioffe, 1927:75–87).

However, this issue was not in the focus at further stages of Soviet historical and legal science. The research mainly developed within the framework of historical and historical-economic science.

The modern period witnesses certain interest to the analysis of concession legislation. The first fairly complete review of concession law in general is the work by S.A. Sosna (2009), which also provides a brief overview of the history of concession legislation in Russia. In the early 2010s, major works on this issue based on a wide source base were published. Thus, N.V. Kurys' in a series of scientific publications (Kurys', 2012:81–86), including a joint monograph with S.G. Tishchenko, examined the issues of legal regulation of foreign investment in Soviet industry, as well as studied the history of Soviet concession law. The author concludes that the period of the 1920s is characterized by wave-like dynamics of alternating prevalence of political and economic expediency in concession relations (Kurys' & Tishchenko, 2011).

The works of V.V. Bulatov are devoted to issues of concession relations (Bulatov, 2011; Bulatov, 2008). From the perspective of economic history, the author, examines, among other things, the peculiarities of concession relations in the USSR, non-concession forms of attracting foreign capital, "labor issue," as well as certain aspects of concession enterprises activities. He notes that "historical concession is a special legislative act of the monarch (state), issued in relation to each specific private individual or company, and granting them the right to conduct certain business activities in those areas that fall under the state's monopoly" (Bulatov, 2011:7). The scholar traces the reasons of the crisis and curtailment of Soviet concessions in the economic sphere.

The issue of legal formalization of the activities of timber concessions is addressed in the works of M.M. Zagorul'ko (Zagorul'ko, 2006:181–188) and A.E. Parfenov. The authors describe the terms of concession agreements, obligations of concessionaires and the Soviet government. The works of A.S. Smykalin (Smykalin, 2017:107–112), S.L. Danilchenko (Danilchenko, 2014:212–216), E.S. Kosykh (Kosykh, 2016:161–165; Kosykh, 2018), M.V. Nemytina (Nemytina & Krasnov, 2023:321–337) and T.V. Yudina (Yudina & Bulatov, 2013) are also devoted to the historical and legal aspects of foreign industrial concessions in the USSR in the 1920-1930s.

Currently, scholars do not go beyond consideration of concession agreements and analysis of basic documents of concession relations in Soviet Russia during the 1920s (Constitution of the USSR 1924; Resolution of the Council of People's Commissars on the general economic and legal conditions of concessions dated November 23, 1920; Basic principles of concession agreements approved by the Council of People's Commissars on March 29, 1921, etc.). In this regard, the study of draft concession agreements, additional concession agreements, incorporation agreements and other acts regulating activities of timber concessions is of utmost interest.

Historical and legal conditions of concession practice of Soviet Russia in the timber industry in the 1920s

During the period of active concession policy in Soviet Russia (from 1921 to 1928) (Bulatov, 2011), seven agreements were concluded in the timber industry (on establishing a corresponding number of enterprises). Five enterprises were concessionary: two operated in the form of "pure" concession (Mologoles and Rorio Ringio Kumiai (Kumiay)) and three in the form of mixed joint-stock companies (Russhollandoles, Russangloles, Russnorvegoles). In the case of the remaining two agreements, the foreign capital was obliged to finance Soviet enterprises on a reimbursable basis (Dvinoles Limited, Repola Wood)[1].

In the first years of their existence, timber concessions occupied a "dominant position" among concession enterprises in Soviet Russia but later they weakened considerably and quickly winded up. On October 1, 1928, six concessions were formally in force, but, in fact, foreign capital participated in only three2. Three mixed companies (Russhollandoles, Russangloles and Russnorvegoles) were transformed into state organizations by buying out foreign shares.

In fact, the shares of Russangloles and Russhollandoles were purchased in the 1926–1927 operating year, and those of Russnorvegoles in the 1927–1928 operating year. These enterprises retained their concession form during 1927–1928 and were liquidated in 1928–19293.

Preservation of the former legal structure of mixed joint-stock companies for several operating years after their actual transfer into the ownership of the Severoles state trust was conditioned by political motives of the top leadership of the USSR.

From the point of view of the Supreme Economic Council of the USSR, the "immediate and hasty" liquidation of enterprises could have an undesirable effect on the prestige of Soviet concession policy and interests of the USSR in the foreign timber market4.

In general, the experience of Russhollandoles, Russangloles and Russnorvegoles timber concessions is recognized by researchers as unsuccessful (Zagorul'ko & Parfenov, 2006). Among the main reasons scholars name the discrepancy between the operating conditions of enterprises and market environment. Due to low prices for timber materials on world markets, enterprises could not sell them profitably to be economically viable (Zagorul'ko & Parfenov, 2006). The analytical report of the Main Concession Committee under the Council of People's Commissars of the USSR On the Results of Concession Activities dated 1925 noted that disadvantageous reasons "stem... from global situation. Prices for timber on foreign markets are falling all the time, and the cost of timber and

[1] Foreign concessions in the USSR (1920-1930): documents and materials. Moscow: Contemporary Economy and Law. 2005, Velikoluki city printing, 360.

[2] Foreign concessions in the USSR (1920-1930): documents and materials. Report on the work of the Main Concession Committee under the Council of People's Commissars of the USSR for 1927–1928, August 23, 1929. Moscow: Contemporary Economy and Law. 2005, Velikoluki city printing, 470.

[3] Ibid.

[4] State Archive of the Arkhangelsk Oblast. F. 71. Op. 7. D. 94. L. 32.

expenses related to its processing are very high. Our state trusts are running at a loss as well"[5].

It is worth mentioning that in the process of discussing the issue of creating the Onega timber concession (Russnorvegoles), the Norwegian entrepreneur Frederik Prütz in a letter to the managing director of Severoles S.I. Lieberman dated January 23, 1923, noted the declining trend in the purchasing power of the European market and prices for timber materials6. In the context of such considerations, the Norwegian capitalist tried to obtain certain benefits on payments to the Soviet state. At the same time, this meant that the risk of economic loss was quite obvious to the parties even at the preparatory stage of concession agreement.

Among the reasons for the failure of concession practice, modern domestic researchers also highlight inconsistency of share capital with the objectives of established companies (Zagorul'ko & Parfenov, 2006), conflicts between concessionaires and local authorities (Troshina, 2023:39–43) and change in the monetary policy of the Soviet state (Bulatov, 2011).

An equally important role in the process of winding up concession enterprises could be played by the imperfection of their legal formation. The accompanying note from Ivanov, the manager of the State Control Committee under the Council of People's Commissars of the USSR, to the Council of People's Commissars of the USSR dated February 10, 1927, stated that "conflicts arising from ambiguity or lack of agreement in concession agreements occur very often and concern all areas of relations with the concessionaire. The defectiveness of contracts in this regard is decreasing with the improvement of contractual technology, but, unfortunately, cannot be completely eliminated not only due to the complexity of legal relations and the impossibility of fully foreseeing everything in the contract, but also because the wording of the contract is... a compromise that does not satisfy any party, but... is accepted to avoid dissolution"[7].

Therefore, the viability of enterprises could largely depend on the conditions set out in concession agreements and other legal documents regulating concession relations.

It is important to note that processes of drafting and executing concession agreements with foreign timber merchants regarding timber plots took place under conditions of emerging Soviet law. Thus, timber law had not yet been codified at the time the preliminary agreements were concluded. The Timber Code, which contained regulations on timber concession agreements, was approved on July 7, 1923 and put into effect on August 1, 1923, while the concession agreement with Russangloles was approved in its final version by the Council of People's Commissars on March 23, 1923 and agreement with Russgolandoles – on March 27, 1923. The agreement with Russnorvegoles was approved on October 10, 1923. Thus, only one concession agreement was adopted after the institutionalization of the timber law branch.

[55] Foreign concessions in the USSR (1920-1930): documents and materials. Moscow: Contemporary Economy and Law. 2005, Velikoluki city printing. 854.

[6] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. D. 271. L. 97.

[7] Foreign concessions in the USSR (1920-1930): Documents and materials. Moscow: Contemporary Economy and Law. 2005, Velikoluki city printing, 257.

Concession law as a complex branch was also forming gradually. Fundamental acts were adopted by April 1921 (ex., General Economic and Legal Conditions of Concessions of 1920 and Basic Principles of Concession Agreements of 1921), but constitutional consolidation of concessions was implemented only in the Constitution of the USSR early in 1924 (in the form of authority to conclude concession agreements by the supreme bodies of the USSR)[8]. Previously, rules on concessions were set up in the Civil Code of the RSFSR of 1922[9]. These special conditions for the development of concession practice presupposed both freedom in drawing up concession agreements and formulating their main provisions, and introduced uncertainty, including legal drafting aspects.

If a decision was made to grant a concession, the contracting parties needed to put several key provisions into legal form. They may be divided into political (conditions conducive to restoration of economic relations with Western states), organizational (form, structure and operating conditions of the enterprise) and economic (subject of concession, operating conditions, exclusive obligations, payments, etc.).

These provisions took the form of special rules governing activities of a specific concession and were formalized in legal documents of various kinds. Such documents were a preliminary agreement, an incorporation agreement, a charter of a joint-stock company and a concession agreement. Accordingly, concession as a legal institution was not limited to the general norms reflected in Soviet legislation and the terms of the concession agreement only.

Peculiarities of incorporation of Russhollandoles, Russangloles and Russnorvegoles foreign timber concessions

The key characteristics of foreign timber concessions created on the territory of Arkhangelsk province were that, firstly, they were concessions of the nationwide significance[10]; secondly, they were export concessions[11]; thirdly, they were created in the form of mixed joint-stock companies; fourthly, they were restitutionary in nature (Bulatov, 2011).

The nationwide character of the concession did not directly follow from the content of the concession agreement. Agreements with Russangloles and Russhollandoles were executed with the Government of the RSFSR, and the agreement with Russnorvegoles was concluded with the Government of the USSR. In our opinion, this characteristic was a marker for filling the respective budget levels and statistical variables. In accordance

[8] The Basic Law (Constitution) of the Union of Soviet Socialist Republics adopted by the second session of the CEC of USSR of the first convocation on July 6, 1923 and in the final version by the Second Congress of the Soviets of USSR on January 31, 1924. Available at: http://www.hist.msu.ru/ER/Etext/cnst1924.htm [Accessed 22nd August 2023].

[9] Civil Code of RSFSR adopted by the Decree of the All-Russian Central Executive Committee of October 31, 1922. Available at: https://normativ.kontur.ru/document?moduleId=1&documentId=10512 [Accessed 22nd December 2023].

[10] Foreign concessions in the USSR (1920-1930): documents and materials. Moscow: Contemporary Economy and Law. 2005, Velikoluki city printing, 697.

[11] Foreign concessions in the USSR (1920-1930): documents and materials. Moscow: Contemporary Economy and Law. 2005, Velikoluki city printing, 681.

with the Resolution of the Central Executive Committee of the USSR On the Budgetary Rights of the USSR and its Constituent Union Republics of October 29, 1924, emergency revenues of the federal budget included income from all-union concessions, and in the case of the budget of the Union republics, from concessions of republican level[12]. A similar principle remained in a similar Resolution of 1927[13].

The export nature of the concessions under consideration implied the orientation of their production to the external market (official documents and reports of the State Control Committee, as well as academic literature refer to these concessions as timber export concessions), but the initial agreements did not stipulate the concessionaire's obligation to export any fixed volume of timber materials. Moreover, according to the documents of all three concessions, the export of materials abroad in the processed and refined form, and in some cases unprocessed, was at concessionaire's discretion. This was explicitly stated in Article 11 of each of the agreements. In addition, in the context of establishing the concession fee scheme (FOB or free delivery point), it was implied that both export and domestic sales would be carried out by the concession recipient[14].

Later, in additional concession agreements with Russangloles and Russhollandoles, concluded on September 21, 1927, Article 1 established the concessionaire's obligation to sell its timber materials as follows: at least 75% of all harvested sawlogs had to be sawn, and of this amount 90% was subject to sale on the foreign market; all harvested pulpwood and roundwood were subject to sale on the foreign market. The remaining harvested timber could be sold on the domestic market[15]. All this was a legal substantiation of the export nature of the enterprises, although at a time when the enterprises were already purely Soviet.

By 1927 Russnorvegoles was also burdened with export of timber materials, but in the amount of 50% (the source does not provide gradation of the types of timber exported). When discussing the issue of switching to a pure concession in 1927, the Main Concession Committee claimed that this figure should be increased by 10%[16]. At the same time, the obligation to export, which was not reflected in the concession agreement, was recorded in the second article of the founders' agreement. It established that "the objective of the company is the economic exploitation of the Onezhsky district through the most rational production and processing of wood growing there and export of timber materials and processed products"[17].

The last two characteristics were not included in concession agreements. The mixed character of organized societies and restitutionary conditions were set forth in the

[12] Resolution of the Central Executive Committee of the USSR on the Budgetary Rights of the Union of the USSR and its Constituent Union Republics of October 29, 2944. Available at https://www.libussr.ru/doc_ussr/ussr_2227.htm (Date of access: 22.08.2023.)

[13] Resolution of the Central Executive Committee of the USSR Decree on the Budgetary Rights of the Union of the USSR and its Constituent Union Republics of May 25, 1927. Available at https://e-ecolog.ru/docs/vHGrmmzrAsBoGTiFlVA_7 [Accessed 22nd August 2023].

[14] State Archive of the Arkhangelsk Oblast. F. 352. Op. 7. D. 9. L. 21 ob.

[15] State Archive of the Arkhangelsk Oblast. F. 552. Op. 1. D. 173. L. 2; State Archive of the Arkhangelsk Oblast. F. 554. Op. 1. D. 2. L. 45.

[16] State Archive of the Arkhangelsk Oblast. F. 352. Op.7. D. 21. L. 55 ob.

[17] State Archive of the Arkhangelsk Oblast. F. 71. Op. 7. D. 196a L. 285 ob.

founders' agreements. In essence, those were interrelated characteristics. To implement restitution tasks, the mechanism of creating mixed societies was used. Liquid assets owned by those companies were accepted as their contribution to the authorized capital[18].

For example, at the formation of Russnorvegoles, in accordance with Article 4 of the founders' agreement of October 10, 1923, a consortium of Norwegian timber companies was provided with processed and unprocessed timber materials located in the USSR and previously owned by those companies. The companies were entrusted with the sale of those timber materials[19]. The proceeds from the sale of materials were to replenish the authorized capital of the company, but with an initial reimbursement of the expenses of the USSR Government incurred for the goods, and payment of 40,000 pounds sterling to the consortium to secure their pre-revolutionary loan obligations[20].

The amount not covered by the offset had to be paid by Norwegian companies in cash: 25% - within a month from the date of approval of the charter, the rest - within a period of up to 12 months[21], and the whole amount was to be paid gradually "from the proceeds from the sale"[22].

A similar scheme was used when Russangloles and Russhollandoles were incorporated. The tripartite agreement between the People's Commissariat for Foreign Trade of the RSFSR, Severoles and the London Northern Trading Joint Stock Company (London and Northern Commercial and Industrial Society) on the establishment of Russangloles contained a description of the mechanism for this offset (Article 6). The created joint-stock company was supposed to sell on the foreign market in favor of the founders (Severoles and Northern Company) the timber that previously belonged to the Northern Company and timber merchant Sh. Shalit. The proceeds were primarily intended to cover Russangloles' expenses for sales operations. The remaining amount was used to pay for shares of the enterprise, both on the part of the Northern Company and on the part of Severoles. At the same time, the RSFSR was obliged to reimburse the timber lost before executing the agreement either in hard cash or with other timber of the same amount[23].

The developed format for organizing a joint stock company on a parity basis at the creation of Russangloles and Russgollandoles became an example for the Soviet government in establishing Russnorvegoles. It should be noted that the initial offer to obtain a concession for the Onega forestry from the Norwegian entrepreneur F. Prütz, addressed to the managing director of Severoles S.I. Liberman on August 5, 1922 contained a completely different configuration of the organizational structure of the forming company compared to the final version, which was envisaged in the concession agreement of Russnorvegoles with the Soviet state.

[18] Foreign concessions in the USSR (1920-1930): Documents and materials. Moscow: Contemporary Economy and Law. 2005, Velikoluki city printing, 214.
[19] State Archive of the Arkhangelsk Oblast. F.71. Op. 7. D. 196a. L. 285 ob.
[20] State Archive of the Arkhangelsk Oblast. F.71. Op. 7. D. 196a. L. 285 ob.
[21] Resolution of the Council of Labor and Defense. Provisional rules on the procedure for approving and opening actions of a joint-stock company and on the responsibility of the founders and members of the board. 01.8.1922. Available at: http://museumreforms.ru/node/13813 [Accessed 12nd February 2023].
[22] State Archive of the Arkhangelsk Oblast. F. 71. Op. 7. D. 196a. L. 286 ob.
[23] State Archive of the Arkhangelsk Oblast. F. 71. Op. 1. D. 196a. L. 142 ob.

F. Prütz proposed creating a mutual partnership in England and Norway, the sole capital holder of which was to be the Soviet government. The main asset of the partnership would be the logging concession throughout the Onezhsky region, the value of existing sawmills in the area, as well as available timber stocks at the mill exchanges. The partnership was supposed to receive the right to issue bonds for the amount of claims against Russia from the former owners of Onega timber enterprises. The bonds were to be distributed among the former owners. The operation of the concession was to be carried out by bondholders, with additional interest on the partnership's capital over and above the profit of the bonds[24].

This version of the agreement was characterized by the Soviet government as a hidden form of "denationalization of nationalized property"[25]. Therefore, without objecting to the idea of concessioning the Onega forestry, the Severoles Timber Economic and Concession Bureau insisted on "organizing a partnership on the same basis as Russangloles and Russgollandoles"[26].

The solution of the issue of satisfying property claims against Soviet Russia from the former owners of nationalized enterprises was also regulated within the framework of the founders' agreements. Thus, Article 18 of Russnorvegoles Founders' Agreement stipulated the following condition: "The firms participating in the establishment of the Company waive their current claims against the Government of the USSR regarding nationalization of factories and other property previously owned by them"[27]. Article 10 of Russangloles Founders' Agreement states that "the Northern Company hereby undertakes, in the event and from the date of Russangloles incorporation, the latter's entry into the agreements provided for in the preceding paragraph and its acceptance of the above concession in accordance with this agreement; it also undertakes to release the RSFSR and all departments, administration, representatives and agents from all claims it currently has against the said Republic…''[28]. Thus, the Soviet government resolved the most important issue of legalizing nationalized assets and gradually built the basis for exiting foreign economic isolation.

Mechanism for developing the provisions of the concession agreements for Russhollandoles, Russangloles and Russnorvegoles

Concession agreements regulated issues directly related to the subject of the concession. In conditions of a regulatory vacuum for the delivery of concessions in the timber industry, on July 21, 1922, the Council of People's Commissars approved the Standard Agreement on Timber Concessions - the document that became a kind of template for drafting agreements with specific contractors. A direct reference to it was given in the texts of the agreements with Russangloles and Russhollandoles in the part concerning the concession fee. In fact, it was absent in the agreement with Russnorvegoles.

[24] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. D. 271. L. 5-5 ob.
[25] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. D. 271. L. 5 ob.
[26] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. D. 271. L. 6.
[27] State Archive of the Arkhangelsk Oblast. F. 71. Op. 7. D. 666a. L. 144.
[28] State Archive of the Arkhangelsk Oblast. F. 71. Op. 1. D. 196a. L. 288 ob.

By mid-1923, as noted by A.I. Pisarenko, the Normal Agreement on Timber Concessions had been revised (Pisarenko, 2014). However, despite its important role in the legal formalization of timber concessions, its provisions are analyzed very little in academic literature, and in some works it is not mentioned at all. This may be due to the fact that the text or the corresponding act of approval of the Standard Agreement is not available in open sources. The authors of the study managed to trace a copy of the text of the Standard Agreement on timber concessions in the State Archive of the Arkhangelsk Region. It is dated July 24, 1923 and is a revised version of the original 1922 agreement.

The Standard Agreement set forth the general conditions of the timber concession. It determined the subject of the concession, namely the right to forest exploitation. The economic use of the plot or plots allocated to the concessionaire was limited to general and private forestry plans, established by the People's Commissariat for Agriculture[29].

The Agreement regulated the procedure for allocating forest area and payments by the concessionaire. In addition to taxes, they included timber fees, concession fees, and mill rental fees[30]. The specific percentage of these payments was not established (apart from deductions of up to 1% for colonization activities), since their total amount depended on the forestry, dacha or economic unit of the timber harvested, on the amount of annual timber supply, recorded in the management plan, on the amount of timber developed and sold by the concessionaire, on the produced assortments and on market prices for timber[31].

The remaining paragraphs established the rights and obligations of the concessionaire, responsibility for their violation, procedure for terminating the concession and winding up the enterprise, and activities of the arbitration commission.

When concluding real concession agreements with foreign groups, some provisions of the Standard Agreement were amended and issued in special editions. Thus, when drafting the concession agreement with Russnorvegoles and Severoles, the instructions made by the State Control Committee under the Council of People's Commissars and the Concession Committee of the Supreme Council of National Economy in relation to the agreements with Russgollandoles and Russangloles were taken into account[32]. Deviations in the wording from these agreements and the above-mentioned Standard Agreement were determined by the peculiarities of the Onega concession. The introductory part and fifteen paragraphs of the Standard Agreement were included without changes or with minor editorial correction. They mainly concerned general issues of concessionaire's compliance with the legislation of the USSR, fulfillment of its obligations under the contract, etc.

Fundamental amendments were introduced to paragraphs on the subject of the concession. The right to exploit the forest area by Russnorvegoles was supplemented by the right to exploit the Onega mills with their equipment, steamships, barges and rafting

[29] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. D. 217. L. 170 ob.
[30] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. D. 217. L. 169 ob.
[31] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. D. 217. L. 169 ob.
[32] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. L. 271. L. 223.

materials[33]. The terms for drawing up general and private forestry plans were changed – nine and twelve months, respectively, instead of six months under the provisions of the Normal Agreement[34].

The paragraph on payments was adopted in the wording established for Russhollandoles and Russangloles, but with changes in the percentage of actual payments for timber and mill rentals. Also, the period for revising the percentage of the share allotment was set at ten years, and not five as in the case of Russhollandoles. It also introduced the obligation of the Government to take into account the interests of the concessionaire in establishing the rafting procedure[35]. The concessionaire's obligation to build factories and process timber materials was set forth in detail.

Thus, the provisions of the concession agreements concluded with Russhollandoles, Russangloles and Russnovergoles were based on the Standard Agreement on Timber Concessions and the specific features of each concession. N.V. Kurys noted that in the standard agreements available by the mid-1920s, and in the case of timber concessions in the Standard Agreement, some important issues were not sufficiently elaborated; in fact, "... the agreements did not address the issues of currency regulation, exports, taxes" (Kurys, 2003). Subsequently, the Soviet government early in 1924 launched the process of developing standard agreements, both general and specific, including for the timber industry (Levin, 2016:7).

The report of the the Main Concession Committee dated March 13, 1924, noted that "the standard timber agreement and exploitation concession plans clearly verbalize the conditions for attracting foreign capital to the timber industry of the Union"[36]. According to the report on the performance of the Main Concession Committee for the 1927–1928 operating year, the standard agreement for timber concessions was approved at the same time. But it no longer played a big role, since the concession practice in the timber industry was actively curtailed. The Soviet government chose a different path for the development of the timber industry (rejection of concessions with foreign participation) and export of timber materials (Exportles was created in 1926). It is worth noting that no copies of standard agreements were found in the archival funds of the respective mixed societies that we had examined. We only managed to find the Scheme for Constructing a Standard Timber Concession Agreement. That document was classified as *secret*[37]. According to it, the structure of the standard agreement was determined as follows: general provisions; general rights and obligations of the concessionaire; general forestry regulations; object and essence of the contract; industrial and other construction; breach of contract.

The Scheme implied alternative layout options for the provisions of concession agreements. For example, several options were provided on the issue of payment of state and local taxes, fees and duties: 1) on a common basis with private enterprises; 2) on a common basis with state enterprises. The second option could be implemented on the

[33] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. L. 271. L. 223.
[34] State Archive of the Arkhangelsk Oblast. F. 71, Op. 9, L. 271, L. 223 ob.
[35] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. L. 271. L. 222.
[36] Foreign concessions in the USSR (1920-1930): Documents and materials. Moscow: Contemporary Economy and Law. 2005, Velikoluki city printing, 184.
[37] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. D. 94.

principle of self-financing or paying a single tax instead of all existing ones. The third option was also implied; it included exemption from all or some taxes[38]. Apparently, the failed experience of functioning of Russhollandoles, Russangloles and Russnorvegoles was taken into account, when payments by enterprises to the Soviet government were one of the factors of unprofitability of their activities. Thus, it was the reduction and cancellation of payments that became the subject of bargaining between the parties in the last months before the foreign group sold its shares to the Soviet state.

Conclusion

In sum, the article identified the characteristic features of the legal formalization of concession relations at establishing mixed joint-stock companies in the timber industry in the North of Russia in the 1920s. The main feature of legal incorporation of Russhollandoles, Russangloles and Russnorvegoles concessions was implementation of this process in the conditions of a regulatory vacuum. The legal framework of the concessions was designed on the norms of the emerging constitutional, concession and forestry law, which were at the stage of formation. This is confirmed by the fact that concession agreements with Russangloles and Russgolandoles were approved before the USSR Forestry Code came into force; it contained certain rules for concluding timber concessions.

For this reason, the terms of the concession agreements were formulated on the basis of the provisions of the Standard Agreement on Timber Concessions, which in turn did not have sufficient flexibility and required improvement, which, obviously, was late and did not have a positive impact on concession practice in the timber industry. The specific terms and conditions of the activities of all the three enterprises were established in a number of documents (preliminary agreement, founders' agreement, charter of the joint-stock company and concession agreement).

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[38] State Archive of the Arkhangelsk Oblast. F. 71. Op. 9. D. 94. L. 18, 18 ob.

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