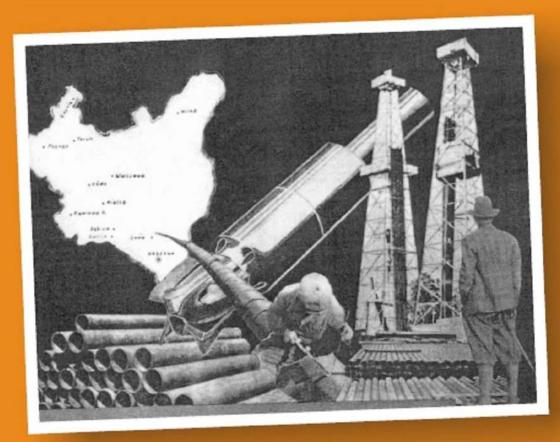
Jan Koziar



# "Gazolina" S.A.

Pierwsza polska spółka pracownicza



Wrocław 2010 (tylko w formie cyfrowej)

#### **GAZOLINA**

The first Polish company with employee shareholding (industrial co-partnership)

# WROCLAW 2010

#### PARTIAL TRANSLATION - 06/10/2020 MW

# **Original Contents**

- 2. Legacy
- 3.Training of young Wieleżyński
- 5. Beginnings
- 6. "A forge of new thoughts"
- 7. The beginnings of shareholding
- 8. Jews, Masons and foreign capital
- 10. "Gazolina" S.A.
- 11.Organization of the shareholders at Gazolina
- 11.Comparison with American ESOP
- 13. Company's capital structure
- 14. Exemplary cooperation with union professionals
- 15. Further development
- 16. Attempt to take control by foreign capital

- 17. Plan to introduce shareholding in Upper Silesia
- 19. Catholic social education
- 20. Ideas follow different paths
- 21. Message
- 22. Management principles of "Gazolina" joint-stock company
- 23. Status of the joint-stock company "Gazolina"
- 24. APPENDIX
- 25. Jerzy Ginda's letter
- 30. Gazolina Original Stocks
- 31. tructure and operation of the shareholders of "Gazolina"

 and in the "New Courier" (Canada) - in figures 11-18 in 2005 (June - September) "

- On the cover: poster "Gazolina" of the twenty-fifth anniversary of S.A. "Gazolina", 1912 – 1937,
- Text published in episodes of Nasz Dziennik - April 31, 7, 14

- and 21, 2000 and in the "New Courier (Canada)- in figures 11-18 in 2005 (June-September
- S.A. The library Atlas in Lviv

#### Legacy

When the young chemical engineer, Marian Wieleżyński, started working in the Borysław basin, he had two primary objectives: the development of Polish industry and the change in the relationship between labor and capital. They were separate projects, but these two objectives could already be achieved.

In 1916, the first employees of the company, later named"Gazolina" by Wieleżyński, became co-owners. The business was growing rapidly. Over time, it ended up distributing the highest dividends in Poland. The co-owners assumed their role not only on a daily basis, but also in exceptional situations. When Wieleżyński was imprisoned by the Ukrainians in 1918, the employees themselves ran the business. A few years later, the employees resisted an attempted takeover of the company by foreign capital - a takeover that would have made them millionaires.

Wieleżyński developed modern rules for employee share ownership. In the late 1930s, President Mościcki and Minister Kwiatkowski tried to use this experience in the context of the privatization of the group "Community of interest" acquired in Upper Silesia, Germany.

Pope Pius XI invited Wieleżyński to consult on the Encyclical Quadragesimo Anno - an encyclical proposing employee shareholding in Catholic social education.

During World War II, General de Gaulle asked for information about Gazolina.

This article is mainly based on the book by Leszek Wieleżyński, son of Marian, entitled "Working Together- Common Culture. Work and Life of a Sage",

published in England in 1985 (London, Veritas Foundation), with an introduction by Edmund Osmanczyk and dedicated to the "Holy Father" John Paul II.

The author of the introduction sees the book as a bridge between the past and the present as well as a bridge between emigration and the country. It is a very interesting story.

Leszek Wieleżyński found himself in England after the fall of Poland in September 1939. He served in General Maczek's armored division. He also completed his graduate studies in economics and management in Edinburgh. Then, he settled for some time in Morocco, where he studied geology and searched for copper, lead and manganese deposits. Later, he became an engineer-consultant in the industrial development of African countries for the French Ministry of Cooperation. He worked for many years in Gabon, advocating a rational exploitation of the local oil and gas fields.

When my father, Leszek, retired, he was able to realize his dream of writing a book about his father. He received help from many people, including former Gazolina employees like Bronisław Wojciechowski, friend of the pre-war author, Edmund Osmańczyk, and Adam and Tomasz Gruszecki, who made it possible for the author to work on his book in Warsaw. Shortly after the publication of his work, Leszek Wieleżyński died in a car accident. At that time, Stefan Bratkowski, who had access to the typed text of the book, summarized the story of Gazolina in several articles published in Sunday Guest in 1987. I reprinted this article in 1993, as a brochure in the 15th and final delivery of the series of brochures published in Wrocław, entitled "Economic democracy".

The book, written in time for the change of political system in Poland in the 1980s, could have filled the lack of knowledge imposed during the communist era about past Polish accomplishments. It could have become that "bridge" of which Edmund Osmanczyk speaks. However, this has not happened so far, and the gap is unfortunately still growing.

Great things were taking place in the old Lviv before the second World War. Behind its walls, the city was slowly gaining in importance through the independence movement and the scientific and cultural life of the country. Development in industrial technology played a major role of which petrol-related "Kuźnia Nowej Myśli" was an important part.

The number of famous names associated with Marian Wieleżyński, Gazolina and the surrounding area is amazing: Józef Piłsudski's stay in Magdeburg prevented him from becoming the godfather of Marians's two younger sons: Leszek (author of the book) and Zbyszek. Earlier, many people working with Wieleżyński served in the army. Lieutenant Maczek, later general, hero of the Battle of Falaise in Normandy, then one of the first employees of Gazolina, Tomasz Arciszewski - later Prime Minister of the government in exile in London.

Lviv remained outside the country, but one of the most important element of its heritage today, the phenomenon of "Gazolina," should be widely known and deserves to be continued in the country.

# Wieleżyński's youth training

Marian Wieleżyński was born in 1879 in Zastawna near Czerniowiec, to a local landowner family, that of Walerian Wieleżyński his father. He was the younger brother of Alexander and Natalia. His mother, née Knapp, came from a branch of the famous Armenian family of Abgarowicz.

Marian's father was killed in a train accident when Marian was only 4 years old and his mother moved with her youngest son to her own father's house in Olomouc, Moravia. There, Marian started school, revealing his thirst for knowledge by absorbing a large number of books. The local rabbi allowed him to use his library. Wieleżyński thus accessed, for example, the encyclical Rerum Novarum and the work of the Swiss economist Sismondi, who campaigned to reduce the contradictions between capital and labor.

The Rabbi of Olomouc also taught Marian the Polish language (German was spoken at his maternal grandfather's) and introduced him to the works of

Polish literature. After the death of his grandfather, Marian and his mother moved to Czerniowiec, where he completed his secondary education.

In 1897, he enrolled with his brother at the Polytechnic of Lviv – Aleksander in the Department of Bridges and Highways, Marian in the Department of Chemistry. The two brothers were intensely involved in political activities. As a consequence, in 1900, they were forced to continue their studies at the Polytechnic of Vienna. Marian graduated with honor in July 1901.

The period of study in Lviv was of course the most important. Marian built many relationships there, developed his organizational skills and his future talents as an inventor, and he was able to deepen his ideas about possible solutions to the conflict between labor and capital.

An incident of great importance to him happened at Count Branicki's sugar factory in Piatyhorach near Kiev, where he was doing a paid internship in the summer of 1899. He witnessed the blunt dismissal of an employee during an unspeakable scene of violence. Marian's words that evening in the house of the Siedlecki family, his future parents-in-law, not far from Piatyhor, were very sharp. He said the owners' behaviour, in going so far as to physically assault the employees, was outrageous. He used to say that only a free spirit and respect for people allowed creators to be productive. He added that the abolition of private property seemed to be on the horizon due to rapid industrial growth. Thus, ownership of the means of production would be in the hands of the working class. He saw a lot of hands in the working class, and he knew that it also took a head to manage the factories. He did not know, however, whether those who would inherit this leadership after the victory of the revolution, in one way or another, would be able and willing to act with justice.

# **Beginnings**

In September 1901, Marian began working at the "Galicja" refinery in Drohobycz. He left quickly to create his independent company, which had an agreement with the Drohobych customs office. The aim was to certify the characteristics of crude oil and its derived products exported from Borysław.

The laboratory was called "Experimental Station." It allowed Wieleżyński to familiarize himself with the composition of different varieties of oil from the Borysław basin, and at the same time, to continue his own research.

He was animated by ecological concerns before it was popular. In those years, all the gas produced together with petroleum was unnecessarily burned in so-called "flares." On the one hand, it was a waste of precious raw materials, and on the other, a source of environmental pollution. In 1907, almost no one was interested in natural gas and its composition. Wieleżyński, on the other hand, was convinced that reasonable management of natural gas was possible. According to him, in the near future, gas would become a new vein of gold that he wanted to exploit.

However, he had to wait 5 years before the elders of Drohobych approved the design of the first gas pipeline for public use in Borysław. This pipeline was to connect the well "Claudius" with the most densely inhabited part of Borysław near the bridge over the Tyśmienica. This approval, and the concession for the construction of the gas pipeline, took place on May 20, 1912. This day can be considered as the beginning of "Gazolina" SA, despite the fact that the company he founded at the time was called "Zakład Gazu Ziemnego, Inż. Marian Wieleżyński Sp. z oo"

The first pipeline was only 700 m long. The gas was to supply boilers whose burners had been designed by Wieleżyński in 1903 and produced in record time on behalf of the Austrian company Erdgass. An invitation to the United-States by manufacturers of compressors followed. Wieleżyński and one of his associates, Władek Szaynoc, took advantage of this trip to familiarize themselves with the American oil industry.

Upon their return, the two friends created the company "Ziemny Sp. z o.o.", which joined the capital of the company "Zakład Gazu Ziemnego" in Borysław, which in 1914 was building an oil refinery.

In 1916, Lviv 'Natural Gas' created a new company, "Gazolina" Sp. Z o.o. in Tustanowice, which built a second oil refinery. The group's head office was

then transferred to Lviv, ul. Sapiehy 3. The new buildings also housed the "Metan" research and development Center created at the instigation of Ignacy Mościcki (1867-1946), future President of the Republic.

# A forge of new thoughts

On December 9, 1936, the Warsaw Chemical Research Institute solemnly celebrated its 20th anniversary. Actually, its date of birth is the date of the creation of the group in Lviv. The history of these companies is told in Nafta monthly from January 1, 1929.

"Thoughts flew like lightning, says Wieleżyński, and words fell in telegraphic style. Then the Methane patent for the treatment of hydrocarbons was born, which gave birth to the material basis of the Chemical Institute today. Szajnok had already started drawing sketches, and we started to develop new ideas."

Ignacy Mościcki, industrialist, president of the Republic of Poland, was the initiator of the emancipation plan for the employees of the group "Community of interest" in Upper Silesia. With engineer Szayok, among others, he was as concerned with economic development as with social development. In 1926 Ignacy Mościcki became President of the Republic, and the "Methane" Center was then transferred to Warsaw.

However, in the context of "Gazolina", Marian Wieleżyński created the "Gas Institute" which was installed in the headquarters' building, ul. Sapiechy 3. This new "Forge of new thoughts" continued to grow until the end, filing a whole series of patents in the period between the two wars.

# The beginnings of shareholding

When "Gazolina" was created, the first three employees who bought back shares were:

Julian Ginda - chief editor - 4000 crowns

Ludwik Ginda - driller - 2000 crowns

Jan Błaż - workshop manager – 1000 crowns

These three employees should go down in our history. They were not guided by the logic of the class struggle, they simply entered the company. This event was made possible with a new kind of manager that was Marian Wieleżyński.

Over time, the number of employees-shareholders, and their capital, increased, but the beginnings were not easy. At the end of 1916, management wanted to pay the annual premium half in cash and half in shares. A third of the employees disagreed.

A year later, it was better. Wieleżyński told the employees that the company earned enough to pay them an hourly rate six times higher than the minimum wage set by the Austrian military commission. At the same time, he suggested investing the surplus. The employees themselves decided to collect the official salary and spend the rest on expanding the workshop, because "we are partners after all," they said. Their involvement in capital allowed them to discover and exploit the gas field of Daszawa.

The implementation of shareholding was not only the implementation of the noble ideals of Wieleżyński. A young company needed capital, and "salaried capital" made it possible to develop its activity. Employee investment in the business was not altruistic, and neither was the support for the boss.

Gazolina's shares (after creation of the public limited company) started to pay a high dividend, and none of the external shareholders wanted to resell their share on the stock market. The dividends were not, as we will see later, the only financial benefit that employees had gained from shareholding.

"For me, a good deal is only possible if both parties deem it good," said Dużyżyński.

**Practical experience**: In November 1918, Wieleżyński, as Commissioner of the Polish government of Borysław, was imprisoned by Ukrainians in the Kolomyia camp until May of the following year. Upon his return, he found the business in perfect condition. Only 45 employees managed it. This practical experience

prompted Wieleżyński to provide the shareholders with a formal framework, which was implemented in 1920.

A stroke of luck: In September 1916, during the Russian offensive on the neighbouring front, Wieleżyński, as he was changing train in Stryj, on the Lviv-Vienna line, came to the aid of an elderly and nervous Jewish man who was carrying an unusually heavy suitcase. It was impossible for him to hoist it on the train leaving for Vienna. Wieleżyński quickly helped the old man settle in and then ran to his own train.

More than two years later, when he managed to escape from Kolomyia camp, he decided to return to Lviv via Vienna to settle some matters. He wanted to know in particular whether correspondence concerning the purchase of a small piece of land, which belonged to the **Borysław** basin, some 15,000 hectares of land, was well recorded. How surprised he was to find in the office of ordination of expenses in Vienna, the old Jewish man he had helped on the quay of Stryj. This old man was Dużyżyński, the director of finance. He presented the administrative act recording the sale of the land for a symbolic amount. In addition, oil wells at Tustanowice and Orów had been added at a very low price. A discount of a good percentage was also deducted for saving a large amount of gold contained in the suitcase that Dużyżyński was loading on the Viennese wagon. As a result, the wells were also acquired for a nominal amount.

# Jews, Masons and foreign capital

For official cases, Wieleżyński used the services of the lawyer Ignacy Hopfinger who was in the process of transcribing ownership of the newly acquired wells at the mines office. When Councillor Weinberg, who was seated in the office, realized the matter, "he almost fell off his chair."

"What? It is said that in Borysław, where Wieleżyński sets foot, the Jews do not grow, but here the great ordinance of Lindenbaum gives him full ownership of the fields of production without any reservation. How do you like that, Boss?"

Hopfinger replied that he very much appreciated and liked the engineer Wieleżyński.

The attitude of the creator of Gazolina towards the Jews is best expressed in the words of his son Leszek:

"My father, even if he was not loved, was undoubtedly respected by many Jews, lawyers, owners of the Borysław mines and the Podkarpackie refinery, because he himself respected many of these people like real natives of Polish lands who were a positive force in the fight against foreign agents and foreign capital and for economic independence."

For Wieleżyński, the indicator was the interest of the Polish industry. Therefore, he opposed the Jews and Poles who were serving foreigners.

Foreign capital sabotaged the development of Polish initiatives. It should be mentioned here that following the intrigues of foreign interests, the Polish Company Naftowe was broken up in 1898. It was founded by Ignacy Łukasiewicz and Stanisław Szczepanowski, and the latter went bankrupt. Szczepanowski was the real creator of the oil industry in Poland.

Wieleżyński refused to join the Masonic Lodge of the Grand Orient, explaining "that he cannot serve under the orders of unknown persons who manage the affairs of the Polish industry from outside the country and only in their own interest." An influential member of this lodge, Stefan Bartoszewicz did not forget this refusal and later, as head of the kerosene department at the Ministry of Industry and Trade, he harassed Wieleżyński when he led the reorganization of the "Polmin" State Refinery.

The most critical moment: Funding for the construction of the Daszawa - Drohobycz pipeline had been an issue.

The director of the industrial bank of Lviv, Leon Weinfeld, a Jew of Lviv and independent partner, one day had to sign the bank guarantee for the delivery of the pipes. The day before, the director was suspended by the supervisory board of the Bank, in which sat members of the Jewish Masonic Lodge

"Leopolis" (Bnei Brith), like Dr. Józef Parnas, owner of mines, later trustee of "Małopolska", Filip Herman, administrative director of "Polmin", Henryk Hescheles, editor-in-chief of the daily Lviv "Chwila".

Wieleżyński loved and admired the Łebaków brotherhood, descendants of Jewish families from around Niaswiez, who carried out the hardest work in the basin, including extinguishing the oil well fires.

Wieleżyński also supported the owners of small refineries, mainly Jews and indigenous peoples. He helped them and even created a Small Refiner Society, and the grateful members made him their president. At one of the Society's meetings, Wieleżyński told Mr. Hłasko, who had arrived without being invited as general manager of the French group "Little Poland": "Director, we don't need such an important agent of foreign capital here and we can't accept your presence."

# "Gazolina" S. A.

In 1920, the joint-stock company "Gazolina" was created by the merger of "Ziemnego Inż. Wieleżyński "and "Gazolinaay Sp. Z o.o.". It is worth mentioning here all the people who managed the new business:

The chairman of the supervisory board was Józef Tomicki - director of municipal works Elektryczne in Lviv and the vice-chairman, prof. Ignacy Mościcki, himself. The members of the Council were: Ing. Roman Januszkiewicz, Michał Sroczyński, ing. Felicjan Dembowski, Jan Wasung, ing. Konrad Wyleżyński, Wit Sulimirski, ing. Władysław Matzke, ing. Władysław Szaynok, ing. Marian Wieleżyński et ing. Gabriel Sokolnicki. The last three formed the executive committee, which came from the company's board of directors.

The seat of the board of directors was in Lviv, in particular "Kuźnia Nowych Myśli", the building ul. Sapiechy 3. The Technical Council remained in Borysław and was managed by Marian Wieleżyński.

"Gazolina" S.A. the year of its creation produced: 3,524,000 m3 of gas, 1,520 tonnes of petroleum and 593 tonnes of petrol.

# **Shareholding organization:**

Gazolina's first statutes, defining employee shareholding rules, were approved by the Advisory Council at the end of 1920 and by the General Meeting of Shareholders on February 22, 1922. However, this statutes had been progressively improved without introducing major changes. The last version dates from May 5, 1936.

Construction of employee shareholding:

Gazolina is a testament to the great abilities of Marian Wieleżyński also in the legal field. This can only be properly assessed after years have passed, when compared to other forms of modern, mostly American, shareholding.

The law divided employees between permanent and temporary.

Permanent employees were those who entered the shareholding and became co-owners of the company. Temporary employees were ordinary employees. The structure was therefore elastic. Shareholding was not compulsory but only encouraged.

There were dividends on shares already owned. During the period of the greatest prosperity of the company, in the years 1925-1930, they amounted to 20% of the invested capital. Let us add that a permanent employee earned more than an ordinary employee by a big margin. For example, in 1927, the average salary for regular employees was PLN 300 and for permanent employees, PLN 450.

In the United States, an American employee obtained shares for free when in "Gazolina" he had to buy them! However, as we will see later, it was not so bad.

The shares of permanent employees were recorded and not transferable during their employment.

Employee shareholders' rights are widely recognized worldwide today (with the exception of Poland, Russia and other post-communist countries).

An association of employee shareholders had been created, Spółka Akcyjna "Gazolina", and it was quite simply the employees' union. The association bought shares for the employees, kept them and managed them. Wieleżyński had found a new function suitable for the union in the modified relations between labor and capital.

.....

# 3/12/1936 SPEECH BY MARIAN WIELEZYNSKI

Marian Wieleżyński gave a short speech in a formal sitting on the occasion of the 20th anniversary of the Institute of Chemistry in Badawcza (December 3, 1936) in the Warsaw City Council Chamber. The Institute was the creation of "Lviv Méthane."

Management principles of the public company Gazolina:

"The basis of a business is not capital or labor but the principles that guide it," said Emerson, an American economist.

Today, 25 years have passed since I received a consensus on the construction of the first pipeline in Poland for the consumption of natural gas for households and industrial fuels. At the same time, I almost took over the management of the company for the natural gas industry and construction of a Tustanowice gas pipeline at the Polmin refinery in Drohobycz. So I want to think about it and quote the principles followed by my company for so many years, a company which was born from the strong will to win, developed rapidly, and the end of its development cannot be seen.

Our guiding principle is: NO POLITICAL INDEPENDENCE WITHOUT ECONOMIC INDEPENDENCE.

The economic independence of the State can only be built on thousands of independent workshops that are not subjected to foreign orders.

We have never been voluntarily under the command of foreign capital, that is to say, capital which has its own decision-making center outside the country. We have never moved from Poland and we have never lacked workshops to work in. When the hour of the fight for freedom arrived, all my employees rushed to the legions, and I stayed despite the conscription, and I worked so that they had something to do when returning after the war.

The foundation of our business is the thesis: JOINT WORK - JOINT YIELD.

We implemented the slogan of enfranchisement of the worker and unveiled unknown horizons to Polish social thought, full of the most inspiring ideals – Our employee's share in the Company's capital was dearer to us than the contribution of a street client buying our shares on the stock market.

The wages of our employees are equal to at least the same salary category as in other companies and they also have a share of the excess value they create; this is why management is not authorized to defend deliberately unprofitable interests.

We are optimists and we love our work, and that love is the most powerful force in the world, so we win. Justice and a sense of duty must prevail in our business as well as the will to help each other.

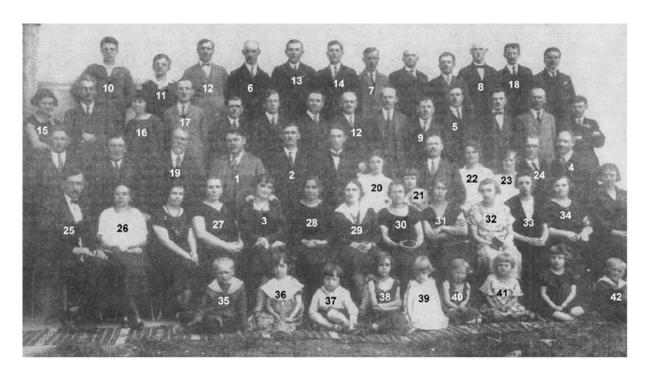
# GAZOLINA IS AN ORGANIZATION CALCULATED FOR A LONG DISTANCE

One of our oil contracts ends in 2006. I want our children, grandchildren and great grandchildren, while getting a piece of bread for themselves, to work according to these principles: giving our country what it needs for its life, for its defense and for a great spiritual offensive on the whole world.

During one of the employee meetings, it was stated that the employees were satisfied with the Gazolina system, however, I was asked if I was myself satisfied? I replied then and I still say it today that if I started my job again, I would do the same. And then?

No matter what we do next, dreams should never be limited on a technical, economic, or political level, as long as they flow from a deep love of work."

# THE FIRST EMPLOYEES IN HISTORY BECOME SHAREHOLDERS IN THEIR INDUSTRIAL SOCIETY



A group of employee-owners of "Gazolina" and their children, 1925.

# **Photo credit Jerzy Ginda**

This photo, which was taken in the area of company management in Borysław, located at the intersection of 11 Listopada Street and probably Limanowskiego. Most (if not all) of the men in the photo are shareholders.

# 1. Marian Wieleżyński

- 2. Julian Ginda -Father of Tadeusz (n° 6), manager petrol plant in Hubiczach (Boryslaw district)
- 3. Ms. Wieleżyńska
- 4. Ludwik Ginda Julian's brother
- 5. Marek Marosz
- 6. Tadeusz Ginda -
- 7. Edward Ginda Tadeusz's brother
- 8. Wincenty Ginda Julian and Ludwika's brother
- 9. Stefan Ginda Tadeusz's brother 10 / 11. son of Marian Wieleżyński-Leszek and Zbigniew
- 12. Franciszek Stocki
- 13. Janczar brother of Gustaw Janczar (n ° 25)
- 14. Unidentified
- 15. Adela Mus clerk
- 16. Cybulska an administrative
- 17. Zaleski
- 18. Duda
- 19. Unidentified
- 20/21 Duda girls (n ° 18)
- 22. Zaleska wife (no.17)
- 23. Stefania Ginda wife of Tadeusz (n ° 6)
- 24. Nietrzeba- Cashier25. Gustaw Janczar later manager

- gas plant in Tustanowice (Boryslaw district)
- 26. Konstancja Ginda wife of Stefan (n ° 9)
- 27. Janczarowa wife of Gustaw (no.25)
- 28. wife of Julian Ginda (n ° 2)
- 29. Janczar's wife (# 13)
- 30. Dudowa wife (# 18)
- 31. Stocka wife of Franciszek (n ° 12)
- 32. wife of Ludwik Ginda (n ° 4)
- 33. Wiktoria Ginda Edward's wife (No. 7)
- 34. Maria Ginda wife of Wincenty (No. 8)
- 35. Zdzisław (?) Nierząba cashier's son (No. 24)
- 36 and 37. children of Gustaw Janczar (n ° 25)
- 38. Krystyna Ginda
- 39. Stanisława Janczar daughter of Janczar (N ° 13)
- 40. Izabela Ginda fille d'Edward (No. 7)
- 41. fille de Ludwik Ginda (?)
- 42. Wacław Nietrzeba cashier's son (no. 24)

-