

FORESTRY COOPERATIVES IN STRANDZHA (1922–1944)

Original Scientific Article
Stoyan RAYCHEVSKI
*Bulgarian Academy
of Science and Art,
Trakia Science Institute*

In this study were shown the specific structure, organization and management of forestry cooperatives in “Strandzha” (The South Eastern Thrace). From methodological aspect, in the text was done the analysis of relevant data from Burgas regional archives. The main goal of Strandzha was to organize collective logging of the etat provided by the state forests to the population, processing of the timber into charcoal, wooden material or firewood and the transportation of the same to the Black Sea ports for export over the country or abroad. In this study was analyzed the nature and evolution of the cooperative’s organization, business challenges and capability of Strandzha to deal successfully with a difficult matter of new situations. In the first chapter were described historical and economic circumstances in the period before founding of cooperative. In the second chapter were analyzed the business balance and evolution of the cooperative since its founding until the 2nd World War. In the final chapter, it was analyzed the cooperative’s capability to adapt to the challenges of war economy.

Key words: Strandzha, Forestry cooperative, etats, collective logging, charcoal production, shipbuilding

Jel Classification: J54, D7

1. INTRODUCTION

BEFORE THE 1912/1913 BALKAN WAR, THE BULGARIAN population in Strandzha (the mountainous part of South Eastern Thrace) was occupied mainly in sheep-breeding, logging and charcoal-burning, the production of which was exported to Istanbul and other towns of the Ottoman Empire. After the new Bulgarian border with Turkey was established in 1913, the sheep-farming heavily declined, as well as some of the traditional crafts, which until then had found unlimited market in the Ottoman capital. In the Bulgarian part of Strandzha, logging and charcoal-burning whose production was exported through Black Sea ports mainly to Turkey and Greece, remained the main livelihood of the local population and of a large number of landless refugees from Eastern Thrace, who set there in 1913 (АЯНОВ, 1938, 1939, ПРИМОВСКИ, 1958, РАЙЧЕВСКИ, 2008).

In the first years after the Balkan War, the Strandzha charcoal production was unrivaled on the markets in Turkey and Greece, and its annual export was steadily increasing. This also applies to the timber and the large amounts of firewood obtained from the Strandzha forests.

From 1920 to 1924/25, the mountain population in Strandzha sold to forest contractors the state submitted woodland shares (*etats*, the planned amount of trees that each resident had the right to cut off from the state forests, which was based on the annual growth of the forest). At that time, the local people obtained very small income from their work due to the low prices at which the contractors used to buy the shares (*etats*) of the state forests submitted to the population by the state.

By 1922 – 1925, the exploitation of the forests was carried out exclusively by traders-contractors who bought from the people the *etats*, granted by the State according to the Forestry Act at fixed (tariff) rates thus threatening the efforts of the forestry workers (occupied in logging, transporting, processing of timber and charcoal production for export) at the lowest possible remuneration for the labour invested in those activities.

The low-wage work of the Strandzha population, earning their living mainly by logging, woodworking and charcoal-burning compelled the locals to seek certain forms to protect their economic interests. Such a way they found in the creation of forest cooperatives, thus sending their wood products directly for sale

on the international markets in this way avoiding the mediation of the traders-entrepreneurs.

2. THE FOUNDING OF “STRANDZHA”: STRUCTURE AND ORGANIZATION DESIGN

The first steps towards cooperation in logging and forestry production in the Strandzha region were made in the village of Gramatikovo, Malko Tarnovo district. On April 7, 1921, thirty-six villagers gathered in the school and decided to establish a credit cooperative under the name of “*Podkrepa*”, i.e. support. They adopted regulations, elected a Managing Board and Control Commission and every one of the founders submitted the registration fee of 10 levs for the costs of establishment and furnishing of the company. The credits taken by the cooperative gave its members the opportunity to buy equipment and working cattle and thus increase the forestry production (Regional archive, Burgas: ОДАрхив Бургас, Фонд 948). The example of this first cooperative in Strandzha was soon followed by the neighbouring villages where forestry was the main occupation of the population. On July 23, 1922, residents of the village of Brodilovo, Malko Tarnovo district, founded the Forestry Cooperative, named “Strandzha” (Regional archive Burgas, Фонд 133), on 20 January, 1923 in the village of Rezovo – the “*Rezvaya*” Forestry Production Cooperative and on December 6, 1923 the population of the village of Kosti established the “*Napredak*” Forestry Production Cooperative.

In 1924, the members of the first cooperative in Strandzha “*Podkrepa*” decided to transform their cooperative from purely credit to a credit-productive one. The newly-drafted organization chart states that the cooperative could not be able to fulfill its purpose if in the future it remained only a credit one: “With its credit it highly facilitates its members, but to meet their needs, it must create jobs for them and thus obtain new sources of funds”(Regional archive, Burgas , Фонд 948).

Under the Forestry Act current at that time in Bulgaria the exploitation of the state low-growing and high forests was granted to cooperatives only. In order to benefit from the privileges of the Forest Act, the cooperative members in Gramatikovo who processed timber and produced charcoal in large quantities each year decided to turn their cooperative into a producers’ one.

On the general meeting of the cooperative members, the transformed forestry cooperative set as its main goal to organize collective logging of the *etat*

provided by the state forests to the population, processing of the timber into charcoal, wooden material or firewood and the transportation of the same to the Black Sea ports for export over the country or abroad. The co-operative retained its credit functions and took care to supply its members with the necessary tools and equipment for processing the forest products. The cooperative way of forestry production differed radically from that practiced before the emergence of the first cooperatives by traders-entrepreneurs. At a general meeting, each cooperative also adopted the regulations under which it had to perform its production activities.

The structure of the forestry cooperatives in Strandzha developed on two basic principles: democracy in self-government and strict control over the management bodies and members. For a farmer to become a member of the forestry cooperative according to the regulations adopted by the general meeting, he had to make his living by working in the woods (Regional archive, Burgas, ФОНД 627). No members were allowed among those exercising other occupations or engaged in trade. Exceptions were made only for teachers and representatives of the intelligentsia who were included in the management body of the cooperative. The forestry cooperatives did not collect membership dues; they took only once admission fee of 100 levs, but a 10% of the payment for the work done was deducted as share capital. The cooperative association elected its managing body: General Assembly, Management Board, Supervisory Board, Director and Permanent Presence. The Management Board was elected by the General Assembly. The Management Board chose among its members the chairman, vice-chairman and secretary; it also appointed director-treasurer who would be further approved by the General Assembly. The Management Board appointed one of its members a delegate who would represent it. That delegate, together with the Director formed the Permanent Presence. The Supervisory Board was authorized to make inspections and require explanations on all matters whenever it deemed necessary. The chairman of the Supervisory Board was obliged to make audits of the treasurer and the warehouse at least once a month.

In the first years after the emergence of forest cooperatives in Strandzha the remuneration of the forestry workers' labour increased sharply compared to what they had been paid for the same work by the traders entrepreneurs. For example, for one kilogram of export charcoal produced in Strandzha the entrepreneur received 2 levs of profit, while the population got 17.5 stotinkas for their work and

the state 12.5 stotinkas as forestry fee or in other words the distribution of the profit was in the following ratio

200: 17.5: 12.5

In 1925, when the organized cooperative production of charcoal and other forest products was introduced, the situation radically changed. The population learned the true cost of forest industries on the international markets and began to agree the price of their labour with it. At the annual general meetings the forestry cooperatives decided to pay in advance the labour costs amounting to 55 levs per 1 cu. m. of wood for clearing in the forest and transporting the wooden mass to the places of charring. The forestry cooperatives exported their production of charcoal directly on the foreign market and the profit they realized enabled them after paying the administrative costs and taxes to devote up to 20% as public funds to new business organizations and to allocate among themselves an additional 40 levs per 1 cu. m. of wood in the form of dividend. At a 2.65 levs average price of the charcoal, in 1923 the merchants paid the foresters 14 levs per 1 cu. m. of logged and transported wood, and in 1925 through its forestry cooperatives the population already received 95 levs per 1 cu. m. of felled and transported wood, although the sale price that year was lower than that in 1923 – i.e. 2.40 levs per 1 kg (Regional archive, Burgas, ФОНД 133К, оп. 1, а.е. 125, л. 11). The emergence of forestry cooperatives was beneficial also for increasing the remuneration of the labour of the non-cooperated population in Strandzha. The traders-entrepreneurs were forced to pay the non-cooperated population 50 levs per 1 cu. m. of wood. By each kilogram of charcoal, the cooperative member got 97 stotinkas, the non-cooperated woodsman received 62.5 stotinkas for his work, and the state obtained 25 stotinkas as forestry fee (Regional archive, Burgas, ФОНД 133К, оп. 1, а.е. 27..), or the profits of the traders-entrepreneurs compared to the non-cooperated population and the state was in the following proportion:

97: 62.5: 25 (primarily 200: 17.5: 12.5)

Not only the remuneration of forestry workers' labour increased but also the tariff fee collected by the state. While in the years before the emergence of the forestry cooperatives it fluctuated between 2.85% and 5.15% of the purchase price of charcoal, in 1925 it immediately rose up and with the strong increase in production costs due to increased remuneration of the cooperative workers' labour

it continued to grow until it reached 16.40% in the period of strengthening the forestry cooperative movement in Strandzha.

In 1926, the cooperative movement comprised almost all the major settlements in Strandzha. To be able to better resist competition from the newly emerging forestry cooperatives, the traders-entrepreneurs organized into a powerful cartel. That in turn accelerated in 1929 the merging of all forestry cooperatives in Strandzha in a forestry productive union – the Strandzha Regional Forestry Productive Union that through its central management organized and directed the cooperative production and provided export and sale options of the forestry products on the international markets at the best protection of the forestry workers' interests.

To defend themselves against the unscrupulous exploitation of speculators, grocers, vendors, suppliers of food and other goods for domestic consumption, the Strandzha forestry cooperatives began to open small consumer stores in the villages. These cooperative stores became exemplary suppliers of all kinds of goods needed for the vital needs of the mountain populations. The goods for the cooperative consumer-shops came directly from the manufacturers in order to avoid the network of intermediaries that raised considerably their cost. In 1930, the Strandzha Forestry Regional Cooperative Union decided all supplies to the consumer shops of the forestry cooperatives to be carried out via the union centres, which opened its warehouses at all sea ports. These warehouses provided the forestry cooperatives and their shops with all necessary food and other products. Besides, rationing payment of the products obtained was introduced in these consumer shops.

The forestry cooperatives in Strandzha maintained the educational activities of the village schools and community centres and opened courses to eradicate illiteracy among adults. The forestry cooperative in Gramatikovo lent 5000 leva to the school and granted financial aid of 13 000 leva to the village library and community centre. Thanks to the support of the cooperative, the community centre in Gramatikovo purchased new books for 5000 leva and began to catch up with the community centres in small towns like Malko Tarnovo and Tzarevo. The example of the forestry cooperative in Gramatikovo was soon followed by other forestry cooperatives that allocated funds to support the schools and community centres in their villages.

60 The cooperatives engaged large numbers of teachers, doctors, lawyers and others in order to deliver lectures and essays of educational and economic nature

to the population. Papers concerning problems of the cooperative movement were read as a way for improving the livelihoods of the population in Strandzha.

The “Strandzhanski glas” newspaper, which was first issued in 1927 in Malko Tarnovo and Vasiliko (Tzarevo) as well as the “Goryanin” newspaper that followed in 1930 played a significant role in improving the cultural and educational status of the people who made their living mainly by working in the woods. The two newspapers were issues of the forestry cooperative movement in Strandzha.

The forestry cooperatives in Strandzha also created a new community institution, the so called Comradely or Conciliation Board. This panel served to settle disputes among forestry workers and among the separate cooperatives as well – investigated and resolved all disputes between members of the forestry cooperative that were of private nature, such as claims for damages and losses caused to movable and immovable property, crops, etc., boundary disputes or division of property, property offenses, insults, beatings, threats and etc. The comradely and Conciliatory Board often examined the behavior of the managing body of the cooperative and the imposed penalties. It gave opinion on indecent acts in public places or on breaches of morality and punished severely any humiliation of the cooperative members or the authority of the forestry cooperative. At the end of each year, the Conciliation Board gave a report on its activities to the Management Board of the forestry cooperative.

The Conciliation Board was elected by the General Assembly of the cooperative members for a period of one year. The director of the cooperative functioned also as its secretary. This Conciliation Board gathered regularly each month on a day specified by the board itself. The sessions of the board were public. Before the case was opened, the board first urged the parties to the dispute to reconcile and restore their friendly relations. The same was insisted on at the end of the session. The decision was pronounced aloud by the presiding chairman. The dissatisfied party might lodge an appeal to the Common Boards for the decision to be reversed on common ground, but if, however, it lost the litigation, the matter was set before the Management Board of the forestry cooperative and the guilty to be expelled from the cooperative. This “court” saved the members of forestry cooperatives lots of time and money and also long kicking in the urban courts. It increased their sense of belonging to a community, of comradeship and mutual assistance.

In September 1929, in connection with the search for new export markets, a group of leaders in the forestry cooperative movement in Strandzha gathered and

decided to establish a union in order to bring together the efforts and resources of all forest cooperatives in Strandzha. They decided that the goal could be achieved through the establishment of a common regional cooperative management both to organize the production, supply and distribution activities of the finished products of all forest cooperatives and to found new cooperatives in those settlements where no such existed. To limit the impact of the forestry cooperatives the entrepreneurs and the traders in timber and charcoal began to organize the creation of a powerful cartel. To be able to resist the united entrepreneurs and the cartel imposed by them, on 28th October of the same year, the initiators of the union distributed in all Strandzha villages an appeal to organize a powerful Strandzha regional forestry production union, which to coordinate the activities of all forest cooperatives in the region of Strandzha (Table 1, 2)

Table 1. The forest cooperatives, founders of the Strandzha Forestry Cooperative Union and their status in 1930

Cooperative	Settlement	Shares	Amount in levs
„Podkrepa”	Gramatikovo	247	24 700
„Strandzha”	Malko Tarnovo	157	15 200
„Dimana”	Kladara (Slivarovo)	71	7 100
„Hadzhiyka”	Vizitza	88	8 800
„Leska”	Stoilovo	33	3 300
„Roshkovitza”	Novo Panicharevo	200	20 000
„Pchela”	Kyupria (Primorsko)	122	12 000
„Dab”	Alan kayrak (Yasna polyana)	116	11 600
„Napredak”	Kosti	168	16 800
„Dabrava”	Vasiliko (Tzarevo)	96	9 600
„Strandzha”	Brodilovo	132	13 200
„Rezvaya”	Rezovo	87	8 700
„Ugrash”	Zabernovo	52	5 200
„Papiya”	Varvara	49	4 900
„Granit”	Ahtopol	27	2 700
„Atliman”	Pismenovo	26	2 600
„Dab”	Urgari (Balgari)	33	3 300
„Sila”	Lozenetz	10	1 000
		1 709	170 900

Table 2. The Strandzha Regional Forestry Cooperative Union in 1937

Settlement	Cooperative	Number of households	Cooperative households
Zvezdetz	„Zora”	176	64
Kosti	„Napredak”	352	170
Primorsko	„Pchela”	224	82
Pismenovo	„Atliman”	50	36
Velika	„Probuda”	68	39
Vizitza	„Hadzhiyka”	102	51
Gramatikovo	„Podkrepa”	408	218
Kiten	„Momchov gyol”	45	39
Kladara	„Dimana”	110	25
Novo Panicharevo	„Roshkovitza”	318	89
Lozenetz	„Sila”	85	59
Brodilovo	„Strandzha”	295	122
Sinemoretz	„Vaglen”	86	63
Balgari	„Dab”	140	58
Indzhe voyvoda	„Bosna”	272	73
Rezovo	„Rezvaya”	100	72
Ahtopol	„Granit”	252	67
Malko Tarnovo	„Strandzha”	990	73
Yasna polyana	„Dab”	225	84
Tzarevo	„Dabrava”	435	122
Varvara	„Papiya”	76	44
Krushevetz	„Padaloto”	220	26
Marzevo (Kondolovo)	„Svetlina”	78	24
Stoilovo	„Leska”	196	83
Zabernovo	„Ugrash”	86	64
Konak (Byala voda)	„Zhivak”	84	38

Source: Райчевски, 1987

To get a better price for their members' labour and to achieve full utilization of wooden material under the new economic conditions, the forestry cooperatives in Strandzha began to develop the forestry production industries on a large scale. The first steps towards industrial production were made by the “Roshkovitza” co-

operative in Novo Panicharevo with the construction of a saw-mill in 1930. That first cooperative industrial enterprise in Strandzha produced parquet flooring, barrel staves for cooperage, railway crosspieces and etc. Since the mid 30s the forestry cooperatives started to introduce mechanization in the production processes. On the fourth congress of the Strandzha Forestry Cooperative Union in 1936 a decision was made as to the creation of the first lumber-mill in the town of Tzarevo.

The Forest Cooperative Union in Sofia, which after its tenth congress became not only the ideological but also the commercial centre of the forest cooperatives in Bulgaria, contributed too much to the industrialization of the cooperative forestry production in Strandzha. The saw-mill factory built by the Sofia Union back in 1936 in Vizitza and the parquet factory built in 1937 in Burgas became partners of the Strandzha Regional Forestry Cooperative Union. In 1938, another cooperative factory started to function in Kosti in partnership between the Strandzha Forest Cooperative Union and the “Progress” Forestry Cooperative in Kosti.

At its regular congress, the Strandzha Regional Forestry Cooperative Union sought permission from the forest authorities for the construction of two lumber mills in the “Bosna” locality near the village of Indzhe voyvoda and in the “Kachul” locality near Gramatikovo, which were expected to strengthen and enhance economically the forestry cooperatives – “Strandzha” in the town of Malko Tarnovo, “Dimana” in the Kladara (Slivarovo) village, “Zora” in Zvezdetz, “Bosna” in Indzhe voyvoda and “Podkrepa” in Gramatikovo (Regional archive, Burgas , Фонд 133К, оп. 1. арх. ед. 28, л. 24).

Instead of the expected permission, the Strandzha Regional Forestry Cooperative Union received notification that those factories would be built by the state because of the introduction of economic exploitation of the forests.

In 1939, the forestry cooperative movement in Strandzha already owned a parquet factory, a cooper workshop, five lumber mills and two trucks. The annual capacity of the lumber mills was 14,000 cu. m of wooden mass for the saw-mills, 50,000 sq. m. parquet flooring for the parquet factory and 5 cu. m. barrel staves for the cooper workshop.

The forestry cooperative movement in Strandzha made efforts to increase and improve the agricultural production in the area. The Strandzha Forestry Cooperative Union bought and delivered three threshers, three tractors, several sets of ploughs with tractors and other agricultural machinery. For the industrialization and mechanization of the production activities the Strandzha Regional For-

estry Cooperative Union paid five million leva. That investment showed the better opportunities of the organized Strandzha forestry workers who could through the forestry cooperatives spend money not only on the maintenance of their families but to set aside funds for industrialization of the forestry production, which would make it more competitive both on the internal and external markets.

In 1940, the newly built lumber mill in the village of Kosti ranked among the cooperated wood processing enterprises in Strandzha. In the same year, the forestry cooperative workers received permission to build a lumber mill in the area at Kachul near Gramatikovo. As a result of representations to the Ministry of Agriculture, respectively the Directorate of Forestry, a lumber mill was built up in the region of Bosna near Indzhe voyvoda that would process exclusively the log production of the forest cooperatives. The parquet and cooper factory enabled the cooperated population to become complete master of the forestry products (i.e. the locally produced wood mass). In 1942, the Strandzha Forestry Regional Cooperative Union had five industrial factories in which the local forest workers mastered new professions and shaped a new class of industrial workers in the region (Райчевски, 1987, 2001). The cooperative centre – the Strandzha Forest Cooperative Union allocated funds as much as it could allow for the urbanization in the highly undeveloped and poor at that time Strandzha region, for paving new roads and repairing the old, for the construction of ports on the Black Sea coast via which to export the forest products from Strandzha to the interior of the country and to the international markets.

3. NEW CHALLENGES DURING THE WORLD WAR II

The wartime situation in the Black Sea during the Second World War deprived the Black Sea littoral of regular maritime transport. Large quantities of the Strandzha forest cooperative output, such as wood, charcoal and other forest products destined for export to the international market remained unsold in the Black Sea ports because they could not be transported. That situation made the activity of the forest cooperatives in Strandzha very difficult and they suffered great economic losses. The management of the Strandzha Forestry Cooperative Union persistently searched for a way out of that almost hopeless situation. It decided to build its own commercial fleet and thus to ensure the export of the finished products of the forestry cooperatives in Strandzha. A bold decision, indeed, but it

objectively reflected the strength and increased opportunities of the forest cooperatives in Strandzha. So in 1941, the Strandzha Forestry Cooperative Union marked the beginning of a new business – shipbuilding. It created additional livelihood of the coastal population and made it possible to restore the overseas transportation of the cooperative forestry production.

Since early 1941 to late 1944, 37 vessels were built in the shipyard of the Strandzha Forestry Cooperative Union in Tzarevo. By the end of 1943, ten of the fully completed 30 vessels were left in possession of the Union and its member cooperatives; the remaining 20 vessels were sold. At the end of 1944, seven ships remained unfinished in the shipyard: “Goryanin”, “Tzarevo”, “Gorkoop” and “Satrudnik”, a large boat of “mauna” type and two lifeboats. On March 5, 1945, the Strandzha forest cooperatives donated to the National fleet a fast yacht. The sea vessels thus submitted for use by the Strandzha Regional Forestry Cooperative Union proved to be insufficient, so in the same year it was decided that new and larger ships would be placed on water in the Black Sea so that the charcoal, timber and other products of the cooperative forestry industries could be exported.

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Rezime:**Šumske zadruge u Strandzhi (1922 – 1944)**

U tekstu se prikazuju specifičnosti strukture, organizacije i upravljanja šumskim zadrugama u "Strandzhi" u jugoistočnoj Trakiji. Sa metodoloskog aspekta, za potrebe rada obavljena je analiza relevantne arhivske gradje Regionalnog arhivskog fonda u Burgasu. Glavni cilj Strandzhe bio je da organizuje kolektivno vođenje udela u državnim šumama koji je obezbedjen stanovništvu, preradu debla u drveni ugalj, drvene materijale ili drvo za ogrev kao i transport gradje do crnomorskih luka odakle bi se distribuirao po zemlji i inostranstvu. U tekstu se analiziraju priroda i evolucionni tok organizovanja zadruge, poslovni izazovi i sposobnost "Strandzhe" da na njih odgovori i opstane u novonastalim situacijama. U prvom poglavlju, opisane su istorijske i ekonomske okolnosti u periodu pre nastanka zadruge, koje su dovele do potrebe za osnivanjem "Strandzhe". U drugom poglavlju, analizirani su poslovni bilans i evolutivni tok zadruge od osnivanja do II sv. rata. U finalnom poglavlju, analizirana je sposobnost zadruge da se prilagodi izazovima ratne privrede.

Ključne reči: Strandzha, šumska zadruga, *etats*, kolektivno vođenje, proizvodnja drvenog uglja, brodogradnja

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