

# First Oil Congress in the World

*Mir-Yusif Mir-Babayev*

Azerbaijan Technical University

## Abstract

A lot of companies, large and small, sprung up during Baku's first oil boom in the 19th century. Though rivalry was often fierce, the oil industrialists soon realized that they could advance many of their interests better through co-operation than competition. Thus, the first Congress of Baku Oil Industrialists was held from 26 October to 8 November 1884. The congresses continued to function more or less every year up to the Bolshevik revolution of 1917. At that time Baku was part of imperial Russia and the biggest names in the empire's oil industry – the Nobels and Rothschilds – took part in the Baku congresses, a sign of the meetings' importance.

**Keywords:** oil congresses, Council of the Oil Congress, Baku oilmen (industrialists), Baku Branch of Imperial Russian Technical Society, Baku-Batum pipeline, Nobels and Rothschild companies.

## Introduction

The first congress of the Baku oil was established in 1884 in Baku; further these congresses continued to function until the revolutionary events of 1917. The status of this representative organization was approved by Russian Emperor Alexander III in February 1884. The first congress was opened in October 26 in 1884 and within two weeks of its meetings was concerned discussion on a wide range of issues of further development of the oil business. An important place in the activities of this organization have been and the social issues. During the next ten years were opened: a school for the children of workers and employees, an excellent library, well-equipped hospital and a pharmacy. The significance of congresses was determined by the convention that they took part of the Russian empire's largest oil producers, including and "Russian Rockefeller" Ludwig Nobel (who headed the Council of the Congress until 1888), Rothschild brothers (Alphonse and Edmond), Haji Zeynalabdin Taghiyev, Shamsi Asadullayev and many other oilmen (industrialists), which determined the face of the oil business in Russia and especially in Azerbaijan.

## Main part

Starting already with the II congress of representatives of the company "Brothers Nobel" regularly attended the oil congress, and Emanuel Nobel (son of Ludwig, who led the company after his

father's death in 1888) regularly took an active part in them. The Russian government has also been involved in the oil congresses and every time they are sent to the representatives on behalf of the Minister of State Property, or Economy Minister, or the Minister of Transport. Congresses were used to organize and coordinate the activities of Russian businessmen, and the main purpose of the Congress was to "Express the possibility of the oilmen to the government their needs, aspirations and desires. However, meetings were necessary not only oil owners, but also the government, which is much more convenient it was to lead the leaders of oil companies and oil industry representatives gathered in one place at one time.

In the case of the US government, there was observed the following: it is not controlling its owners, tried in every way to help them, because it understood the significance of the activities of the oilmen as a whole. In his memoirs, John D. Rockefeller noted:

*"Every time we succeeded in a foreign land, it meant dollars brought to this country, and every time we failed, it was a loss to our nation and its workmen. One of our greatest helpers has been the State Department in Washington. Our ambassadors and ministers and consuls have aided to push our way into new markets to the utmost corners of the world"*<sup>1</sup>.

It is worth to mention that the congresses have been beneficial not only to large businesses, but much of small companies and private oil producers: combining solutions around a particular issue, they could have an impact on their more successful rivals.

Another thing - the major oil producers (Nobels, Rothschilds, and others), used the platform of the Congress for their own purposes. That is, large firms, such as "Bra Nobel", Rothschild "Caspian-Black Sea Society", "Baku Oil Society", used the congresses, along with other ways to solve problems. Basic argument of large firms in public debates with their opponents were not public, but behind the scenes action: used well-established relationships with the central government. For example, the company "Bra Nobel" risky and unpopular way with western capitals to obtain effective results, preferred its own way, which consists in verified methods agreed upon and approved by the government.

On the other hand, meetings that brought together both large and medium-sized oil industrialists contributed to the decision (approval) collective views on an issue. This equates to some extent of the "all sufficiency" oilmen and guaranteed them certain indulgences and privileges. Here we note that in almost every year held congresses it took part and more than 150 small manufacturers (companies), which also tried to use oil conventions in their own interest.

Investigating materials of the congresses it is noticeable that a red thread through them passed the collective voice of the Baku oil, concerned the promotion of domestic petroleum products to the West. Already in I-st congress was listed under number 12 theme "On the most favorable conditions of export of kerosene and lubricating oils abroad, cheaper freight, storage of goods in the field sales organization for agent reception and holiday shoppers, etc." <sup>2</sup>.

And at the VI Congress addressed the issue of "The consequences for our exports of kerosene by tankers crossing the permission of the Suez Canal" <sup>3</sup>.

<sup>1</sup> *Memoirs of an American billionaire John Rockefeller*, 1909. Printing house "Columbus", St.-Petersburg, p.98.

<sup>2</sup> *Proceedings of the I Congress of Oilmen in Baku from 26 October to 8 November of 1884*, Baku, Printing house of V. Neruchev, 1885, p.4-5.

<sup>3</sup> *Proceedings of the VI Congress of Oilmen in Baku, January 15-17, 1890*, Baku, Printing house of newspaper "Caspian", 1890, p.1.

The problem of "Developing our sales of kerosene in general, and the filling, in the markets of the Far East" was discussed at the XI Congress<sup>4</sup>.

Council of the Congress of the Baku oilmen had the office and the secretariat, as well as the bank account, growing both through fees collected from random oil production, and due to industrial activity. Special Statistical Office functioned within the Council of Congresses, which responsibilities included the collection, processing and publication of all information relating to the oil business. Since its inception (1884) Council of the Congress organized a network of specialized technical libraries for the employees of the oil industry; the first in this network was organized the Library for employees of the Council. By 1911 in the library, there were more than 10 thousand books in Russian, English and German languages, mainly on technical subjects.

From January 10, 1899 Council of the Congress began to publish in Baku once every two weeks the newspaper "Oil Business" (OB) / Neftyanoe Delo, since 1908 - this is a magazine. Council of the Congress also published as "Surveys of Baku oil industry", both magazines are invaluable statistical database for researchers and historians around the world on the oil business. From the beginning of XX-th century till 1917, this journal had a correspondent office in London. After the October Revolution of 1917, the magazine OB, as well as most of the magazines published in the Russian Empire, was closed (by the decision of the Bolshevik's Baku Council of People's Commissars in May 1918). It must be noted that during the First World War, the magazine continued to publish data on the state of the oil industry noting that the war completely disrupting the country's economy.

In September 1918, the Azerbaijan Republic reopened the magazine; his editor was a well-known journalist in the Caucasus – P. M. Karamurza. In March 1920, the last issue of the magazine with the former name was published. After the establishment of the Soviet power in Azerbaijan, in May 1920, the magazine was renamed into the Azerbaijanskoye neftyanoye khozyaystvo ("Azerbaijan Oil Industry"), which is still published. Currently, the magazine "Azerbaijan Oil Industry" is the oldest monthly scientific and technical magazine of oil and gas industries in the world.

Well-known oilman Viktor Ragozin (1833-1901) on the I-st Congress advised the following to address one of the major problems of that period, namely, for rapid deployment of Russian (Baku) kerosene in Europe:

*"Seek Russian Railways northbound them to lower the rate on overseas post, and that you, at this position, respectively, have found it possible to raise the domestic tariff. This is the first sentence. The second proposal is that the tariff for bulk cargo was compared with the rate for containerboard product. If Russia thinks of decreasing use of freights and moves a lot of kerosene in Europe, it will meet the lack of barrels in the US and will need its own. In the interests of the provision we need to apply to the Transcaucasian railway tariffs were compared for container and bulk commodity"*<sup>5</sup>.

And at the VI emergency oil Congress, considering the problem of the construction of kerosene pipeline, V.I. Ragozin stated that:

*"It is necessary to recognize as the best position only such that will transport everything that we produce, and this can be achieved only with sweeping changes in methods of*

<sup>4</sup> *Proceedings of the XI of the next Congress of Oilmen in Baku from April 21 to May 2, 1897*, Baku, Printing house "Aror", 1897, p.84-91.

<sup>5</sup> *Proceedings of the I Congress of the oilmen in Baku from 26 October to 8 November 1884*, Baku, Printing house V. Neruchev, 1885, p.33-35.

*transportation. That is why I consider this question closely connected with the question of tariffs and the kerosene pipeline*<sup>6</sup>.

It is necessary to emphasize the Baku period of Viktor Ragozin's activity - from 1883 to 1892. As noted above, the first congress of Russian Oil Producers, which opened on October 26, 1884 in Baku, where Ragozin arose a question about the necessity of the state geological exploration of oil deposits. At the next session of the Congress (October 27), in its report "The most advantageous conditions of export of kerosene and lubricating oil abroad", he revealed an extensive program of development the exports of Russian (Baku) of petroleum products, in which the main issue was to ban the export of raw materials and half-raw materials from Russia.

We should note that the authority of the Ragozin (pioneer of Russian oil refining, industrial producer of oleonafts in Russia) was very high. This is clear from the materials of the first congress of the oilmen held in Baku. Oilman V. A. Bashkirov to introducing him to participants of the congress, said the following

*"V. I. Ragozin little familiar to us in Baku, but his name as a major figure in the oil industry, it is known not only in Russia, but also in Europe. He came here to take part in the congress. In the first two sessions you were pleased to see how energetic and active, he began to work"*<sup>7</sup>.

In 1884 in connection with the establishment of "Partnership of S.M. Shibayev Co.", Ragozin became a manager of the Baku branch of the company. In a short time, due to a serious organizational and technological transformation "Partnership ..." has become one of the leading Russian companies in the production of lubricating oils. In 1884, Ragozin while working in Baku stressed during its activities in the oil business from 1873 to 1883:

*"I was trying to solve almost the main issue - the full refining, made famous Russian lubricants trading in the world, took them to Europe, America and Egypt and made the subject of exclusion ..."*<sup>8</sup>.

At the first Russian wide exhibition of objects lighting and heating (1888) Ragozin was introduced as exhibits a large collection of refined products from Baku oil. After the exhibition, he was awarded an Honorary Diploma for "The introduction of the first oil refining lubricating oils, works extremely useful for installation in Russia their production and dissemination of these oils in Russia and abroad". In 1889, at the World Exhibition in Paris, mineral oils of the Shibayev's company (led by V. I. Ragozin) received a gold medal, and oil field's equipment of this company obtained a bronze medal.

Ragozin took an active part in the first seven congresses of the Baku oilmen. At the last congress (Baku, 29.10.1890), in which he took part, he reported "About some improvements in the conditions of our foreign exports of petroleum products". The red line of the report was the idea that only the excellent quality of the Baku oil products will ensure success in the competitive abroad with American-made products. At the meeting of the Baku Branch of the Imperial Russian Technical Society (BB IRTS) in 04 of May, 1891 he made a report: "Techniques of processing of oil due to the

<sup>6</sup> [Proceedings of the VI extraordinary congress of the oilmen in Baku, January 15-17, 1890, Baku, Printing house of newspaper "Caspian", 1890, p.5.

<sup>7</sup> Proceedings of the I Congress of the oilmen in Baku from 26 of October to 8 of November 1884, Baku, Printing house of V. Neruchev, 1885, p.78-79.

<sup>8</sup> G. V. Kolesnichenko (2001) *Essays on Studies in the History of Yaroslav I refinery named after D.I. Mendeleev*, Rybinsk, Printing house Mikhailov Posad, p.19.

oil crisis”, which first showed the basis of the new technology of processing of petroleum distillates using gasoline vapors. In 1892 Viktor Ragozin completed his job at the company of Shibayev S.M. and forever left Baku.

The problem of rapid construction of the pipeline (kerosene pipeline) was addressed at the XVII Congress of the oilmen (December 8, 1901, January 9, 1902) while discussing the topic ”About the question of what measures could contribute to the spread of oil products to displace foreign coal”. There were the oilmen, who zealously supported the idea of pipeline construction, including A. Rothschild, H.Z. Taghiyev, I. Ilimov and S. Baghirov. Alphonse Rothschild stood security for the project to the tune of one million rubles in 4% domestic bonds, at the Petersburg branch of the Lyon loan association. It is appropriate to recall that the length of the world’s greatest kerosene pipeline Baku-Batum (1897-1907) was 829 versts (1 versta is old Russian measure of length; equals 1067 meters) and the principal author of the project pipeline owned by Trans-Caucasian railway, was a professor at the St. Petersburg Institute of Technology, N. L. Shchukin (after 1936 Batum was renamed to Batumi). In the future, this unique pipeline helped to Russia (later the Soviet Union) to compete with the American oil industry.

As it is known, in Russia by the end of the 70’s - early 80’s of the XIX century has dominated the domestic (Baku) kerosene, due to high activity of the Bra Nobel Co. on the Absheron peninsula. It’s very interesting to read the thesis of the historian Irina Dyakonova, which states that ”... *the turning point that opened within 1877, to some extent explained by the fact that in the autumn of this year, state-owned collection of duties on imported kerosene was translated into gold calculus, which gave the customs duty on American kerosene partially forbidden character*” is essential to read.

Next, the historian Dyakonova notes that

*”...the abolition of excise duty, held in 1877, played a significant role Robert and Ludwig Nobel, who managed to attend the relevant government committees and had already prepared for their own benefit decisive intervention in the Russian oil business which they launched in 1879. The turning point in the import of kerosene, the incipient in 1877 received its logical conclusion in 1879-1883 with the direct involvement of ”Branobel”. In 1883 Russian imports of kerosene almost came to naught, and the use of Russian kerosene has increased to 11.553.880 pounds”<sup>9</sup>.*

In that period, there was a change monopoly in place of a foreign (American) was the Russian monopoly in the face of the Nobels and the Rothschilds. Later, in 1914 according to the Council of the Congress of the Baku oilmen (XXXIII Congress), the share of the three monopolistic groups (”Bra Nobel”, ”Oil” and ”Shell”) accounted for 69.5% of the export of oil products from Baku. These groups held more than 60% of crude oil in the Russian Empire, two thirds produce kerosene and fuel oil, as well as all profits from the sale of lubricating oils.

The ”oil” stories have not true facts about the direct contact between John D. Rockefeller and the Nobels, but there are examples of the use of Nobels all the best of the American experience. The leaders of the company, ”Bra Nobel” in the first place Ludwig and his son Emanuel, not only to compete in domestic and foreign markets with Rockefeller, but also learned from him. For example, in 1897 (after the Chicago exhibition) Emanuel Nobel speech to the Ministry of Finance on the representation of the firm participation rights capital ”Branobel” in other companies, openly refers to the experience «Standard Oil», considering it exemplary. And that is characteristic of such, the noted right Emanuel Nobel received in 1898.

During this period, many Russian oil experts believed and considered to the American experience in the oil business as a model. For example, a member of the XI Congress of Oilmen in Baku Levenson

<sup>9</sup> I. A. Dyakonova (1980) *Nobel corporation in Russia*, Moscow, Printing house ”Mysl”, p.63-64.

E.S., delivered a lecture about "The Development of the sales of our general and kerosene tanker in particular on the markets of the Far East", said:

*"A radical solution of this issue, as well as general organization of the whole Russian kerosene exports, it should be recognized only permanent association of export American «Standard Oil» or the formation of a privileged company"*<sup>10</sup>.

Interestingly describes in his book, "Memoirs of an American Billionaire J. Rockefeller" the secret of success of the company's founder, he wrote

*"I attribute the success of the Standard Oil Company only its sound policies: the continued expansion of its sphere of influence. It did not stop at any cost to the application of the best and more convenient methods of fabrication. It sought out the best people everywhere and pays them higher salaries. She did not hesitate to sacrifice the old machines and plants for the acquisition and construction of new and improved. It sought to create marketing not only for their own manufactured goods, but also for all sorts of by-products, sparing no expense to introduce them to all corners and ends of the vast world. It did not stop in front of millions of the cost of finding ways to reduce the cost of receiving and distribution of kerosene in the pipeline, for the invention of special wagons, tankers and tank wagons. It established a railway station in the liquid centers of all districts in the country to reduce the cost savings and delivery of kerosene".*

Here we should emphasize that the business rivalry between Nobels and Rockefeller throughout the history of the Bra Nobel Company has not been able to approach in its capabilities to the level of Rockefeller. For example, if in 1882, Rockefeller had a capital of 140 million rubles (in comparable prices), the Bra Nobel Co. - at 12 million rubles. In our opinion, Rockefeller's Standard Oil acted as a powerful landmark for the largest and most organized Russian companies to achieve the best results in the Baku oil business.

As a result, in the 1899-1901 by the absolute number of produced oil of Russian (Baku) oil industry ranks first in the world, giving 11.5 million tons of oil a year, and the US - 9.1 million tons<sup>11</sup>.

Further, at the XVI Congress of the oilmen operations totaling Council of the Congress concluded:

*"1) the Russian kerosene is not ousted from foreign markets by American kerosene, 2) the export of Russian kerosene abroad is not reduced, and prices do not drop it there, 3) the demand in England and Germany on the Russian kerosene is not reduced, and prices are on the Russian and the American kerosene stand tall; 4) all overhead costs for the delivery of one pounds of kerosene to consumer markets abroad 49.3 kopecks. 5) profit exporting Russian kerosene increased gradually, starting with the size of 5.2 kopecks. with pounds and reaching lately and even 17.3-30.7 kopecks. with a peck"...<sup>12</sup>.*

A detailed analysis of the works of oil Congresses gives a reason to believe that they discussed not only the in the practice, but barely nascent state of applied science about oil. At congresses have repeatedly made their point views well known to the oil production of scientists and industrialists: D. I. Mendeleev, Taghiyev Haji Zeynalabdin, Naghiyev Musa, Asadullayev Shamsi, Lysenko K. I., Carl Engler, Ragozin V. I., Ludwig Nobel, Emanuel Nobel and many others.

<sup>10</sup> *Proceedings of the XI Ordinary Congress of Oilmen. Baku from April 21 to May 2, 1897, p.87.*

<sup>11</sup> M, F, Mir-Babayev (2011) The role of Azerbaijan in the world's oil industry, *Oil-Industry History (USA)*, **12**(1)109-123.

<sup>12</sup> *Proceedings of the XVI of the next Congress of Oilmen in Baku on December 8, 1901. January 6, 1902 Volume I, Baku, Printing house of the partnership, 1902, p.313.*

For example, presenting on the I-st congress of Dmitry Mendeleev was satisfied with the depth of the issues and problems discussed at the congress. The scientist said that *"...the free cohesion figures in the same industry to discuss their interests and desired is major news not only for Baku, but also for all of us ... Open consideration of issues and cases free industry is to be welcomed"*.

Briefly about the famous Azerbaijani oilman (industrialist) Haji Zeynalabdin Taghiyev (1838-1924): he was one of the most respected oil magnates in Russia and the Muslim world. Born into a poor family, he began his working life as a bricklayer and finished as a millionaire businessman. H. Z. Taghiyev & Co., founded in 1872, became a powerful oil company over the next 25 years, combining all branches of the oil industry, upstream and downstream. On January 11 of 1886 H. Z. Taghiyev spoke at the session of BB IRTS about "How to overcome oil industrial crisis?" in which he described most efficient export of kerosene from Baku. The speech was very timely and useful, so it was published and distributed among all members of BB IRTS and Baku oilmen (industrialists). In 1887, his company produced 7 million poods of oil and 2 million poods of kerosene. He invested in all spheres of the national economy: oil production, building of trade centers, flourmills, fisheries and opened the first textile mill in Baku. He is maybe even better known, however, as a philanthropist. He established the first high school for girls, the first drama theatre and the Shollar pipeline to bring fresh water to Baku. Taghiyev was elected honorary chairman of the Muslim, Russian, Jewish and other societies, which existed in Baku at that time.

Here, we emphasize that the oil theme in the creative life of Mendeleev held a key position. His participation in the making of Russian (Baku) oil industry in the second half of the XIX century, was a multi-object (he was in Baku several times)<sup>13</sup>. Extensive research on the oil issue of the scientist is not only recommended a series of practical measures to change processes in their factories, but also advised us not to be afraid to implement several radical changes.

An interesting fact is that already in the I Congress (1884) Baku oilmen have put forward the idea of "catch up and overtake America". The main words that sound in the Congress were: "We promise to pour kerosene all over Europe", "Compared with the American kerosene", "Our rights to compete with America", etc. It was not empty boasting. Later, in his memoirs, John D. Rockefeller paid tribute to Baku industrialists (Standard Oil Co. was a major competitor to Baku companies):

*"It is a common thing to hear people say that this company has crushed out its competitors. Only the uninformed could make such an assertion. It has and always has had, and always will have, hundreds of active competitors; it has lived only because it has managed its affairs well and economically and with great vigor. To speak of competition for a minute: Consider not only the able people who compete in refining oil, but all the competition in the various trades which make and sell by-products - a great variety of different businesses. And perhaps of even more importance is the competition in foreign lands. The Standard is always fighting to sell the American product against the oil produced from the great fields of Russia, which struggles for the trade of Europe, and the Burma oil, which largely affects the market in India"*<sup>14</sup>.

Let's remember that global oil production in 1900 amounted to 1224.2 million poods, including the Russian Empire - 631.1 million poods (51.6%), including extraction of oil from the Baku oil region - 603.8 million poods, and the US - 516.7 million poods (42.2%). At the end of 1901, Russia's share of global (world) oil production was 53%. Significant contribution to the leadership positions of the

<sup>13</sup> M. F. Mir-Babayev (2011) The role of Azerbaijan in the world's oil industry, *Oil-Industry History (USA)*, **12**(1)109-123.

<sup>14</sup> *Memoirs of an American billionaire John Rockefeller* (1909) Printing house "Columbus", St.-Petersburg, p.98.

empire has made by “Bra Nobel Co.” on the oilfields of which were produced 86.8 million poods of oil from 113 production wells and, were produced about 30 million poods of kerosene.

In 1900-1905, a cartel formation was concluded between the “Bra Nobel” and the Rothschild’s “Mazut” association according to which Emanuel Nobel and Rothschild’s brothers joined forces in exporting Russian kerosene to foreign markets. Already by the end of 1901, the “Nobmazut” cartel transported 43% of fuel oil, 57% of kerosene and 67% of the technical oils extracted from Baku oil. By pursuing a coordinated economic policy, “Nobmazut” successfully countered the other major player on the world’s kerosene market, the American Standard Oil Co., which was trying very hard to gain a footing in the Caucasus and Absheron oil markets. Standard Oil Co. tried in every possible way to cooperate with the Rothschild’s “Caspian-Black Sea Co.”, but no deals that would contradict Russia’s interests ever took place, contrary to rumors circulating in the Russian press.

The cartel also controlled the London oil company Consolidated Petroleum Co., formed in August 1900 with a fixed capital of 500,000 pounds sterling and a competitor for American oil companies. “Nobmazut” cartel was the only representative of British companies on international markets.

At the XVI congress, considering the serious allegations against the companies exporting oil from small oil industrialists, it was noted that the main reason for the sharp fall in prices of kerosene was the same as in America - the problem of uncontrolled oil production. In conclusion, we would like to note once again that the participants were well-known oil Congresses oil and public figures (the Nobels, the Rothschilds, H. Z. Taghiyev, V. I. Ragozin, Musa Naghiyev, Shamsi Asadullayev, V. I. Timiryazev, D. P. Konovalov, V. A. Bashkirov, N. A. Sokolov, B. A. Ogulevich, A. M. Feigl, C. V. Hagelin, I. G. Garsoyev, I. N. Pershin, M. B. Pappe, E. S. Levenson and others), as well as famous researchers of oil (D. I. Mendelejev, K. I. Lysenko, D. V. Golubyatnikov, K. V. Harichkov, I. N. Glushkov, A. A. Bulgakov, S. K. Kvitko, C. Engler, I. I. Yelin, R. A. Vishin, L. G. Gurvich, V. F. Herr, M. M. Tikhvinsky, V. I. Frolov, Mancho A. L., Inchik F. A. and others).

This eventually led to the fact that Baku oil congresses have become generators of many ideas in the field of oil and played a significant role in the technical education of the oil in Baku and in the Russian Empire as a whole. Detailed study of the Congresses’ materials, one find a lot of interesting ideas and suggestions on the oil business, which was much discussion at the conventions, and then put into practice: the correct development of oil fields, the means of contributing to raising the scientific and technical aspects of the Caucasian oil industry, on the prevention of fountains and the introduction of a better way to store crude oil; about the most advantageous conditions of kerosene’s export and lubricating oils abroad - reducing the cost of freight, storage of goods in the field sales organization for agencies reception and holiday shoppers, etc.

A proceeding of the Congress of the Council of the Baku oilmen clearly showed who the real oil leader was. Each big oil company has a certain number of votes in the Council. The right to vote was determined by power companies and the volumes of its production. According to the charter of the Board, the right to vote gave the first “production from 100 to 500,000 poods of oil per year, production from 100 to 200,000 poods of lighting and lubricating oils and transferring from 1 million to 2 million pounds.” To obtain the second and each subsequent vote, you had to have a production of 2 million pounds of oil production to 800,000 poods, and the pumping of 8 million pounds per year, respectively.

Also, we should emphasize that according to many foreign experts who have studied the history of the oil business, it is following the pattern of the Baku editions of the Council of Congresses (“Oil business” and “Overview of the Baku oil industry”), as well as the journal “Proceedings of the Baku Branch of the Imperial Russian Technical Society” (founded in Baku in January of 1886), were built in the future guidelines for the preparation and processing of oil statistics in many countries around the world. By the way, these magazines published the results of awarding the laureates with the



little-known Russian Emanuel Nobel Prize, established in 1904 in Baku<sup>15</sup>, <sup>16</sup> .

## Conclusion

Those pledges at the I-st Baku Oil Congress – Let's overtake America! – were fulfilled. In 1899-1901, Baku's oil industry led the world in terms of the volume of oil extracted – 11.5 million tons per year; America was in second place with 9.1 million tons. In 1901 Russia, which included Baku at that time, produced 53% of the world's. High output was not without its own problems, though. The 16th Oil Congress considered serious charges to the oil exporters from smaller oil industrialists over the fall in kerosene prices. However, it was noted that the main cause for the sharp fall in prices for kerosene was the same as in America – the problem of uncontrolled output. The oil congresses played an important role in the development of the oil industry in Baku. In 1920 after the establishment of Soviet power in Azerbaijan Congress Council was abolished: no more congresses were held and the congress council was liquidated.

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<sup>15</sup> <http://www.petroleumworld.com/issues20051101.htm>

<sup>16</sup> M. F.Mir-Babayev M.F. (2012) The Rothschild's brothers' contribution to Baku's oil industry, *Oil-Industry History (USA)*, **13**(1)225-236.