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1893 RUS-ALMAN GÜMRÜK SAVAŞI: POLİTİKA, MALİYE VE TARİHSEL BAĞLAM

Oleg AYRAPETOV¹

Öz

Rus İmparatorluğu'nun, Prusya ve ardından Almanya dahil olmak üzere komşularıyla olan ticari ilişkileri, Rusya'nın dış politikasının ve iktisat tarihinin önemli bir parçasını teşkil etmektedir. Dış ticaret, şüphesiz ki çok çeşitli faktörlerin etkisi altında kalmıştır. Bunlar arasında belirgin bir öneme sahip olan faktörlerin başında, Rus hükümetinin gümrük politikası gelmektedir. 19. yüzyılda bu politika, oldukça karmaşık bir seyir izlemiş ve yönünü defalarca değiştirmiştir. Bunun izahı oldukça açıktır: Rusya, yerli üretimini o dönemin ileri Avrupa standartları seviyesinde oluşturmak ve geliştirmek gibi bir dizi meseleyi istikrarlı bir şekilde ele almak mecburiyetinde kalmıştır. İlk aşamada bu görev, makine imalat ürünleri ve teknolojilerinin ithalatı için elverişli koşullar yaratılarak yerine getirilebilirdi; ancak sonrasında yerli sanayinin, daha ucuz ve daha kaliteli ithal ürünlere karşı korunması gerekmektedir. Tüm bu süreçlerde, dış ticaret dengesinde pozitif bir seyir izlenmesi gerekliliğinin de her daim göz önünde bulundurulması icap etmekteydi.

Belirtilmelidir ki bu görevin üstesinden gelmek her zaman mümkün olmamıştır. Elbette, iktisadi ve mali çıkarlar, dış politika hesaplarından da etkilenmiştir. Tüm bu faktörler, işbu makalenin konusunu teşkil eden 1893 Rus-Alman gümrük savaşı esnasında tüm yönleriyle tezahür etmiştir.

Anahtar Kelimeler: Rusya, Almanya, Gümrük, Ekonomik Diplomasi, 1893 Gümrük Savaşı.

THE RUSSIAN-GERMAN CUSTOMS WAR OF 1893 POLITICS, FINANCE, HISTORICAL CONTEXT

Abstract

The trade relations of the Russian Empire with its neighbors, including Prussia, and then with Germany, are an important part of Russia's foreign policy and economic history. Foreign trade was obviously influenced by a variety of factors. Among the clearly important ones, the customs policy of the Russian government should be mentioned first of all. In the XIXth century, it developed along a very complex trajectory and repeatedly changed its direction. The explanation for this is quite obvious – Russia was forced to consistently address several issues – the creation and development of its own production at the level of the then advanced European standards. At the first stage, this task could be solved by creating favorable conditions for the import of machine-building products and technologies, then their own industry had to be protected from cheaper and higher-quality imports. At all times, it was necessary to take into account the need to maintain a positive balance of foreign trade.

It should be noted that this task was not always possible to cope with. Of course, economic and financial interests were also influenced by foreign policy calculations. All these factors were fully manifested during the Russian-German customs war of 1893, which this article is dedicated to.

Keywords: Russia, Germany, Customs, Economic Diplomacy, Customs War of 1893.

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Introduction

The trade relations of the Russian Empire with its neighbors, including Prussia and later Germany, are part of Russia's foreign policy and economic history. Foreign trade was evidently influenced by a wide range of factors. Among those of obvious importance, foremost is the customs policy of the Russian government. During the 19th century, it evolved along a very complex trajectory and repeatedly shifted its course.

1. Financial Condition of Russia up to 1878

After the wars with Napoleon ended, Russia's financial condition was dire. The external debt to Dutch banks, amounting to 101,100,000 guilders, was finally repaid only in 1891, while the total sum of internal loans significantly exceeded 220 million rubles.² Alexander I alternated between protectionist and free-trade policies.³ On 31 March (12 April) 1816, the Manifesto "On the Collection of Duties at All Commercial and Border Customs, except those in the Astrakhan, Orenburg, Tobolsk, and Irkutsk governorates, in Georgia, and along the Caucasian line" was issued.⁴ This customs tariff signaled a cautious move toward partial protective measures for the domestic market. A duty amounting to 25% of the declared value was imposed on a wide range of goods; moreover, in cases of under-declaration, customs officials were authorized to purchase the goods at the declared price. Duties were calculated in silver but paid in assignats at a rate of 4 assignat rubles per 1 silver ruble. The intermediate nature of the 1816 tariff left a very unfavorable impression on the Russian merchant class. However, subsequent measures proved even more disadvantageous.⁵

On 5 (17) August 1818, an additional Russo-Austrian Act supplementing the Vienna Treaty—titled 'On the Explanation and Supplementation of the Conditions of the Vienna Treaty of April 21/May 3, 1815, Concerning the Trade and Industry of the Polish Provinces'—was adopted. It permitted the free exchange of goods along land and river borders and significantly facilitated transit access to maritime borders.⁶ On December 7 (19), 1818, an identical Russo-Prussian Act was enacted. The restrictions applied solely to the import of tobacco and salt into the Kingdom of Poland, although the export of these products from Poland to Russia was not prohibited.⁷ The Prussians, in particular, insisted on lowering tariffs on the import of their goods not only into Russian Poland but also into the Russian Empire—a demand that was ultimately met.⁸ The treaty also stipulated the conditions for the

² Министерство финансов. 1802-1902. СПб., 1902. Ч.1. СС. 57-59.

³ Там же. СС. 138-140.

⁴ Полное Собрание законов Российской империи с 1649 года (далее ПСЗ РИ). СПб., 1830. Т.33. 1815-1816. №26218. СС. 589-592.

⁵ Лодыженский К. История русского таможенного тарифа. СПб., 1886. СС. 176-178.

⁶ ПСЗ РИ. СПб., 1830. Т.35. 1818. №.27453. СС. 413-418.

⁷ ПСЗ РИ. СПб., 1830. Т.35. 1818. №.27586. СС. 625-637.

⁸ Лодыженский К. История русского таможенного тарифа. СС. 180; 182.

transit of Prussian textiles to Asia (primarily to Kyakhta where barter trade with China took place) and facilitated the transit of Austrian, Prussian, and Polish goods through Brody to Odessa⁹ where, by the Manifesto of April 16 (28), 1817, a free port regime was established for 30 years,¹⁰ becoming the principal cause of the city's commercial prosperity.¹¹

On December 14 (26), 1819, a new "Customs Statute on European Trade" was issued to the Senate by a personal decree.¹² The decree abolished the customs border between the Kingdom of Poland and the Empire and introduced low tariffs on the import of goods not produced in Russia. For other goods, tariffs ranging from 25 to 60% of the declared value were imposed. As a result, textile imports sharply increased, and Russian production began to collapse, unable to withstand the competition.¹³ Whereas woolen goods imported in 1819 were valued at 8,471,000 rubles, by 1821 the amount had risen to 19,634,000 rubles in assignats. During the same period, the import of cotton goods increased from 15,376,000 to 22,931,000 rubles in assignats.¹⁴

In the early 1820s, the Russian treasury was nearly bankrupt. The total state debt amounted to a colossal 1,323 million rubles in assignats.¹⁵ A significant portion of the state's overall revenue came from the issuance of paper money. As a result, the exchange rate for paper money remained consistently low, the assignat debt reached 595 million rubles, and the possibility of obtaining external loans on acceptable terms was ruled out.¹⁶ In 1817, an economic and financial crisis began that dealt a severe blow even to prosperous Great Britain—which had been extending loans to Russia, Prussia, and Austria during the wars. French finances, too, were weakened by the burden of tribute payments.¹⁷

In 1821, the foreign policy situation deteriorated sharply. In the spring of that year, a Greek uprising against the Ottoman Empire erupted. The Turks closed the Straits to Russian ships, a significant number of whose crews were composed of Russian Greeks. Even before the uprising, Turkish authorities had complained that the Russian embassy was too active in issuing patents for the Russian trade flag to Greeks who were Turkish subjects.¹⁸ The closure of the Straits to the Russian trade flag immediately affected the Empire's export performance. Whereas in 1819, 631 loaded ships

⁹ Министерство финансов. 1802-1902. СПб., 1902. Ч.1. С. 141.

¹⁰ ПСЗ РИ. СПб., 1830. Т.34. 1817. №26792. СС. 208-211.

¹¹ И. Очерк Одесского порта, его заграничного судоходства и торговли. // Морской Сборник. 1872. №4. СС. 8-9.

¹² ПСЗ РИ. СПб., 1830. Т.36. 1819. №.28030. СС. 417-499.

¹³ Лодыженский К. История русского таможенного тарифа. СС. 187; 189.

¹⁴ Киняпина Н.С. Политика русского самодержавия в области промышленности (20-50-е годы XIX века). Изд. МГУ. 1968. С. 96.

¹⁵ Министерство финансов. 1802-1902. СПб., 1902. Ч.1. С. 60.

¹⁶ Блюх И.С. Финансы России XIX столетия. История-статистика. СПб.1882. Т.1. С.151.

¹⁷ Conant Ch.A. A history of the modern banks of issue. With an account of the economic crises of the present century. Lnd-NY., 1896. PP. 474-475.

¹⁸ Арш Г.Л. Материалы к истории русско-греческих связей начала XIX в.// Балканские исследования. М., 1982. Вып. 8. Балканские народы и европейские правительства в XVII – начале XX века. С. 72.

departed from Odessa—299 of them under the Russian flag—in 1820 there were 592 ships, 261 under the Russian flag, and by 1821 there were still 457 ships, but only 52 were Russian.¹⁹ In 1818, wheat exports from the Russian Empire amounted to 49,605,000 rubles, and rye exports reached 18,065,000 rubles. This was followed by a series of poor harvests that led to a reduction in grain exports. In 1819, wheat exports fell to 29,585,000 rubles and rye to 10,182,000 rubles; in 1820, these figures further declined to 24,848,000 and 6,130,000 rubles, respectively. However, 1821—the year the Straits were closed—proved to be the worst for Russian trade, with wheat exports totaling only 17,390,000 rubles and rye exports a mere 1,997,000 rubles.²⁰

Amid a persistent financial crisis and in search of new revenue sources, the Russian government decided to “come to the aid of commercial and industrial life.”²¹ The Manifesto of March 12 (24), 1822, “On the New Tariff for European Trade”²² prohibited the import of 300 types of goods across 900 categories and imposed high tariffs on a wide range of products (cast iron at 600% and iron at 250% of their value), although the import of machinery was permitted duty-free.²³ On April 2 (14), 1822, the customs borders between the Kingdom of Poland and the Russian Empire were restored, and “haberdashery goods” produced in the Kingdom were admitted into the Empire duty-free.²⁴ The reinstatement of the customs borders of the Kingdom of Poland effectively closed Russia’s domestic market to Prussian goods—primarily textiles—which contradicted the provisions of the Russo-Prussian Act of 1818. Berlin protested, but that protest was without consequence.²⁵

On the other hand, opening the Empire’s domestic market to products of Polish industry proved extremely disadvantageous for Russian industry, a significant part of which—especially in the linen, wool, cotton, and silk sectors—was represented by small peasant manufactories.²⁶ The import of textile goods into Russia in 1823 decreased by almost half compared to the level in 1820,²⁷ but from 1824 onward a steady increase in the import of Polish woolen cloth began.²⁸ Nevertheless, the Empire’s customs revenues rose from 11,115,000 in 1824 to 17,224,000 silver rubles in 1830.²⁹

¹⁹ №89. Записка купца 1-й гильдии и корреспондента Азиатского департамента министерства иностранных дел К.Я. Сикара статс-секретарю К.В. Нессельроде (Перечень груженных кораблей, отпльвших из Одессы с 1813 г. по 12 сентября 1823 г.). Одесса, 20 сентября (2 октября) 1823 г. // Внешняя политика России XIX и начала XX века. Документы российского министерства иностранных дел. М., 1982. Сер.2. 1815-1830. Т.5 (13). Январь 1823 г. – декабрь 1824 г. С. 217.

²⁰ Лодыженский К. История русского таможенного тарифа. С. 195.

²¹ Блиох И.С. Финансы России XIX столетия... СПб., 1882. Т.1. С. 149.

²² ПСЗ РИ. СПб., 1830. Т.38. 1822-1823. №28964. СС. 104-110.

²³ Страхова Н.П. Российский таможенный тариф 1822 года. // Вестник Волгоградского государственного университета. Сер. 4. 2006. Вып.11. С. 19.

²⁴ ПСЗ РИ. СПб., 1830. Т.38. 1822-1823. №28989. СС. 140-142.

²⁵ Лодыженский К. История русского таможенного тарифа. С. 192.

²⁶ Киняпина Н.С. Политика русского самодержавия в области промышленности... СС. 31-32.

²⁷ Там же. С. 115.

²⁸ Лодыженский К. История русского таможенного тарифа. С. 218.

²⁹ Там же. С. 312.

Appointed in 1823 to the post of Minister of Finance, Infantry General E.F. Kankrin was a committed advocate of protectionism and fiscal restraint.³⁰ He consistently worked to reduce the budgets of the military department.³¹ “It is the duty of the state to support trade as much as possible,” he wrote, “while never forgetting that trade, like a living nerve, must be in close connection with the principal production—agriculture—and with secondary production—industry—and serve their development.”³² Kankrin regarded the 1819 tariff extremely negatively and openly declared that this law “killed Russian production.”³³ He expressed his economic ideal as follows:

“The welfare of each individual, rather than the mere multiplication of total state revenue, should be the objective of state governance. A moderate abundance for the people, rather than an enormous aggregate of revenues under which half the population lives in poverty, is desirable. Independent and secure existence is the primary goal of the people, and national wealth should serve that purpose.”³⁴

After the 1822 tariff, fluctuations in the government’s customs policy ceased, and a robust, consistent protectionist system was established.³⁵ This protectionist policy continued under Nicholas I. On August 20 (September 1), 1826, at Kankrin’s initiative, the Senate Decree “On the New Edition of the 1822 Tariffs” was adopted. Machinery and models of machines were permitted for duty-free importation,³⁶ but the primary provisions of the 1822 tariffs were maintained—with the addition of a high duty on the import of raw sugar to protect domestic beet sugar production.³⁷ The Kingdom of Poland was granted an exceptionally favorable customs tariff, which spurred the growth of the local cotton textile industry. Raw materials from the Empire and the Kingdom were imported duty-free; products manufactured from domestic raw materials were subject to a duty of no more than 1% of the value of the goods, while products made from foreign raw materials were levied with a duty of 3%. Consequently, the principal product of Polish processing industry—cotton textiles—was taxed at 3%, whereas similar Russian products were taxed at 15%.³⁸

The growth in the import of Polish woolen cloth, which began in 1824, continued unabated. If in 1823 the Empire imported 12,000 puds of cloth from the Kingdom for 1,865,000 rubles, then in 1824 it was already 20,012 puds for 3,210,000 rubles, and by 1829, 64,157 puds for 8,418,000 rubles.³⁹ The trade balance became increasingly unfavorable for St. Petersburg, compounded by the

³⁰ Граф Канкрин и его очерки политической экономии и финансии. СПб., 1894. СС. 207-209.

³¹ Сементковский Р.И. Е.Ф. Канкрин. Его жизнь и государственная деятельность. СПб., 1893. С. 36.

³² Граф Канкрин и его очерки политической экономии и финансии. С. 150.

³³ Лодыженский К. История русского таможенного тарифа. С. 190.

³⁴ Сементковский Р.И. Е.Ф. Канкрин... С. 87.

³⁵ Лодыженский К. История русского таможенного тарифа. СС. 197; 199.

³⁶ ПСЗ РИ. Собрание второе. СПб., 1830. Т.1. 1825-1826. №536. СС. 869-888.

³⁷ Блюх И.С. Финансы России XIX столетия... СПб., 1882. Т.1. С. 173.

³⁸ Корнилов А.А. Курс истории России XIX века. М., 1993. СС. 170-171.

³⁹ Лодыженский К. История русского таможенного тарифа. С. 218.

unrestricted access of Polish cloth to Kyakhta for trade with China.⁴⁰ In 1830 alone, Polish woolen cloth worth 1.07 million rubles in silver was exported there.⁴¹ If in 1819 imports into the Kingdom of Poland amounted to 54,311,165 zlotys and exports to 8,429,426 zlotys, then by 1829 imports had risen only to 57,650,246 zlotys, while exports increased significantly to 39,015,722 zlotys.⁴² The uprising that broke out in Russian Poland put an end to these concessions.

The tradition of protectionism was continued by the Senate's Decree of March 26 (April 7) 1830 "On the Approval of the List of Goods Permitted to be Re-imported and Certain Permitted Items, on which the Customs Duty is Increased or Decreased,"⁴³ and by the Senate's Named Decree of November 11 (23) 1831 "On a Certain Increase in Customs Duties, with a List of Goods."⁴⁴ This tariff imposed duties on goods from the Kingdom of Poland and was extremely well received by Russian industrialists. Moreover, Polish goods were no longer permitted in Kyakhta.⁴⁵ The new "General Tariff for European Trade," adopted on December 12 (24), 1833,⁴⁶ was based, in Kankrin's words, on the "permanence of the customs protection system."⁴⁷ A similar approach was reflected in the Senate's Named Decree "On the New Tariff for European and Kyakhta Trade," issued on November 28 (December 9), 1841.⁴⁸ Customs revenues continued to grow, increasing from 17,224,000 rubles in 1830 to 29,938,000 rubles by 1850.⁴⁹

In 1844, the gravely ill Kankrin left his post.⁵⁰ His successors were Count F.P. Vronchenko (1844–1852) and State Secretary P.F. Brock (1852–1858).⁵¹ They were unable to maintain Kankrin's system for long, though this was due to objective reasons.⁵² The import of cast iron and iron was prohibited, while domestic demand for these products was growing.⁵³ Local production was lagging behind. In 1822, cast iron production amounted to 9,333,000 puds and iron to 6,650,000 puds. By 1850, these figures had increased by almost 50%, yet remained modest in absolute terms—13,892,000 puds of cast iron and 9,999,516 puds of iron. Steel production was very insignificant.⁵⁴ Changes became inevitable.

⁴⁰ Там же. С. 219.

⁴¹ Пузыревский [А.][К.] Польско-русская война 1831 г. СПб., 1890. Т.1. С. 19.

⁴² Таблица, показывающая торговый баланс Царства Польского с 1819 по 1840. №20-й. // Завелийский М. Статистика Царства Польского по Высочайшему повелению составленная. СПб., 1842.

⁴³ ПСЗ РИ. Собрание второе. СПб., 1831. Т.5. 1830. №3558. СС. 235-236.

⁴⁴ ПСЗ РИ. Собрание второе. СПб., 1832. Т.6. 1831. Отд. 2. №4934. СС. 195-197.

⁴⁵ Лодыженский К. История русского таможенного тарифа. СС. 223-225.

⁴⁶ ПСЗ. Собрание второе. СПб., 1834. Т.8. 1833. №6624. С. 761.

⁴⁷ Блюх И.С. Финансы России XIX столетия... СПб., 1882. Т.1. С. 201.

⁴⁸ ПСЗ. Собрание второе. СПб., 1842. Т.16. 1841. Отд. 2. №15064. С. 73.

⁴⁹ Лодыженский К. История русского таможенного тарифа. С. 312.

⁵⁰ Сементковский Р.И. Е.Ф. Канкрин... СС. 80; 95.

⁵¹ Министерство финансов. 1802-1902. СПб., 1902. Ч.1. СС. 189; 381.

⁵² Блюх И.С. Финансы России XIX столетия... СПб., 1882. Т.1. С. 249.

⁵³ Киняпина Н.С. Политика русского самодержавия в области промышленности... С. 67.

⁵⁴ Лодыженский К. История русского таможенного тарифа. С. 309.

2. Customs Tariff of 1850 between the Russian Empire and the Kingdom of Poland

On October 13 (25), 1850, the “Customs Tariff for European Trade for the Customs of the Russian Empire and the Kingdom of Poland” was adopted. Finally, the customs border between the Empire and the Kingdom was abolished, and the government reduced import customs duties.⁵⁵ The import of iron into the Empire, except via the ports of Transcaucasia, was prohibited, although iron products were allowed. The import of all kinds of weapons, gunpowder, lead for bullets, etc., into the ports of Transcaucasia was banned. Duty-free importation was permitted for various types of machinery and an additional 26 categories of goods via the European borders and 13 for Transcaucasia (out of 472 tariff articles).⁵⁶ Overall, the new tariff ended the tradition of protectionism. The reduction in duties in 1850 was significant; as a result, imports sharply increased in 1851–1853, averaging 102.3 million rubles during that period.⁵⁷ The 1850 tariff was scheduled to be revised after three years, but the outbreak of the Crimean War rendered this impossible.⁵⁸

The new Customs Tariff was adopted only on May 28 (June 9), 1857.⁵⁹ A significant portion of goods (55 items out of 367), including modern machines for various purposes, were permitted for duty-free importation.⁶⁰ Along with the simplification of the tariff classification, the duty rates were reduced for 380 items. This was done to combat smuggling.⁶¹ In 1859, a further reduction in import duties on cast iron and iron was adopted; in 1861,⁶² owners of machine-building factories were granted the right to import cast iron, iron, and necessary machine parts duty-free.⁶³

On July 5 (17), 1868, a new Customs Tariff was adopted, which came into effect on January 1 (13), 1869.⁶⁴ Duty-free importation was permitted for 42 types of goods out of 253 items. Agricultural machines without steam engines, sea and river vessels, and models of machines and apparatuses continued to be admitted duty-free. Cast iron in bars (triangular castings weighing 5–6 puds) was subject to a duty of 5 kopecks per pud, rail iron at 20 kopecks per pud, and armored, boiler, sheet, etc., iron at 50 kopecks per pud. However, owners of machine-building enterprises were allowed, with the permission of the Minister of Finance, to obtain both cast iron and iron duty-free in quantities necessary for the production of machines and their parts. A duty of 75 kopecks per pud was imposed on locomotives and their copper spare parts, 30 kopecks per pud on self-propelled vehicles and

⁵⁵ ПСЗ РИ. Собрание второе. СПб., 1850. Т.25. 1851. №24533. С. 14.

⁵⁶ Там же. Штаты и таблицы. К №24533. СС. 168-196.

⁵⁷ Соболев М.Н. История русско-германского торгового договора. Пгр., 1915. С. 9.

⁵⁸ Министерство финансов. 1802-1902. СПб., 1902. Ч.1. С. 330.

⁵⁹ ПСЗ РИ. Собрание второе. СПб., 1858. Т.32. 1857. №31881. С. 411.

⁶⁰ Там же. Штаты и таблицы. К №31881. СС. 110-141.

⁶¹ Министерство финансов. 1802-1902. СПб., 1902. Ч.1. С. 538.

⁶² Там же. С. 539.

⁶³ Там же. С. 541.

⁶⁴ ПСЗ РИ. Собрание второе. СПб., 1873. Т.43. 1868. №46079. СС. 31-32.

various types of steam engines, 75 rubles per unit on railway platforms, 100 rubles on covered goods wagons, 175 rubles on third-class wagons, and 300 rubles per unit on postal, first-, and second-class wagons.⁶⁵ The new tariff was clearly aimed at protecting and supporting domestic production. The country's development had already allowed for a gradual shift toward safeguarding its own industry,⁶⁶ especially since the manufacturers of Moscow, Shuya, and Ivanov had "tearfully" appealed to the government for such measures.⁶⁷ Their pleas were heeded.

If the 1857 tariff featured reductions affecting 60% of the rates and increases only 2.4%, then by the 1868 tariff, reductions affected 46% of the rates while increases affected 30.7%.⁶⁸ Out of a total of 550 rates, 169 were raised and 217 lowered, although the reductions were more modest than those in 1850 and 1857. Customs revenues began to grow.⁶⁹ From 1866 to 1870, the average annual volume of customs duties amounted to 39,561,000 rubles in credit currency and 31,790,000 rubles in metal rubles (since 1865, calculations were made solely in gold). In 1871–1875, these figures were 57,756,000 rubles in credit currency and 49,033,000 rubles in gold rubles; in 1876–1880, they reached 83,710,000 rubles in credit currency and 56,369,000 rubles in gold rubles.⁷⁰

3. Transportation Routes Impact upon the Economic Policy of the Russian Empire

Among the obvious factors influencing the country's economic policy was the development of transportation routes in Russia. Kankrin was skeptical about the necessity of railways, regarding the "excessive zeal for railway construction as a disease of the times."⁷¹ However, after the end of the Crimean War, railway construction became one of the government's priority areas. The railway boom was significant and had a substantial impact on the life of the country. At the beginning of Emperor Alexander II's reign, Russia had only 979 versts of railway;⁷² by 1864, this had grown to 2,901.4 versts, in 1873 to 14,369.8 versts,⁷³ and in 1875 to 17,418 versts (excluding Finnish lines, which amounted to 16,966.6 versts). Only 62.6 versts were government-owned, with the remainder being

⁶⁵ Там же. Штаты и таблицы. К №46079. СС. 699-718.

⁶⁶ Соболев М.Н. Таможенная политика России... С. 251.

⁶⁷ Там же. СС. 273-274.

⁶⁸ Там же. С. 302.

⁶⁹ Соболев М.Н. История русско-германского торгового договора. С. 11.

⁷⁰ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. СПб., 1895. С. I.

⁷¹ Граф Канкрин и его очерки политической экономии и финансии. С. 83.

⁷² Всеподданнейший отчет по Ведомству путей сообщения за 25 лет, с 19 февраля 1855 по 19 февраля 1880 г. СПб., 1880. С. 36.

⁷³ Шишков А. Эксплуатация железных дорог. СПб., 1877. Т.1. С. 12.

private.⁷⁴ The total length of the Empire's railways in 1876 was 19,939 versts, of which 17,700 versts were connected.⁷⁵

The expansion of the railways led to an increase in the turnover of the Empire's foreign trade.⁷⁶ In the second half of the 19th century, notable changes emerged in the structure of the Empire's external trade. Whereas in 1856–1860 over 85% of trade was maritime and less than 15% was overland, from the mid-1860s the share of overland trade began to grow, reaching 32.7% by 1893.⁷⁷ The development of railway construction also led to an increase in the import of iron, rails, wagons, and locomotives into the country, as well as a growing domestic demand for machines and equipment. To encourage this, new incentive import duties were introduced.⁷⁸

Purchases of machinery from abroad were constantly increasing. While in 1820–1821 machinery bought overseas cost 7,000 rubles in silver, in 1849–1851 it reached 1,751,000 rubles, in 1857 – 4,280,312 rubles, and in 1858 – 4,538,736 rubles in silver.⁷⁹ The reduction of duties led to an overall increase in imports. In 1857–1861, imports grew on average to 157.3 million rubles, and in 1862–1866 to 170.5 million rubles. Since customs tariffs were lowered, the growth in revenue from them clearly lagged behind the growth in imports. In 1851–1854, the average revenue from customs duties amounted to 30.6 million rubles, whereas in 1857–1866 it was 34.06 million rubles—an increase of approximately 11%.⁸⁰

Meanwhile, these duties remained an important source of revenue for the treasury. In 1855, they accounted for 23.7% of the value of imported goods, while in 1867 they made up 15%.⁸¹ The growth of imports began to substantially outpace the growth of exports. For instance, if in 1856–1860 Russian exports to Germany amounted to 21.99 million rubles, then imports from Germany into Russia were 26.8 million rubles. In 1871–1875 these figures were 101.72 and 180.45 million rubles respectively, and in 1876–1880 they reached 136.47 and 230.09 million rubles.⁸² Overall, during 1872–1876, exports totaled 1,905,915 thousand credit rubles while imports reached 2,358,215 thousand credit rubles, resulting in a negative balance of 452,270,000 credit rubles.⁸³

⁷⁴ Статистический сборник Министерства путей сообщения. СПб., 1878. Вып.2. Сведения о железных, водяных и шоссейных путях сообщения за 1875 и 1876 гг. С. 3.

⁷⁵ Описание русско-турецкой войны 1877-78 гг. на Балканском полуострове. СПб., 1901. Т.1. Обстановка перед войной. С. 300.

⁷⁶ Мертенс [О.] Тридцать лет (1882-1911 гг.) русской железнодорожной политики и ее экономическое значение. М., 19???. СС. 114-115.

⁷⁷ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. III.

⁷⁸ Покровский С.А. Внешняя торговля и внешняя торговая политика России. М., 1947. С. 270.

⁷⁹ Киняпина Н.С. Политика русского самодержавия в области промышленности... С. 76.

⁸⁰ Соболев М.Н. История русско-германского торгового договора. С. 9.

⁸¹ Соболев М.Н. Таможенная политика России... С. 219.

⁸² Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. VI.

⁸³ Покровский С.А. Внешняя торговля и внешняя торговая политика России. С. 270.

Undoubtedly, an important factor was the state of the national budget and the exchange rate of the ruble. Count M.H. Reiter, who served as Minister of Finance from 1862 to 1878,⁸⁴ did everything possible to attract foreign capital and entrepreneurs to Russia. To that end, he considered it necessary to establish a stable ruble exchange rate and ultimately to introduce free convertibility of the ruble into gold.⁸⁵ On average, from 1845 to 1866, Russia's revenues always fell short of its expenditures, with the budget deficit during these years amounting to 401,874,000 rubles—that is, an average of 19,137,000 rubles per year.⁸⁶ The budget shortfall was covered by the issuance of paper money, which led to massive inflation. Consequently, the national debt continued to grow steadily.⁸⁷

From 1845 to 1866, annual growth was approximately 50 million rubles per year,⁸⁸ with the projected expenditure requirement for 1867 estimated at 421,728,724 rubles.⁸⁹ The annual outflow of “liquid money” from the country adversely affected the stability of the ruble. For instance, in 1850 the positive balance of foreign trade amounted to 4.201 million rubles, while the circulating paper money totaled 300.3 million rubles; beginning in 1852 these figures began to rise (except during the war years, when the balance was negative and only the paper money stock increased—reaching 509.2 million rubles by the end of the conflict). By 1867, the negative balance had reached 20.487 million rubles, and the stock of paper rubles had grown to 709 million rubles.⁹⁰ All this forced the government to turn to external borrowing in order to bolster the value of Russian securities.⁹¹

In 1868 the negative balance of foreign trade was only 34,328 rubles, while the paper money stock stood at 715.1 million rubles; in 1869 these figures were 77,523 rubles and 724.4 million rubles respectively, but by 1870 a positive balance of 24,031 rubles was achieved, even as the amount of paper rubles reached 732.1 million.⁹² If in 1868 the gold reserve amounted to 67,434,320 rubles, then by 1875 it had grown to 229,398,372 rubles, while the total credit ruble stock was 797,317,480 rubles.⁹³ These were respectable figures, yet the Empire's foreign policy situation deteriorated sharply with the onset of the Eastern Crisis of 1875–1878.

The Minister of Finance consistently called for austerity, particularly in expenditures on the army and navy.⁹⁴ The upswing of 1869–1873 enabled Reiter to plan a return to the free convertibility

⁸⁴ Министерство финансов. 1802-1902. СПб., 1902. Ч.1. С. 381.

⁸⁵ Куломзин А.Н. М.Х. Рейтерн. СПб., 1910. С. 51.

⁸⁶ Блюх И.С. Финансы России XIX столетия... СПб., 1882. Т. 2. С. 135.

⁸⁷ Б Степанов В.Л. Николай Христианович Бунге. // Российские реформаторы (XIX – начало XX в.). М., 1995. С. 195.

⁸⁸ Блюх И.С. Финансы России XIX столетия... СПб., 1882. Т. 2. С. 136.

⁸⁹ Всеподданнейший отчет государственного контролера за 1866 год. СПб., 1867. С. 19.

⁹⁰ Соболев М.Н. Таможенная политика России во второй половине XIX века. Томск., 1911. СС. 411-412.

⁹¹ Там же. С. 219.

⁹² Соболев М.Н. Таможенная политика России... С. 412.

⁹³ Куломзин А.Н. Ук.соч. С. 51.

⁹⁴ Степанов В.Л. Михаил Христофорович Рейтерн. // Российские реформаторы (XIX – начало XX в.). М., 1995. СС. 159-160.

of paper money into metallic coinage; however, following the 1873 crisis and the poor harvest of 1875, these plans had to be abandoned.⁹⁵ The prospect of a balanced budget—so ardently pursued by Reiter—was no longer even a dream. Already the first mobilization of 1876, announced on November 1 (13), 1876,⁹⁶ led to extraordinary, unplanned expenses, and the fiscal year, which had been expected to close with a surplus of 86,170 rubles, ended with a deficit of 64,843,480 rubles.⁹⁷

Although the mobilization did not reflect the government's desire to enter the war but was merely a means of coercing Constantinople into negotiations,⁹⁸ the political and financial situation continued to deteriorate thereafter. On April 12 (24), 1877, in Kishinev, Alexander II signed the Manifesto declaring war on Turkey.⁹⁹ Ordinary revenues for 1877 amounted to 548,830,831 rubles, whereas military expenditures—beginning with measures taken at the end of 1876 to prepare for war—reached 898,935,000 rubles as of January 1 (13), 1878.¹⁰⁰ Expenditures on the Ministry of War, which had already accounted for one-third of the budget before the war, nearly tripled. In 1877 they amounted to 571 million rubles, and in 1878 to 560 million rubles, even as the Empire's ordinary revenues in 1878 were 625,972,735 rubles.¹⁰¹

The war coincided with the peak of a process that had begun in 1873 in Vienna and New York. The boom in railway construction across all countries (in Austria-Hungary, expanding from 2.2 to 6 thousand miles since 1865; in the USA, with an average annual increase of 1,311 miles from 1860 to 1867, 4,953 miles in 1869, 5,690 in 1870, 7,670 in 1871, 6,167 in 1872, and 3,948 miles after the panic of 1873) spurred rampant speculation in securities,¹⁰² which inevitably led to a large-scale industrial and financial crisis.¹⁰³ Signs of its approach were evident even earlier, when the “Black Friday” of May 11, 1866, sent shockwaves through London's banking circles.¹⁰⁴

The next “Black Friday” began on May 8, 1873, in Vienna. By the evening of that day, 78 firms had been declared insolvent, and the stock exchange building had to be cleared by police. On May 16, banks began suspending payments, and the stock exchange halted operations. By the end of the year, losses were estimated at between 1.5 and 2 billion gulden.¹⁰⁵ In 1873, the crisis that had begun

⁹⁵ Степанов В.Л. Цена победы: Русско-турецкая война 1877-1878 гг. и экономика России. // Российская история. 2015. №6. С. 100.

⁹⁶ Приказ по Военному ведомству ноября 1-го дня №315. // Русский инвалид. 3 ноября 1876 г. №242. С. 2.

⁹⁷ Блиох И.С. Финансы России XIX столетия... СПб., 1882. Т.2. СС. 227; 229.

⁹⁸ Циркулярная депеша его светлости Государственного Канцлера, князя Горчакова к представителям России при иностранных державах, из Царского Села, от 1-го ноября 1876 года. // Правительственный вестник. 2(14) ноября 1876 г. №244. С. 1.

⁹⁹ ПСЗ РИ. Собрание второе. СПб.1879. Т.52.1877. Отд. 1. №57155. С.371.

¹⁰⁰ Всеподданнейший отчет государственного контролера за 1878 год. СПб., 1879. СС. 82-83.

¹⁰¹ Всеподданнейший отчет государственного контролера за 1879 год. СПб., 1880. СС. 6; 91.

¹⁰² Conant Ch.A. A history of the modern banks of issue... PP. 509-510.

¹⁰³ Кауфман И.И. Теория биржевых кризисов. К.К. Гаттенберг. Венский кризис 1873 года. СПб., 1878. СС. 13-15; 19-20.

¹⁰⁴ Conant Ch.A. A history of the modern banks of issue... PP. 504-505; 509.

¹⁰⁵ Гаттенберг К.К. Венский кризис 1873 года. СПб., 1877. СС. 2-3.

in Vienna affected Germany, the USA, and the rest of Europe, ushering in a prolonged period of depression from which countries only began to emerge in 1879.¹⁰⁶ The collapse of European banks dealt a severe blow to the Ottoman Empire's financial system, which was closely linked to them. In fact, the Eastern Crisis of 1875–1878 was largely a consequence of these events.¹⁰⁷

4. Russian Economic Situation after 1878

Russia's economy also entered a period of stagnation.¹⁰⁸ To strengthen the ruble, and at the proposal of the Minister of Finance, a Senate Decree "On the Collection of Customs Duties in Gold" was adopted on December 22, 1876 (January 3, 1877). Under this decree, the collection of duties in gold was introduced from January 1 (13), 1877, and became mandatory for payments exceeding 5 rubles 15 kopecks (the Russian gold half-imperial).¹⁰⁹ This represented a significant increase in duties—the exchange rate for the gold ruble was set at 1 ruble to 48 kopecks in foreign currency.¹¹⁰ Naturally, there was no immediate relief for Russian finances.¹¹¹ Commercial and industrial circles reacted very negatively to this measure; some merchants even began concealing goods whose prices were expected to rise after the imposition of the high duties.¹¹²

The new method of paying customs duties, introduced in January 1877, resulted in a slight decline in imports. In 1877, customs revenues sharply decreased, reaching 52,200,976 rubles—5,615,024 rubles less than the state revenue forecast—while in 1878, customs revenues rose to 79,509,643 rubles, exceeding expectations by 23,918,643 rubles. In 1879, they further increased to 91,785,949 rubles.¹¹³ Nevertheless, the financial year 1880 closed with a significant deficit; with total revenues of 615,016,653 rubles, expenditures amounted to 694,505,313 rubles, resulting in a huge deficit of 43,488,630 rubles.¹¹⁴

Furthermore, in 1876 the duty-free importation of rails was abolished, and for a period of 12 years a bonus was granted for each pud of steel rails produced in Russia.¹¹⁵ In 1877, a decision was

¹⁰⁶ Conant Ch.A. A history of the modern banks of issue... PP. 504-505; 509.

¹⁰⁷ Stavrianos L.S. The Balkans since 1453. Lnd., 2002. P. 390.; Glenny M. The Balkans 1804-1999. Nationalism, war and the Great Powers. Lnd., 1999. PP. 89-90.; Clay Chr. Gold for Sultan: Western Bankers and Ottoman Finance, 1856-1881: A Contribution to Ottoman and to International Financial History. Lnd.-NY., 2000. PP. 279-280.; Sevket P. The Ottoman Empire and European capitalism, 1820-1913. Cambridge University Press. 1987. P. 60.; Eldem E. Ottoman financial integration with Europe: foreign loans, the Ottoman bank and the Ottoman public debt. // European review. 2005. Vol.13. N3. P.439.; Autheman A. A General survey of the history of the Imperial Ottoman Bank. // East meets West – banking, commerce and investment in the Ottoman Empire (Studies in banking and financial history). Ed. By Philip L. Cottrell. Cornwall. 2008. P. 105.

¹⁰⁸ Блюх И.С. Финансы России XIX столетия... СПб., 1882. Т. 2. С. 229.

¹⁰⁹ ПСЗ РИ. Собрание второе. СПб., 1878. Т.51. 1876. Отд. 2. №56752. СС. 544-547.

¹¹⁰ Покровский С.А. Внешняя торговля и внешняя торговая политика России. С. 271.

¹¹¹ Витчевский В. Торговля, таможенная и промышленная политика России со времен Петра Великого до наших дней. СПб. 1909. С. 106.

¹¹² Блюх И.С. Финансы России XIX столетия... СПб., 1882. Т. 2. С. 241.

¹¹³ Блюх И.С. Финансы России XIX столетия... СПб., 1882. Т. 3. С. 119-120.

¹¹⁴ Блюх И.С. Финансы России XIX столетия... СПб., 1882. Т. 2. С. 281.

¹¹⁵ Министерство финансов. 1802-1902. СПб., 1902. Ч.1. С. 587.

made to end the practice of placing government orders for railway rolling stock from abroad. Bonuses were introduced for the manufacture of locomotives—2,400 rubles for 4-wheel, 2,600 rubles for 6-wheel, and 3,000 rubles for 8-wheel locomotives. In Russia, locomotives were produced at three private and one state-owned factory, with an annual demand of 140–160 units. As an experimental measure for two years, duty-free importation of steel scrap was permitted for steelmaking and rail production plants.¹¹⁶ On May 10 (22), 1877, the duty on the import of locomotives was raised (from 75 kopecks to 1 ruble 25 kopecks per pud) as well as on the import of tenders (from 30 to 50 kopecks per pud).¹¹⁷ The government's actions eventually produced results.

Protectionism contributed to the growth of production. The value of output in the paper-spinning industry was 42,438 thousand rubles in 1867 and 44,190 thousand rubles in 1876; in the paper-weaving industry, it was 30,139 and 58,558 thousand rubles respectively; in the wool-weaving industry, 12,567 and 16,951 thousand rubles; and in the sugar industry, 4,386 and 12,669 thousand rubles. The value of extracted hard coal was 26.7 thousand rubles in 1867 and 111.3 thousand rubles in 1876; the value of the cast-iron foundry industry was 536 and 1,738 thousand rubles; that of the machine-building industry, 14,044 and 43,442 thousand rubles; etc.¹¹⁸ While before 1877 one of the most common locomotives on Russian railways was the French Cail and the German Borsig, domestic production began to gain momentum thereafter.¹¹⁹

The successes of Russian machine-building immediately impacted the volumes of German exports of locomotives and motor cars. In 1883, the sales weight amounted to 13,735 tons, with a value of 13,461,000 marks; by 1891, these figures had fallen to 4,174 tons and 5,217,000 marks.¹²⁰ In 1875, the negative balance of Russia's foreign trade was 149,104 rubles; in 1876, 76,882 rubles; and in 1877, a positive balance of 206,889 rubles was achieved, which then declined in the following year to 22,584 rubles. Meanwhile, the paper money supply increased from 797.3 million rubles in 1875 to 1,039.9 million rubles in 1878.¹²¹ The new Minister of Finance, N.Kh. Bunge, who assumed office in 1882, consistently pursued a policy of state economy; from 1881 to 1884, extra-budgetary appropriations were reduced threefold.¹²²

The policy of protecting domestic production led to the creation of new centers of metallurgical production and domestic hard coal extraction in Russia. In the 1850s, the Empire extracted about 10–

¹¹⁶ Соболев М.Н. Таможенная политика России... С. 652.

¹¹⁷ ПСЗ РИ. Собрание второе. СПб., 1879. Т.52. 1877. Отд. 2. №57315. С. 461.

¹¹⁸ Покровский С.А. Внешняя торговля и внешняя торговая политика России. СС. 309-310.

¹¹⁹ Иванов П.Г. Очерк истории и статистики русского заводского паровозостроения. Пгр., 1920. СС. 4; 8.

¹²⁰ Statistisches Jahrbuch für das Deutsche Reich. 1893. Berlin., 1893. S. 60.

¹²¹ Соболев М.Н. Таможенная политика России... С. 412.

¹²² Степанов В.Л. Николай Христианович Бунге. // Российские реформаторы (XIX – начало XX в.). М., 1995. СС. 201-202.

12 million puds of hard coal per year; in the 1870s, about 112 million puds; in the mid-1890s, about 500 million puds—and this growth continued. In 1901, 1.038 billion puds of hard coal were extracted.¹²³ In 1895 alone, four large metallurgical plants were commissioned in the Yekaterinoslav Governorate, and 175 hard coal mines were developed.¹²⁴ Active growth in coal extraction and production continued there.¹²⁵ In 1878, 483 factories and plants in the Nizhny Novgorod Governorate produced goods worth 13,135,259 rubles; in 1879, although the number of factories and plants decreased by 21, production increased to 14,521,606 rubles. At the same time, a decline in the steel-making and machine-building industries in the Nizhny Novgorod Governorate became apparent; in 1881, this trend continued due to a lack of orders.¹²⁶ Nevertheless, 467 factories and plants produced goods valued at 15,970,793 rubles.¹²⁷ In the 1890s, a steady increase in machine production became clearly evident and permanent: in 1893, 323 factories and plants produced goods worth 18,892,441 rubles;¹²⁸ in 1895, 361 factories and plants in the governorate produced goods worth 26,052,034 rubles.¹²⁹

The government also made efforts to reduce Asian imports. The most significant of these was the volume of exports from China that passed through the town of Kyakhta. Goods were transported by camel caravans, and the trade figures changed very little. In 1881, the total export of goods through Kyakhta reached 5,558 thousand rubles; in 1886—7,867 thousand; in 1887, it peaked at 8,785 thousand rubles; then it began to decline—in 1888 it was 6,955 thousand rubles, and by 1892 it had returned to the initial level of 5,566 thousand rubles.¹³⁰ Of these, tea accounted for 648 thousand puds in 1881, 1,225 in 1886, 1,090 in 1887, 948 in 1889, 975 in 1890, and 967 thousand puds in 1892.¹³¹

To reduce the volume of tea imports, attempts were made to introduce the culture of cultivating Chinese and Japanese varieties of tea in the western part of Transcaucasia. The first experiments were carried out as early as 1847 on the initiative of the Viceroy of the Caucasus, general-adjutant Count

¹²³ Соболев М.Н. Коммерческая география России. Очерк хозяйственной статистики и географии России сравнительно с иностранными государствами. М., 1903. С. 90.

¹²⁴ Обзор Екатеринославской губернии за 1895 год. Екатеринослав. 1896. С.7.

¹²⁵ Обзор Екатеринославской губернии за 1898 год. Екатеринослав. 1899. С.12.

¹²⁶ Приложение ко Всеподданнейшему отчету о состоянии Нижегородской губернии за 1879 год. Нижний Новгород. 1880. С.5.

¹²⁷ Приложение ко Всеподданнейшему отчету о состоянии Нижегородской губернии за 1881 год. Нижний Новгород. 1882. С.9.

¹²⁸ Приложение ко Всеподданнейшему отчету о состоянии Нижегородской губернии за 1893 год. Нижний Новгород. 1893. С.3.

¹²⁹ Приложение ко Всеподданнейшему отчету о состоянии Нижегородской губернии за 1895 год. Нижний Новгород. 1896. С.4.

¹³⁰ Таблица IV. А. Ведомость общей ценности товаров вывезенных русскими купцами из Тянь-цзиня на Калган и Кяхту в тысячах руб. металлич. // Китайские порты имеющие значение для русской торговли для русской торговли на Дальнем Востоке. Составлено Д.Д. Покотиловым под редакцией Д.Ф. Кобеко и П.М. Романова. СПб., 1895. Ч.2. Статистические таблицы. С. 24.

¹³¹ Таблица IV. Б. Ведомость о полученных русскими купцами в Тянь-цзине и переотправленных ими сухим путем через Монголию и Кяхту в Россию чаях (в тысячах пудов). // Китайские порты имеющие значение для русской торговли... СПб., 1895. Ч.2. Статистические таблицы. С. 24.

M.S. Vorontsov, in the Ozurgeti acclimatization garden (in the Kutais Governorate).¹³² In 1885, Colonel A.A. Solovyov attempted to establish a plantation—with several thousand bushes already planted. In 1890, the first tea produced for sale appeared. Subsequently, tea merchant K.S. Popov and the Special Department took charge of the project.¹³³ Tea cultivars from Hankou and specialists in tea cultivation from the Celestial Empire were employed.¹³⁴ In 1892, another tea plantation was established near Batum, for which specialists were again dispatched from China.¹³⁵

The tropical climate of the Batumi region suggested the possibility of establishing tea cultivation. Moreover, there was an abundance of vacant land – the swampy area was already sparsely populated, and after the region came under Russian control in 1878, a significant portion of the Muslims left the lands of the former Batum Sanjak, leaving about 50,000 inhabitants in the area.¹³⁶ Russian authorities undertook extensive work to drain the malaria-infested swamps and to cultivate new varieties of trees and plants, including tea. The climate improved significantly, but land prices also increased.¹³⁷ In 1892, the plantations already had over 131,000 bushes, and by 1901 this number had risen to 485,290 bushes. Nevertheless, by the end of the 19th century the process of cultivating domestic tea had not yet yielded any significant results.¹³⁸ In terms of the value of products imported into the Empire in 1893, tea ranked first—accounting for 8.1% of the total import value, followed by machinery at 6.4%.¹³⁹ In 1898, Popov's plantations produced 2,900 pounds of black tea and 10,100 pounds of pressed tea—that is, a total of 325 puds. The quality varied greatly.¹⁴⁰ At that time, approximately 800,000 puds of tea were imported into the Empire annually solely through Odessa.¹⁴¹

The country's light industry consumed large quantities of cotton. In 1874, through European customs, 1.2 million puds of American, 0.9 million puds of Indian, and a small amount of Egyptian cotton were imported into Russia—all of very high quality and, moreover, shipped by inexpensive sea routes. The quality of Central Asian cotton, however, continued to draw criticism.¹⁴² On December 22, 1878 (January 3, 1879), a duty of 40 kopecks in silver was imposed for every pud of raw cotton paper imported through the European border (including the Black Sea ports of

¹³² Колоколов В.Г. К вопросу о чае русских плантаций. Русский чай и некоторые сорта китайского и цейлонского чая московских фирм. М., 1906. СС. 93-94.

¹³³ Там же. СС. 96-97.

¹³⁴ Масальский В. Чайная и другие южные культуры в Западном Закавказье. СПб., 1899. СС. 9-10.

¹³⁵ Соболев М.Н. Коммерческая география... С. 58.

¹³⁶ Анисимов С. Сельское хозяйство и земельный вопрос в Батумской области. // Батумское побережье. «Русские тропики». Под ред. С.А. Анисимова. Батум. 1911. СС. 61-62; 70-71; 77-78; 81-84.

¹³⁷ Масальский В. Чайная и другие южные культуры... С. 3.

¹³⁸ Колоколов В.Г. К вопросу о чае русских плантаций... СС. 99-100.

¹³⁹ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. XV.

¹⁴⁰ Масальский В. Чайная и другие южные культуры... СС. 11: 16.; Колоколов В.Г. К вопросу о чае русских плантаций... СС. 171; 177.

¹⁴¹ Обзор деятельности Министерства финансов в царствование императора Александра III. СПб., 1902. С. 545.

¹⁴² О среднеазиатском хлопке. Биржевые ведомости. 1874. №148. // Туркестанский Сборник. СПб., 1873. Т.73. СС. 53-54.

Transcaucasia).¹⁴³ This act also extended to cotton, which had been imported duty-free since 1863, while imports of cotton via the Asian borders remained unrestricted.¹⁴⁴

In the early 1890s, up to 8 million puds of cotton were imported through the European borders.¹⁴⁵ Naturally, the government also made efforts to establish its own cotton base¹⁴⁶—and these efforts proved to be more successful.

Experimental plantations of American cotton appeared in Turkestan around 1883. At the initiative of Governor-general-adjutant K. P. von Kaufmann, the American experience was studied, and seeds as well as cotton-ginning machines were imported. Experimental plantings were carried out on the irrigated lands of the Syr-Darya region—in 1883, only a few desiatinas were sown; by 1884, the planted area had expanded to 450 desiatinas.¹⁴⁷

In 1889, cotton harvested in the Syr-Darya region was valued at 10 million rubles (amounting to one-tenth of the Empire's required value).¹⁴⁸ In 1890, cotton cultivation here finally became firmly established and turned into a profitable enterprise. American varieties were planted on 21,000 desiatinas, while local varieties covered 2,500 desiatinas. In that year, 699,890 puds of processed American cotton were harvested (worth 4,199,340 rubles), and 52,800 puds of local cotton (worth 264,000 rubles).¹⁴⁹

This success was followed by several poor harvest years. In 1893, 411,000 puds of cotton were exported from the region, half of which were American varieties;¹⁵⁰ in 1902, following a locust invasion, only 155,000 puds were exported.¹⁵¹ In the Trans-Caspian region, even in 1890 the harvest of American varieties of cotton was still very insignificant—no more than 20,000 puds.¹⁵²

By 1893, it had risen to 176,000 puds, although the harvest was still not very good.¹⁵³ Thereafter, cotton harvests continued to increase. In 1898, 700,000 puds were harvested, generating an income of 1.225 million rubles for the local population—four times higher than the income from wheat sales.¹⁵⁴ In 1899, an unfavorable year for the harvest, 428,506 puds were collected in the Trans-Caspian region;¹⁵⁵ thereafter, growth slowed down because irrigation could not keep pace with the

¹⁴³ ПСЗ РИ. Собрание второе. СПб., 1880. Т.53. 1878. Отд. 2. №39148. С. 310.

¹⁴⁴ Министерство финансов. 1802-1902. СПб., 1902. Ч.1. СС. 546-547.

¹⁴⁵ Обзор деятельности Министерства финансов в царствование императора Александра III. С. 545.

¹⁴⁶ Куропаткин А.Н. 70 лет моей жизни: воспоминания А.Н. Куропаткина. Челябинск. 2023. Т. 3. СС. 150-151.

¹⁴⁷ Иванов А.И. Одна из наших окраин. // Русский Вестник. 1889. Том 205. №11. С. 193.

¹⁴⁸ Иванов А.И. Одна из наших окраин. // Русский Вестник. 1889. Том 205. №11. С. 194.

¹⁴⁹ Обзор Сыр-Дарьинской области за 1890 год. Ташкент. 1892. СС. 39; 50.

¹⁵⁰ Обзор Сыр-Дарьинской области за 1893 год. Ташкент. 1897. СС. 40-41.

¹⁵¹ Обзор Сыр-Дарьинской области за 1902 год. Ташкент. 1906. С. 34.

¹⁵² Обзор Закаспийской области за 1891 год. Асхабад. 1893. СС. 131-137.

¹⁵³ Обзор Закаспийской области за 1893 год. Асхабад. 1895. СС. 157; 159.

¹⁵⁴ Обзор Закаспийской области за 1898 год. Асхабад. 1900. С. 37.

¹⁵⁵ Обзор Закаспийской области за 1899 год. Асхабад. 1900. С. 40.

demands of cotton cultivation. In 1902, the harvest in this region was also severely affected by a locust invasion,¹⁵⁶ amounting to 432,762 puds, whereas in 1903 it reached 1,216,123 puds.¹⁵⁷ Similar figures were observed in the Samarkand region. In 1898, 818,913 puds of cotton were harvested—more than 15% higher than in the previous year—with American varieties accounting for 573,410 puds.¹⁵⁸ In 1902, this region too was affected by a locust invasion, and only 699,374 puds were harvested, of which 646,164 puds were American varieties;¹⁵⁹ in 1903, 606,790 puds were harvested, with American varieties making up 362,464 puds.¹⁶⁰

Despite the obvious successes in cultivating improved cotton varieties, by the end of the 19th century domestic production still could not fully meet the Empire's demand for this product. In 1894, raw cotton imported into Russia was valued at 92.6 million rubles (16.7% of total imports), which even exceeded the figures for metal products—72.3 million rubles (13.1% of imports), machinery including locomotives—46 million rubles (8.2% of imports), and tea—39.6 million rubles (7.2% of imports).¹⁶¹ Meanwhile, maritime trade generally remained more profitable. Even in the early 1890s, transporting one pud of cotton from Kokand to central Russia cost 2 rubles 68 kopecks, whereas from the USA it cost only 80 kopecks.¹⁶²

5. Germany's Reaction to the Change of Customs Policy of Russia

In Germany, the change in customs policy by its eastern neighbor did not go unnoticed. Initially, Berlin supported agricultural imports. In Prussia, import duties on bread were abolished in 1865, and in 1870 those on livestock (except pigs) were eliminated.¹⁶³ Meanwhile, until 1878, Germany ranked first in the consumption of Russian bread.¹⁶⁴ In trade with Russia, German interests were primarily focused on rye—which was exported through Baltic ports and overland borders. For example, in 1878 Austria-Hungary supplied 415,960 tons of wheat to Germany, while Russia provided only 384,523 tons, and Belgium and the Netherlands supplied 190,743 tons (out of a total wheat import volume of 1,054,262 tons). In the same year, Austria-Hungary imported only 86,379 tons of rye into Germany, Belgium and the Netherlands 190,743 tons, and Russia 333,125 tons (from a total rye import volume of 942,912 tons).¹⁶⁵

¹⁵⁶ Обзор Закаспийской области за 1902 год. Асхабад. 1903. СС. 34-36.

¹⁵⁷ Обзор Закаспийской области за 1903 год. Асхабад. 1904. С. 23.

¹⁵⁸ Обзор Самаркандской области за 1898 год. Самарканд. 1900. СС. 5-6.

¹⁵⁹ Обзор Самаркандской области за 1902 год. Самарканд. 1903. СС. 8-9.

¹⁶⁰ Обзор Самаркандской области за 1903 год. Самарканд. 1904. С. 8.

¹⁶¹ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1894 год. СПб., 1896. С. XL.

¹⁶² Соболев М.Н. Таможенная политика России... С. 724.

¹⁶³ Соболев М.Н. История русско-германского торгового договора. С. 26.

¹⁶⁴ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. IX.

¹⁶⁵ Statistisches Jahrbuch fur das Deutsche Reich. 1880. Berlin., 1880. SS. 62-63.

From the second half of the 1870s onward, a united Germany faced the problem of a budget deficit for the first time.¹⁶⁶ Already in 1874, the deficit amounted to a staggering 155,890,575 marks.¹⁶⁷ As a result, Berlin demanded increased contributions to the common budget from the states comprising the Reich. These contributions grew from 51.4 million marks in 1874 to between 70 and 79 million marks in 1878–1879.¹⁶⁸ Meanwhile, the deficit itself decreased—from 1,306,275 marks in 1876–1877 to 200,000 marks in 1878–1879, and then to 281,165 marks in 1879–1880.¹⁶⁹ Against this backdrop, the Reichstag called for measures to protect the interests of German commerce.¹⁷⁰

Rye imports into Germany increased from 418,000 tons in 1871 (with exports of 157,000 tons) to 1,190,000 tons in 1877 (with exports of 176,000 tons) and 945,000 tons in 1878 (with exports of 196,000 tons). At the same time, wheat imports grew from 439,000 tons in 1871 (while exports reached 536,000 tons) to 1,060,000 tons in 1878 (with exports of 785,000 tons).¹⁷¹ Germany consumed an ever-increasing amount of inexpensive rye bread. On May 16, 1879, the Reichstag heard the words: “The protection of iron and rye is equally necessary for the welfare of the Fatherland.” On July 12, 1879, the deputies voted in favor of a new customs law.¹⁷²

A levy was introduced of 1 mark per 100 kg of imported wheat and rye, 1 mark per 100 kg of oats, and 50 crowns per 100 kg of barley. In 1885, these levies were increased to 3 marks for wheat and rye and 1.5 marks for oats and barley; in 1887, they were raised further to 5 marks for wheat and rye, 4 marks for oats, and 2.25 marks for barley.¹⁷³ German customs revenues grew from 103.7 million marks in 1877–1878 to 357.7 million marks in 1889–1890.¹⁷⁴

Russia also defended its trade interests. In 1880, the duty-free importation of iron for railway companies and machine-building enterprises was abolished; in 1881, there was a general tariff increase of 10%; and in 1884 and 1887, tariffs on cast iron and coal were raised, with overall tariff increases that year ranging from 10 to 20%.¹⁷⁵

Since 1882, there has been a steady increase in Russian exports relative to imports, while the volume of paper money in circulation declined. In 1882, the positive balance amounted to 51,004 rubles, but by 1891 it had reached 305,804 rubles, even as the paper money supply fell from 1,133.5

¹⁶⁶ Соболев М.Н. История русско-германского торгового договора. С. 47.

¹⁶⁷ Statistisches Jahrbuch für das Deutsche Reich. 1880. S. 162.

¹⁶⁸ Соболев М.Н. История русско-германского торгового договора. С. 39.

¹⁶⁹ Statistisches Jahrbuch für das Deutsche Reich. 1880. S. 163.

¹⁷⁰ Соболев М.Н. История русско-германского торгового договора. С. 40.

¹⁷¹ Statistisches Jahrbuch für das Deutsche Reich. 1880. S. 86.

¹⁷² Соболев М.Н. История русско-германского торгового договора. С. 47.

¹⁷³ Там же. С. 51.

¹⁷⁴ Там же. С. 52.

¹⁷⁵ Покровский С.А. Внешняя торговля и внешняя торговая политика России/ СС. 271-273.

to 1,046.4 million rubles.¹⁷⁶ The state budget estimate for 1885 showed a deficit, which forced the government on January 15 (27), 1885, to raise tariffs on a range of goods—including various types of tea, salted herring, grape wines, vegetable oils, agricultural machinery, cast iron, and iron.¹⁷⁷ By the late 1880s to early 1890s, the Empire's financial condition had become much more robust, thanks in no small part to the “brilliant harvests” of 1887 and 1888.¹⁷⁸

In 1887, import duties on iron vessels were significantly raised (although this did not affect the volume of their importation into Russia),¹⁷⁹ and in 1889, duties on railway cars were increased.¹⁸⁰ In 1889, the Empire's revenues amounted to 934,000,000 rubles, while expenditures were 890,000,000 rubles,¹⁸¹ and customs revenue that year reached 138 million rubles, of which 80 million were received in gold. The growth in tariff revenue was largely achieved through the import of cotton cloth, metals and metal products, various types of machinery, and similar goods. The export of Russian products through the European border exceeded 600 million rubles in 1887, rose to 778 million in 1888, and reached 752.5 million rubles in 1889 (as demand for agricultural products in Europe had declined).¹⁸²

The development of transportation routes and the expansion of trade also led to an increase in customs collections. On average, in the period 1881–1885 they amounted to 101,905,000 rubles in credit currency and 64,542,000 rubles in gold¹⁸³; in 1886–1890 they rose to 119,723,000 rubles in credit and 74,936,000 rubles in gold; and in 1891–1893, they reached 135,685,000 rubles in credit and 84,454,000 rubles in gold.¹⁸⁴

Until 1884, hard coal and coke were admitted duty-free through all borders except that of the Kingdom of Poland.¹⁸⁵ In 1884, a levy was imposed on coal imported into Russia via the Black Sea–Azov Sea border at 2 kopecks in gold per pud; in 1886, at the Baltic border, the levy was set at 0.5 kopecks in gold per pud; and in 1886 the tariff for the Black and Azov Seas was raised to 3 kopecks in gold.¹⁸⁶ The total value of imports into Russia via the European borders in 1889 amounted to 371,561,568 rubles (across all borders, 431,971,378 rubles), while customs duties totaled 69,823,997

¹⁷⁶ Соболев М.Н. Таможенная политика России... С. 412.

¹⁷⁷ Министерство финансов. 1802-1902. СПб., 1902. Ч.2. С. 207.

¹⁷⁸ Всеподданнейший отчет государственного контролера за 1889 год. СПб., 1890. С. 52.

¹⁷⁹ Соболев М.Н. Таможенная политика России... СС. 676; 678.

¹⁸⁰ Там же. С. 680.

¹⁸¹ Всеподданнейший отчет государственного контролера за 1889 год. С. 6.

¹⁸² Там же. СС. 65-66.

¹⁸³ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. I.

¹⁸⁴ Там же. С. II.

¹⁸⁵ Обзор деятельности Министерства финансов в царствование императора Александра III. 1881-1894. С. 475.

¹⁸⁶ Соболев М.Н. История русско-германского торгового договора. С. 17.

rubles (79,520,899 rubles across all borders).¹⁸⁷ From 1891 onward, an additional customs levy of 25 kopecks in gold was imposed for every customs ruble on all goods, and various types of coal—as well as peat and coke—imported into the ports of the Black and Azov Seas were subject to an additional levy of 40 kopecks in gold per customs ruble.¹⁸⁸ Russia could already afford to implement these measures.

In 1889, across all of the Empire's borders, 190,545,698 puds of wheat were exported for 192,880,103 rubles. The main buyer was Great Britain, which purchased almost half of the total export volume – 87,797,888 puds. Germany ranked fourth in this indicator, following Italy (23,481,131 puds) and France (17,249,066 puds), with the Netherlands coming next (10,768,617 puds).¹⁸⁹ A total of 82,287,902 puds of rye were exported across all borders for 55,111,295 rubles, with Great Britain again being the largest purchaser by volume (26,740,310 puds), while Germany occupied second place (17,065,840 puds). The third, fourth, and fifth positions were held by northern countries – the Netherlands, Sweden, and Denmark. In the cases of barley and oats, Germany also followed behind England.¹⁹⁰ Russian official data generally correspond to the official German figures. In 1889, German customs recorded the importation of 301,247 tons of wheat and 920,189 tons of rye from Russia, out of a total Russian export volume to Germany of 1,950,967 tons.¹⁹¹

The Baltic remained the principal hub for maritime trade for Russia. During the period 1886–1890, the average turnover along the Empire's European border amounted to 962.8 million rubles, of which 342 million rubles were attributable to Baltic ports, 322.9 million to the Black and Azov Sea ports, and 290.5 million to overland trade. In 1891, the turnover along the European border was 953.6 million rubles, with 314.5 million attributed to the Baltic, 325.4 million to the Black and Azov Seas, and 306.1 million to the land border.¹⁹² Germany traditionally also served as the most important carrier for Russian trade in the north of the Empire. In 1889, Russian Baltic ports received 1,739 British ships (699,383 lasts), 1,546 German ships (332,584 lasts), and 773 Russian ships (116,259 lasts).¹⁹³ On the White Sea, the Germans also ranked second in cargo transportation: 157 British ships

¹⁸⁷ Привоз из-за границы иностранных товаров. А. – Количество и ценность очищенных таможенною пошлиною товаров и пошлины поступившие за оные, с распределением по отдельным границам. // Обзор внешней торговли России по европейской и азиатской границам за 1889 год. СПб., 1890. С. 10.

¹⁸⁸ Соболев М.Н. Таможенная политика России... С. 506.

¹⁸⁹ Вывоз за границу российских товаров. Г. – По отдельным наименованиям и общему итогу товаров, с показанием: чрез какие участки государственной границы, из каких, главнейше, таможен и в какие иностранные государства – вывезены. // Обзор внешней торговли России по европейской и азиатской границам за 1889 год. С. 1

¹⁹⁰ Всеподданнейший отчет государственного контролера за 1889 год. СС. 2-3.

¹⁹¹ Statistisches Jahrbuch für das Deutsche Reich. 1891. Berlin., 1891. S. 35.

¹⁹² Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. III.

¹⁹³ VI. Движение торговых судов в заграничном плавании. // Обзор внешней торговли России по европейской и азиатской границам за 1889 год. С. 25.

(53,095 lasts), 73 German ships (20,940 lasts), and 284 Russian ships (10,214 lasts).¹⁹⁴ In the ports of the Black and Azov Seas, the English flag enjoyed an unequivocal lead in cargo transportation, with 1,920 ships (1,114,943 lasts) – a volume that exceeded the combined tonnage of all others: 560 Austro-Hungarian ships (147,578 lasts), 323 Russian ships (126,945 lasts), 783 Greek ships (121,072 lasts), 63 German ships (28,625 lasts), and 31 French ships (22,676 lasts). Transportation under other flags was negligible.¹⁹⁵

6. Protectionism towards the Turn of the Century

In 1890, a catastrophe began. Crop failures and famines in Russia had become almost systematic—1873 and 1883 vividly demonstrated this.¹⁹⁶ But in the early 1890s, the problem escalated to the extreme and reached a national scale. A contemporary researcher of Russian finances wrote: “It turned out that the excellent harvests of 1887 and 1890 did not enable peasant farmers to make any savings (either in money or in food reserves) that would have allowed them to survive a famine year. A terrible poverty was revealed—almost true destitution—for a vast portion of our indigenous Russian population, along with its complete helplessness in combating such a natural calamity as a poor harvest.”¹⁹⁷

In 1890–1891, 17 governorates of Russia suffered from poor harvests and famine. In 50 governorates, the harvest was on average 26% below normal; specifically, wheat fell by 33%, rye by 30%, and oats by 26%. In several individual governorates, the figures were even more dire.¹⁹⁸ The Samara and Kazan governorates were the most affected.¹⁹⁹ This immediately impacted the state budget. As a pre-revolutionary economic researcher noted, “...the state budget of Russia, which is based predominantly on indirect taxes, rests on the peasant population as the principal consumer of the taxed goods...”²⁰⁰

Much of this was the result of the policies of Finance Minister I.A. Vyshnegradsky, whose name became synonymous with the heyday of protectionism in Russia. He considered achieving a balanced budget his primary task.²⁰¹ A man of remarkable abilities—a scholar and an entrepreneur—his policy centered on supporting grain exports and economizing on public expenditure.²⁰² Upon

¹⁹⁴ Там же. СС. 5-6.

¹⁹⁵ Там же. СС. 47-50.

¹⁹⁶ Щепкин В.Н. Голода в России. Исторический очерк. // Исторический вестник. 1886. №6. СС. 513; 514.

¹⁹⁷ Мигулин П.П. Русский государственный кредит (1769-1899). Харьков. 1901. Т.3. Министерство С.Ю. Витте и задачи будущего. С. 1.

¹⁹⁸ Ермолов А.С. Неурожай и народное бедствие. СПб., 1892. СС. 13-14; 16.

¹⁹⁹ Всеподданнейший отчет государственного контролера за 1891 год. СПб., 1892. С. 53.

²⁰⁰ Соболев М.Н. Коммерческая география России... С. 25.

²⁰¹ Степанов В.Л. И.А. Вышнеградский и эпоха протекционизма в России. // Финансы. 1993. №6. СС. 73-74.

²⁰² Степанов В.Л. Н.Х. Бунге. судьба реформатора. М., 1998. СС. 234-235; 239.

assuming office in 1887, he made a sharp turn toward increasing both direct and indirect taxes.²⁰³ The annual tax revenues in 1887 amounted to 630.1 million rubles, and by 1890 they had reached 700.3 million rubles.²⁰⁴ The tax burden was part of a policy aimed at boosting agricultural exports.²⁰⁵ Taxes were collected in the autumn, at harvest time, pushing peasants to sell their bread at the peak of the seasonal decline in food prices.²⁰⁶ Stimulating grain exports and maintaining the ruble's exchange rate at a low level were the most important components of the minister's policy, which was intended to prepare for the introduction of the gold standard.²⁰⁷

Since 1887, the Empire's gold reserve began to increase systematically. On January 1 of that year, the reserve amounted to 281 million rubles in gold (including 60 million rubles held abroad to cover urgent debt payments).²⁰⁸ By January 1, 1893, this reserve had grown to 581.5 million rubles.²⁰⁹ Meanwhile, over the last 25 years of the 19th century, gold mined in Siberia was valued at 1.5 billion rubles, although every year 50–60 million gold rubles left the country.²¹⁰ A positive balance in foreign trade was of paramount importance for the Russian budget. The average annual value of bread exports in 1882–1886 was 312 million rubles, while in 1887–1891 it reached 441 million rubles. Instead of 15% of the net harvest (excluding seed grain), 22% was exported, even as bread prices on the foreign market were continuously falling.²¹¹

If in 1890 the Empire's revenues amounted to 900,757,770 rubles, and its expenditures to 898,889,021 rubles,²¹² then in 1891 revenues fell to 885,829,278 rubles while expenditures rose to 961,140,142 rubles.²¹³ The volume of tax shortfalls increased—from 56.5 million rubles in 1890 to 63.9 million in 1891, and 139.8 million rubles in 1892.²¹⁴ In 1891, tax revenues collected amounted to 653.9 million rubles, and only in 1892 did their volume slightly exceed the 1890 level, reaching 701.8 million rubles.²¹⁵ The financial situation only improved in 1892, when the total ordinary revenues reached 961,222,143 rubles, while expenditures amounted to 947,690,385 rubles.²¹⁶

²⁰³ Шванебах П.Х. Наше податное дело. СПб., 1903. СС. 10-11.

²⁰⁴ Там же. С. 14.

²⁰⁵ Шванебах П.Х. Денежное преобразование и народное хозяйство. СПб., 1901. С. 30.

²⁰⁶ Степанов В.Л. Иван Алексеевич Вышнеградский. // Отечественная история. 1993. №4. С. 110.

²⁰⁷ Степанов В.Л. Предпосылки денежной реформы С.Ю. Витте: политика министра финансов И.А. Вышнеградского (1887-1892). // Отечественная история. 2004. №5. С. 61

²⁰⁸ Шванебах П.Х. Денежное преобразование и народное хозяйство. С. 10.

²⁰⁹ Степанов В.Л. Предпосылки денежной реформы С.Ю. Витте: политика министра финансов И.А. Вышнеградского (1887-1892). // Отечественная история. 2004. №5. С. 65.

²¹⁰ Шванебах П.Х. Денежное преобразование и народное хозяйство. С. 11.

²¹¹ Витчевский В. Торговля, таможенная и промышленная политика России... С. 128.

²¹² Всеподданнейший отчет государственного контролера за 1890 год. СПб., 1891. СС. 148-149.

²¹³ Всеподданнейший отчет государственного контролера за 1891 год. СС. 139-140.

²¹⁴ Степанов В.Л. Предпосылки денежной реформы С.Ю. Витте: политика министра финансов И.А. Вышнеградского (1887-1892). // Отечественная история. 2004. №5. С. 66.

²¹⁵ Шванебах П.Х. Наше податное дело. С. 14.

²¹⁶ Всеподданнейший отчет государственного контролера за 1892 год. СПб., 1893. С.142.

By the end of 1891, of the 72 million rubles allocated for famine relief, the government spent 60 million, and the result was meager. The country's financial stability was threatened. The Finance Minister opposed further allocation of funds for famine relief.²¹⁷ Meanwhile, from August 1890 to July 1891, gold purchases amounted to 116.7 million rubles for 154.3 million credit rubles, and these acquisitions continued.²¹⁸ "Passionately obsessed with accumulating gold," recalled P. H. Shvanebakh, a colleague of Vyshnegradsky, "he ceased to feel the pulse of the country..."²¹⁹ When, in the spring of 1891, the minister received word of an impending poor harvest, he declared: "We ourselves shall not eat, but we will export."²²⁰ Nevertheless, during the two famine years, 162 million rubles were allocated to aid the population.²²¹

Naturally, in 1890 the decline in agricultural exports, which had already begun the previous year, continued. In 1887, 134,693,000 puds of bread were exported; in 1888, 214,297,000; in 1889, 190,388,000; and in 1890, 181,909,000 puds. What was even worse was that on the European market, bread prices began to fall.²²² From 1878 onward, conditions in the international bread trade grew more complicated. That very year, for the first time, the United States supplied more bread to the world market (then predominantly European) than Russia did.²²³ The global market became flooded with cheap bread from North America, Argentina, Australia, India, and South Africa, which inevitably affected prices.²²⁴

While bread prices had been gradually rising since the mid-19th century, by the end of the century a decline had set in. For example, in Odessa the price per quarter of wheat was 5 rubles 35 kopecks in 1849–1851, 9 rubles 53 kopecks in 1873–1875, 5 rubles 90 kopecks in 1891–1893, and 4 rubles 56 kopecks in 1894–1896; for a quarter of rye in Odessa, the price was 3 rubles 80 kopecks in 1849–1851, 5 rubles 41 kopecks in 1873–1875, 4 rubles 79 kopecks in 1891–1893, and 3 rubles 6 kopecks in 1894–1896.²²⁵ On average, in 1887 a pud of wheat cost 1.07 rubles, in 1888 – 1.04 rubles, in 1889 – 1.01 rubles, and in 1890 – 98.5 kopecks.²²⁶ In 1890, the price of a pud of rye in St. Petersburg was 73.5 kopecks, in Riga – 74.4 kopecks; in 1891, 1 ruble 11.5 kopecks and 1 ruble 09 kopecks respectively; in 1892, 1 ruble 10.5 kopecks and 1 ruble 09.1 kopecks; and in 1893, 82.7

²¹⁷ Ламздорф В.Н. Дневник 1891-1892. М.-Л., 1934. СС. 201; 203; 212.

²¹⁸ Степанов В.Л. Предпосылки денежной реформы С.Ю. Витте: политика министра финансов И.А. Вышнеградского (1887-1892). // Отечественная история. 2004. №5. С. 64.

²¹⁹ Шванебах П.Х. Денежное преобразование и народное хозяйство. С. 28.

²²⁰ Там же. С. 21.

²²¹ Министерство финансов. 1802-1902. СПб., 1902. Ч.2. С. 311.

²²² Всеподданнейший отчет государственного контролера за 1890 год. С. 61.

²²³ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. IX.

²²⁴ Степанов В.Л. Министр финансов И.А. Вышнеградский и голод 1891-1892 гг. // Российская история. 2023. №5. С. 50.

²²⁵ Свод товарных цен на главных рынках России за 1890-1896 годы. СПб., 1897. С. I.

²²⁶ Всеподданнейший отчет государственного контролера за 1890 год. С. 61.

and 82.2 kopecks. The price of a pud of wheat in 1890 in St. Petersburg was 96.5 kopecks and in Riga – 94.5 kopecks; in 1891, 1 ruble 18.4 kopecks and 1 ruble 18 kopecks; in 1892, 1 ruble 14.6 kopecks and 1 ruble 18.9 kopecks; and in 1893, 99.4 and 96 kopecks. Thereafter, prices continued to fall.²²⁷

The export prices for wheat per pud were quite comparable to domestic commodity prices: 87.1 kopecks in 1890, 1 ruble 13.9 kopecks in 1891, 1 ruble 7.3 kopecks in 1892, 87.2 kopecks in 1893, and 48.7 kopecks in 1894.²²⁸ As one contemporary researcher of the Russian economy noted, “The productive forces of the country did not derive any benefit from the intensified export.”²²⁹ In 1890, Russian exports shrank to 687,020,000 rubles. Customs revenues in that year amounted to 142 million rubles, of which 82,694,000 rubles were collected in gold and silver. This growth was achieved, in part, by a 20% increase in the duty on the rising influx of foreign goods.²³⁰

In the poor harvest year of 1890, the structure of maritime transport remained almost the same as in 1889. On the Baltic, the British ranked first—1,417 vessels carried a total of 582,138 lasts—while the Germans ranked second with 1,473 ships having a combined capacity of 317,422 lasts. Under the Russian flag, there were only 576 ships with 90,699 lasts.²³¹ An exception was the White Sea, where the French took first place with 581 ships (82,381 lasts), followed by the British with 107 ships (38,890 lasts), the Germans with 58 ships (13,725 lasts), and vessels under the Russian flag numbering 300 (10,779 lasts).²³² In the Black and Azov Seas, a British carrier dominated with 1,632 ships (988,273 lasts), followed by ships under the Russian flag with 274 vessels (126,332 lasts), the Greeks with 571 ships (104,094 lasts), the Italians with 192 ships (92,019 lasts), Austro-Hungarian flagged vessels with 143 ships (70,356 lasts), and the French with 36 ships (24,417 lasts).²³³

The year 1891 was also a poor harvest year. On July 28 (August 9), 1891, the Emperor issued a Named Highest Decree to the Governing Senate “On the Prohibition of Exporting Rye in Grain, Rye Flour, and Bran of All Kinds,” according to which the export of these products was temporarily forbidden across the European land border as well as from the ports of the Baltic, Black, and Azov Seas. The reason for these bans was simple—rye bread constituted “the chief staple of the people’s diet,” and bran was necessary “to supplement the shortage of animal feed.”²³⁴ Subsequently, the

²²⁷ Свод товарных цен на главных рынках России за 1890-1896 годы. С. 2.

²²⁸ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1894 год. С. XXI.

²²⁹ Витчевский В. Торговля, таможенная и промышленная политика России... С. 131.

²³⁰ Всеподданнейший отчет государственного контролера за 1890 год. СС. 73-74.

²³¹ VI. Движение торговых судов в заграничном плавании. // Обзор внешней торговли России по европейской и азиатской границам за 1890 год. СПб., 1891. СС. 23; 25.

²³² Там же. С. 6.

²³³ Там же. СС. 46-49.

²³⁴ ПСЗ РИ. Собрание третье. СПб., 1894. Т.11. 1891. №7939. С. 545.

export of grain breads (except wheat), potatoes, flour, malt, groats, dough, and baked bread was also prohibited.²³⁵

Nevertheless, in that year goods worth 627,299,934 rubles were exported through the European borders and 40,252,125 rubles through the Asian borders. The main items remained “foodstuffs” (381,101,369 rubles via the European borders and 32,895,699 rubles via the Asian borders) and “raw and semi-processed materials” (209,783,844 rubles via the European borders and 35,746,024 rubles via the Asian borders).²³⁶ In 1891, wheat was exported for a total of 186,199,316 rubles, rye for 59,917,851 rubles, barley for 31,836,338 rubles, oats for 31,746,310 rubles, and corn for 18,920,019 rubles.²³⁷ Thus, exports via the European border—and overall agricultural exports in 1891—even increased slightly. Such was the result of Vyshnegradsky’s policy, which a modern author described as “too much bureaucratic invention, too little natural development.”²³⁸ Even from the Samara Governorate in 1891, 12,978,807 puds of goods were exported, of which agricultural products—mostly bread—accounted for 11,346,803 puds, with the export of wheat and wheat flour significantly exceeding the figures for 1890.²³⁹

7. Analysis of International Commerce of Russia at the Last Decade of the 19th Century

There were hardly any changes in the intensity or structure of commercial shipping in 1891. In the Baltic ports, 1,854 British ships arrived and departed, carrying 568,534 lasts of cargo, and 1,898 German ships carried 313,434 lasts of cargo. Russian ships were still fewer—only 604, carrying 94,154 lasts—while there were just 10 French ships (1,782 lasts).²⁴⁰ In the White Sea ports, 166 British ships (63,956 lasts), 64 German ships (15,864 lasts), and 229 Russian ships (9,593 lasts) arrived; in addition, only one ship under the French flag arrived (85 lasts).²⁴¹ In the Black and Azov Seas, German carriers remained minimal—31 vessels with 16,179 lasts—whereas 1,359 British ships arrived and departed, carrying 811,551 lasts of cargo. Russian merchant ships numbered 294 with 137,631 lasts, Greek ships 537 with 110,024 lasts, and French ships only 52 (31,689 lasts).²⁴²

²³⁵ Обзор деятельности Министерства финансов в царствование императора Александра III. С. 596.

²³⁶ Приложение А. Распределение ценности вывоза и ввоза, во внешней торговле товарами, по участкам государственной границы, с показанием разностей между вывозом и ввозом по тем же участкам (в рублях). // Обзор внешней торговли России по европейской и азиатской границам за 1891 год. СПб. 1892.

²³⁷ Приложение. Статистика внешней торговли товарами. II. Вывоз за границу российских товаров. А. Количество и ценность товаров и поступившие за них таможенные пошлины, с распределением по отдельным границам. // Обзор внешней торговли России по европейской и азиатской границам за 1891 год.

²³⁸ Витчевский В. Торговля, таможенная и промышленная политика России... С. 131.

²³⁹ Приложение к Всеподданнейшему отчету самарского губернатора за 1891 год. Самара. С. 34.

²⁴⁰ VI. Движение торговых судов в заграничном плавании. // Обзор внешней торговли России по европейской и азиатской границам за 1891 год. СС. 24; 26.

²⁴¹ Там же. СС. 4-5.

²⁴² Там же. СС. 49; 51.

The year 1891 was also politically unfavorable for Russia. In that year, the Triple Alliance of Germany, Austria-Hungary, and Italy was renewed; following the German–British treaty, the prospect of England fully joining the alliance appeared quite real in St. Petersburg. Berlin's abandonment of the “reinsurance treaty” and Germany's demonstrative rapprochement with England created a new political situation both in Europe and in Asia, pitting the Russian Empire against its principal trading partners.

In 1890, out of a total export value via the European borders of 703,936,928 rubles (with only 76,772,068 rubles via the Asian borders),²⁴³ goods worth 191,917,551 rubles were exported to Great Britain—of which life supplies (that is, primarily foodstuffs) accounted for 124,162,573 rubles; to Germany, goods worth 176,481,199 rubles were exported, of which only 58,581,880 rubles were for life supplies and 107,315,308 rubles for raw and semi-processed materials. Exports to France amounted to 41,824,538 rubles, to the Netherlands 39,980,183 rubles, to Italy 27,147,551 rubles, and to Austria-Hungary 26,861,877 rubles.²⁴⁴ In 1891, Russian exports via the European borders totaled 627,229,934 rubles (and 94,383,636 rubles via the Asian borders). Germany already occupied first place with exports amounting to 191,526,612 rubles; to Great Britain, goods worth 172,695,056 rubles were sent, and to France only 43,343,314 rubles.²⁴⁵

Regarding imports into Russia, Germany ranked first—in 1889, German imports amounted to 124,031,868 rubles (comprising 75,847,500 rubles worth of raw and semi-processed materials and 37,086,307 rubles of manufactured products). Following Germany was Great Britain, with imports totaling 95,877,190 rubles (66,469,524 rubles in raw and semi-processed materials and 18,504,002 rubles in manufactured products). They were followed by the United States with 50,739,264 rubles, France with 18,420,393 rubles, and Austria-Hungary with 18,389,392 rubles.²⁴⁶ In 1890, a similar picture emerged—Germany imported goods worth 114,283,420 rubles, Great Britain 86,725,778 rubles, the United States 53,387,894 rubles, France 16,167,120 rubles, and Austria-Hungary 17,310,955 rubles.²⁴⁷

²⁴³ Вывоз за границу российских товаров. В. – По отдельным государствам, куда товары вывезены, с показанием главнейших предметов вывоза. // Обзор внешней торговли России по европейской и азиатской границам за 1890 год. С. 62.

²⁴⁴ Там же. СС. 1-5.

²⁴⁵ Б. – Распределение ценности ввоза и вывоза, в внешней торговле товарам, - по главнейшим иностранным государствам (в рублях). // Обзор внешней торговли России по европейской и азиатской границам за 1891 год. (страницы не нумерованы)

²⁴⁶ Привоз из за-границы иностранных товаров. В. – По отдельным государствам, откуда товары привезены, с показанием главнейших предметов привоза. // Обзор внешней торговли России по европейской и азиатской границам за 1889 год. СС. 1; 3; 7; 13; 15.

²⁴⁷ Привоз из за-границы иностранных товаров. В. – По отдельным государствам, откуда товары привезены, с показанием главнейших предметов привоза. // Обзор внешней торговли России по европейской и азиатской границам за 1890 год. СС. 1; 4; 7; 14; 16.

In 1891, Germany imported goods valued at 103,074,402 rubles, followed by Great Britain with 76,654,592 rubles and the United States with 39,715,289 rubles. In contrast, imports from France amounted to only 15,792,150 rubles.²⁴⁸ The principal categories of imports from Germany were raw and semi-processed materials (59,668,319 rubles), followed by manufactured products (32,497,462 rubles) and life supplies (10,678,981 rubles). Similarly, the main items imported from Great Britain were raw and semi-processed materials (47,678,689 rubles), then manufactured products (19,778,763 rubles) and life supplies (9,179,830 rubles). Almost the entire value of imports from the United States consisted of raw and semi-processed materials (39,418,322 rubles), while imports of manufactured products from France were negligible—4,610,219 rubles—mirroring the low values for raw and semi-processed materials (5,896,434 rubles) and life supplies (5,285,047 rubles).²⁴⁹ Thus, at the turn of 1890 and 1891, Great Britain ceded its leading position in exports to Russia to Germany, while it firmly held second place in imports. Both countries primarily supplied Russia with raw and semi-processed materials, but Germany ranked first in absolute terms in the import of manufactured products.

8. Trade Relations of Germany and Russia with European Countries (1870 to 20th Century)

The volume of German imports into Russia steadily increased over the years. In 1870, it amounted to 39,679 tons; by 1876, it had risen to 80,751 tons; and in 1889–1890, it reached 142,790 tons. At the same time, Russian exports to Germany consistently exceeded German exports to Russia: in 1870, Russian exports totaled 391,472 tons, and in 1889–1890, they amounted to 842,922 tons.²⁵⁰ Moreover, from 1886 onward, imports into Russia from Germany of pig iron, coal, bar iron, and sheet iron steadily declined, while Russian exports to Germany increased. In 1887, Russia achieved a positive trade balance with its western neighbor.²⁵¹ On average, during the period 1886–1890, Russian exports to Germany totaled 163.74 million rubles, compared to imports of 121.67 million rubles.²⁵²

In 1890, in Germany's trade turnover, Russia firmly ranked third in imports (580 million marks, compared to 677 million by Great Britain, 599 million by Austria-Hungary, 457 million by the United States, and 262 million by France), but only fifth in exports (262 million marks, compared to

²⁴⁸ Б. – Распределение ценности ввоза и вывоза, в внешней торговле товарам, - по главнейшим иностранным государствам (в рублях). // Обзор внешней торговли России по европейской и азиатской границам за 1891 год. (страницы не нумерованы)

²⁴⁹ Привоз иностранных товаров из за-границы. В. – Пот отдельным государствам, откуда товары привезены, с показанием предметов привоза по отдельным наименованиям. // Обзор внешней торговли России по европейской и азиатской границам за 1891 год. СС. 10; 16; 34; 39.

²⁵⁰ Statistisches Jahrbuch für das Deutsche Reich. 1891. S. 124.

²⁵¹ Покровский С.А. Внешняя торговля и внешняя торговая политика России. С. 301.

²⁵² Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. VI.

696 million to Great Britain, 358 million to the United States, 348 million to Austria-Hungary, 268 million to the Netherlands, and 238 million to France), with Russia's positive balance (318 million marks) significantly exceeding that of allied Austria-Hungary (251 million marks).²⁵³ Moreover, in terms of the tonnage of imported cargo, Russia ranked first: in 1889, out of 4,113,855 tons of imports into Germany, 1,960,967 tons came from Russia, while Austria-Hungary accounted for 782,272 tons and Great Britain for 134,852 tons.²⁵⁴

The Anglo-German rapprochement coincided with another phase of the crisis in Russo-German relations. Relations between Russia and Germany were steadily deteriorating. "It began at the time of the German (i.e., the Berlin – A.O.) Congress. The Russians cannot forgive," writes Prince H. Hogenloë in his diary on 4 November 1891, "that we snatched the bounty from their hands. England would never have dared to wage war with Russia on its own. Moreover, there are the material losses inflicted on Russian finances by Bismarck. Finally, the expulsion of Russian workers tipped the scales. Nevertheless, Russia does not want war, especially since it is undesirable at a court where the French, with their Russophile affectations, are dissatisfied."²⁵⁵

In 1890, Germany imported goods worth 4,272,910,000 marks, with the main suppliers being Great Britain – 640,484,000 marks (15%) and Austria-Hungary – 598,505,000 marks (14%). Russia ranked third with 541,887,000 marks (12.7%), followed by the United States at 405,574,000 marks (9.5%). Exports from Germany in 1890 totaled 3,409,584,000 marks; Russia ranked sixth with 206,457,000 marks (6.1%), behind Great Britain (20.7%), the United States (12.2%), Austria-Hungary (10.3%), the Netherlands (7.6%), and France (6.8%).²⁵⁶

In 1891, the figures were roughly similar. Imports into Germany amounted to 4,403,404,000 marks, with Russia ranking third with 580,396,000 marks (13.2%) after Great Britain (15.4%) and Austria-Hungary (13.6%), followed by the United States (10.4%). Exports from Germany in 1891 totaled 3,339,755,000 marks, with Russia ranking fifth with 262,605,000 marks (7.9%) after Great Britain (20.8%), the United States (10.7%), Austria-Hungary (10.4%), and the Netherlands (8%).²⁵⁷

In 1891, Russian exports from Germany amounted to 103.07 million rubles, while imports into that country reached 191.53 million rubles. In 1892, these figures were 101.48 and 136.26 million rubles, respectively, and in 1893 they were 100.92 and 131.23 million rubles.²⁵⁸ Russia ranked first in the import of bread into Germany. In 1891, 515,212 tons of wheat and 618,985 tons of rye were

²⁵³ Жерве Б. Германия и ее морская сила. // Морской сборник. 1914. №9. С. 115.

²⁵⁴ Statistisches Jahrbuch für das Deutsche Reich. 1891. S. 35.

²⁵⁵ Мемуары князя Голенлоэ. М., 1907. С. 237.

²⁵⁶ Statistisches Jahrbuch für das Deutsche Reich. 1892. Berlin., 1892. S. 65.

²⁵⁷ Statistisches Jahrbuch für das Deutsche Reich. 1893. Berlin., 1893. S. 65.

²⁵⁸ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. VI.

imported, while the United States lagged far behind with 143,539 tons of wheat and 64,327 tons of rye, and Austria-Hungary with 75,158 tons of wheat and 18,927 tons of rye.²⁵⁹ In 1893, 48% of the total value of Russian exports—404 million puds for 296 million rubles—consisted of bread, with wheat accounting for 38.7% of that amount.²⁶⁰

Germany firmly occupied the second place in Russian exports after England. Trailing far behind Germany were France, the Netherlands, Austria-Hungary, and Italy.²⁶¹ The German government decided to protect its trading interests, and Russia responded in kind. On July 1 (13), 1891, a new customs protective tariff was introduced, designed “on the one hand, to shield domestic trade from the excessive influx of such foreign goods, the production of which is a significant objective for our factory and mill activities, and on the other, to facilitate access to the Empire for those items for which the previous tariff rates were judged not to justify their incentivizing effect.”²⁶²

The tariff of 1868 permitted duty-free importation of iron ore, but the new 1891 tariff imposed a charge of 10.5 kopecks per pud. Whereas in 1868 a pud of pig iron was taxed at 5 kopecks, by 1891 it was taxed at between 45 and 52.5 kopecks; a locomotive cost 75 kopecks per pud in 1868, but 3 rubles in 1891.²⁶³ In 1876, duty-free importation of rails was prohibited,²⁶⁴ and in 1891 the duty on a pud of rails was raised from 1 ruble to 2 rubles 55 kopecks.²⁶⁵ The results of this protectionist policy were quite favorable. From 1880 to 1893, Russia’s production of pig iron increased nearly 2.5 times, iron production by 70%, steel by 106%, and hard coal extraction by 2.3 times.²⁶⁶ In November 1891, Petersburg proposed to Berlin mutual concessions on customs matters, but Berlin refused.²⁶⁷ This proved to be the most inopportune moment for conflicts in trade with its neighbors. The official history of the Ministry of Finance noted, “Russia has not experienced a worse time in a long while.”²⁶⁸

In 1892, the external trade indicators deteriorated sharply. Exports from Russia through the European borders amounted to 399,639,497 rubles (and 489,409,718 rubles for the entire Empire), while imports through the European borders reached 346,475,284 rubles (406,879,940 rubles for the whole Empire).²⁶⁹ Thus, the total turnover along Russia’s European border shrank to 746.1 million rubles, with 279.5 million from the Baltic, 204.2 million from the Black and Azov Seas, and

²⁵⁹ Statistisches Jahrbuch für das Deutsche Reich. 1892. Berlin., 1892. S. 87.

²⁶⁰ Там же. С. IX.

²⁶¹ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. V.

²⁶² Всеподданнейший отчет государственного контролера за 1892 год. С. 64.

²⁶³ Покровский С.А. Внешняя торговля и внешняя торговая политика России. С. 274.

²⁶⁴ Соболев М.Н. Таможенная политика России... С. 338.

²⁶⁵ Покровский С.А. Внешняя торговля и внешняя торговая политика России. С. 274.

²⁶⁶ Обзор деятельности Министерства финансов в царствование императора Александра III. С. 492.

²⁶⁷ Витчевский В. Торговля, таможенная и промышленная политика... С. 141.

²⁶⁸ Министерство финансов. 1802-1902. СПб., 1902. Ч.2. С. 311.

²⁶⁹ Б. Распределение ценности вывоза и ввоза во внешней торговле товарами, - по главнейшим иностранным государствам (в рублях). // Обзор внешней торговли России по европейской и азиатской границам за 1892 год. СПб., 1893. (страницы не нумерованы)

255.4 million from overland borders.²⁷⁰ Revenues to the Russian treasury from customs duties in 1892 totaled 82.2 million rubles (of which duties on imported tea were 24,458,770 rubles, on cotton – 11,507,694 rubles, on alcoholic beverages – 3,417,166 rubles, and on hard coal – only 1,049,443 rubles).²⁷¹

In 1892, trade volumes with the main partners also declined, although their leading positions were maintained. In terms of export value, Germany still occupied first place (136,263,658 rubles), followed by Great Britain (109,278,502 rubles); France (29,412,182 rubles) and Italy (17,458,533 rubles) trailed far behind. On the import side, the rankings were held by Germany (101,476,244 rubles), Great Britain (94,976,103 rubles), the United States (25,730,787 rubles), and France (17,486,372 rubles).²⁷² The structure of Russian exports remained unchanged. Primarily, it consisted of raw and semi-processed materials (95,153,832 rubles exported to Germany and 50,959,664 rubles to Great Britain) as well as life supplies (26,953,831 rubles to Germany and 56,881,799 rubles to Great Britain).²⁷³ Similarly, there were no significant changes in the structure of imports. The volume of the main categories of German imports hardly changed (raw and semi-processed materials – 58,965,830 rubles; manufactured goods – 31,518,914 rubles), whereas British imports increased (raw and semi-processed materials – 62,880,076 rubles; manufactured goods – 22,093,653 rubles). Imports from France were also negligible in both key categories (raw and semi-processed materials – 7,657,271 rubles; manufactured goods – 4,921,160 rubles).²⁷⁴

9. 1893: The Year of Customs War between Russia and Germany

Negotiations between Berlin and Petersburg for a trade treaty began as early as 1891, but they proceeded without much success. From February 1, 1892, new rules for imports into Germany came into force, sharply complicating the situation for Russian importers. In the summer of 1892, Petersburg once again proposed negotiations and offered concessions on its part, but the Germans demanded much more. As a result, in 1893 a customs war broke out between Russia and Germany.²⁷⁵ Its onset coincided with a new global banking crisis that began in Australia and quickly spread to

²⁷⁰ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. III.

²⁷¹ Соболев М.Н. Таможенная политика России... СС. 792-793.

²⁷² Б. Распределение ценности вывоза и ввоза во внешней торговле товарами, - по главнейшим иностранным государствам (в рублях). // Обзор внешней торговли России по европейской и азиатской границам за 1892 год. СПб., 1893. (страницы не нумерованы)

²⁷³ Вывоз за-границу российских товаров. В. По отдельным государствам, куда товары вывезены, с показанием предмета вывоза – по отдельным наименованиям. // Обзор внешней торговли России по европейской и азиатской границам за 1892 год. СС. 3-4.

²⁷⁴ Привоз иностранных товаров из-за границы. В. По отдельным государствам, откуда товары привезены, с показанием предметов привоза по отдельным наименованиям. // Обзор внешней торговли России по европейской и азиатской границам за 1892 год. СС. 8; 11; 32.

²⁷⁵ Витчевский В. Торговля, таможенная и промышленная политика... СС. 141-142.

banks in the United States, Germany, Austria-Hungary, and Italy, leading to falling prices on the world market and a contraction in global trade volumes.²⁷⁶

On June 1, 1893, the Germans adopted a law on a dual tariff—allowing a selective reduction of duties by 30% of the general tariff on bread imported from Austria-Hungary, Italy, Belgium, and Switzerland. This meant an automatic increase in the price of Russian bread. Then, on July 16, 1893, a law was passed to raise tariffs on all Russian goods by 50%, which resulted in Russian bread prices rising by 114%.²⁷⁷ Russia's situation was further aggravated by the loss of its traditional market, which it could not compensate for because transportation costs sharply increased the price of bread.²⁷⁸

On August 30 (September 11), 1892, S. Yu. Witte was appointed as the head of the Ministry of Finance, and on January 1 (13), 1893, he assumed leadership of the financial department.²⁷⁹ Vyshnegradsky, who had been severely ill and forced to step down following a stroke in March 1892,²⁸⁰ had nominated Witte as his successor.²⁸¹ In response to German actions—and on the proposal of the new minister—a dual tariff was introduced against countries that had denied Russia most-favored-nation treatment. On June 1 (13), 1893, the Russian law on the dual tariff was adopted. The maximum tariff allowed for a percentage increase of the existing general tariff (by 15%, 20%, or 30%), while the minimum tariff was determined by agreements to reduce the current tariff.²⁸² From July 20 (August 1), 1893, the increased tariff was applied specifically to German goods.²⁸³ At Witte's insistence, the German side was forewarned of these changes. The minister hoped this would prompt Berlin to enter negotiations on customs policy. However, rather than negotiations, another phase of the customs war ensued.

On August 17, Germany extended the 50% tariff increase to goods imported from Finland, and from August 25 it banned the import of hay and straw from Russia.²⁸⁴ High import duties were maintained only on Russian agricultural products, which led to an artificial inflation of their prices on the German market and the gradual displacement of Russia from that market. In response, Russia extended its imperial customs regulations to the Grand Duchy of Finland—a market especially important to the agrarians of East Prussia—and increased the “lastage” on German merchant vessels

²⁷⁶ Conant Ch.A. A history of the modern banks of issue... PP. 524-526.

²⁷⁷ Соболев М.Н. История русско-германского торгового договора. СС. 67-68.

²⁷⁸ Там же. С. 73.

²⁷⁹ Министерство финансов. 1802-1902. СПб., 1902. Ч.2. С. 325.

²⁸⁰ Степанов В.Л. Министр финансов И.А. Вышнеградский и голод 1891-1892 гг. // Российская история. 2023. №5. С. 66.

²⁸¹ Степанов В.Л. Иван Алексеевич Вышнеградский. // Отечественная история. 1993. №4. С. 107.

²⁸² ПСЗ РИ. Собрание третье. СПб., 1897. Т.13. 1893. №9705. СС. 375-376.

²⁸³ Там же. 1893. №9861. С. 516.

²⁸⁴ Соболев М.Н. История русско-германского торгового договора. СС. 71-72.

in Russian ports twentyfold, from 5 kopecks to 1 ruble, with a gold coin of 20 marks²⁸⁵ being accepted at a rate of 6 rubles 16 kopecks.²⁸⁶

In 1893, the turnover along the Empire's European border amounted to 915.5 million rubles – with 319.5 million through Baltic ports, 288.8 million via the Black and Azov Sea ports, and 299.8 million from overland trade.²⁸⁷ In 1892, in the White Sea ports the British trading flag consistently held first place with 143 ships (53,826 lasts), followed by 50 German ships (12,936 lasts) and 212 Russian vessels (9,016 lasts).²⁸⁸ In the Baltic, the British also ranked first with 1,253 ships (545,368 lasts), followed by 981 German ships (239,300 lasts) in second place and 691 Russian merchant vessels (118,117 lasts) in third; that year, 9 French merchant ships (993 lasts) also arrived in the Baltic.²⁸⁹ In cargo transportation in the Black and Azov Seas, the British continued to dominate with 1,309 ships (838,768 lasts), followed by 354 Russian ships (169,762 lasts), 579 Greek ships (129,261 lasts), 119 French ships (75,640 lasts), 120 Italian ships (48,627 lasts), and only 58 German ships (30,199 lasts).²⁹⁰

Despite the increased “last fee” imposed on German vessels, the overall structure of commercial shipping remained largely unchanged: the British merchant fleet maintained its leading position. However, the volume of cargo carried by the British rose sharply in both the Baltic and White Sea regions, and although German cargo volumes also increased, their growth was less pronounced. In 1893, the White Sea ports saw 158 British ships (112,460 lasts), 66 German ships (37,250 lasts), and 210 Russian ships (19,464 lasts) arriving and departing.²⁹¹ In the Baltic ports, there were 1,512 British ships (1,297,664 lasts), 732 German ships (368,624 lasts), 672 Russian ships (239,270 lasts), and only 15 French ships (6,948 lasts).²⁹² In the traditionally secondary sector for Germany – the ports of the Black and Azov Seas – German merchant shipping figures actually declined. Here, the British maintained a decisive lead by significantly increasing their cargo volumes: a total of 1,465 British merchant ships carried 1,998,352 lasts; the Greeks improved their position to second place with 657 ships (322,152 lasts); Russian-flagged vessels came next with 256 ships (283,922 lasts); Italians with

²⁸⁵ Витчевский В. Торговля, таможенная и промышленная политика... СС. 142-143.

²⁸⁶ Приложение 1. Ведомость иностранным золотым монетам, допускаемым к приему в оплату таможенных пошлин. // Ежегодник Министерства иностранных дел 1894. СПб., 1894. С. 187.

²⁸⁷ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. III.

²⁸⁸ VI. Движение торговых судов в заграничном плавании. // Обзор внешней торговли России по европейской и азиатской границам за 1892 год. С. 6.

²⁸⁹ Там же. С. 27.

²⁹⁰ Там же. СС. 67-70.

²⁹¹ VI. Движение торговых судов в заграничном плавании. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. СС. 5-6.

²⁹² Там же. СС. 25; 27-28.

204 ships (205,410 lasts); the French with 61 ships (77,742 lasts); and finally the Germans, with only 17 ships (18,492 lasts).²⁹³

Customs revenues in 1893 rose to 165.9 million rubles. This significant increase was due exclusively to the high duties imposed on imported foreign industrial products. That year, imports through the European border amounted to 421,956,000 rubles, while exports reached 594,688,000 rubles²⁹⁴ – with the European border accounting for 85% of the Empire's total external trade turnover.²⁹⁵ Meanwhile, German imports into Russia dropped sharply, whereas imports from England increased. Ultimately, the customs war proved to be more painful for Germany than for Russia.²⁹⁶

In Russia's foreign trade, Great Britain once again claimed first place in both exports and imports. Goods exported to Great Britain were valued at 143,433,810 rubles, while exports to Germany amounted to 131,224,897 rubles. Allied France ranked third, having acquired Russian goods worth 62,230,932 rubles. On the import side, Great Britain led with 111,311,322 rubles, followed by Germany with 100,919,530 rubles and the United States with 31,471,600 rubles, whereas France's figures remained modest at 27,403,651 rubles.²⁹⁷

The structure of Russian imports and exports remained unchanged. Exports were dominated by raw and semi-processed materials, followed by life supplies. Exports to Great Britain—comprising 83,618,339 rubles worth of life supplies and 52,755,649 rubles in raw and semi-processed materials²⁹⁸—increased by roughly the same amount by which exports to Germany decreased (35,825,318 rubles in life supplies and 82,609,754 rubles in raw and semi-processed materials²⁹⁹). Meanwhile, British and German imports, in the main, hardly changed, although German imports declined by just under 900,000 rubles in manufactured goods and by just over 1.1 million rubles in raw materials—a loss that was relatively minor. Specifically, imports from Germany included raw and semi-processed materials worth 57,827,501 rubles and manufactured goods worth 30,641,198

²⁹³ Там же. СС. 49-52.

²⁹⁴ Всеподданнейший отчет государственного контролера за 1893 год. СПб., 1894. СС. 63-64.

²⁹⁵ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. VII.

²⁹⁶ Соболев М.Н. История русско-германского торгового договора. СС. 73-75.

²⁹⁷ Б. - Распределение ценности вывоза и ввоза по внешней торговле товарами по главнейшим иностранным государствам. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. (страницы не нумерованы)

²⁹⁸ Вывоз за границу российских товаров. В. – По отдельным государствам, куда товары вывезены, с показанием предмета вывоза – по отдельным наименованиям. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. 2.

²⁹⁹ Там же. С. 4.

rubles,³⁰⁰ while imports from Great Britain amounted to 73,956,507 rubles in raw and semi-processed materials and 24,254,451 rubles in manufactured goods.³⁰¹

In Lieu of Conclusion

The customs war and the creation of a bloc comprising Germany, Austria-Hungary, Italy, Serbia, and Romania plunged Russia into a state of far-from-glorious isolation. On July 16, 1893, Germany notified Russia of its agreement to convene a conference on the disputed issues on November 1, 1893—but work began earlier, already on October 3, 1893. Russia, however, was not prepared to make concessions.³⁰² The negotiations took place against the backdrop of a visit by the Russian squadron under Rear Admiral F.K. Avelan to Toulon, which coincided with endless festivities in France.³⁰³ This visit was a reciprocal response to the French squadron under Rear Admiral A. Jervé visiting Kronstadt in July 1891.³⁰⁴ The contours of a secret Russian–French alliance were becoming quite evident. Wilhelm II declared, “I have not the slightest desire to go to war with Russia for a hundred mad midshipmen.”³⁰⁵ The deterioration of German–British trade relations also played a significant role in facilitating a sensible resolution of Russo–German disputes.

From 1893, after the end of the industrial depression, trade relations steadily developed—but with a clear advantage for Germany. In 1895, Germany’s imports into the British Empire amounted to 881.8 million marks, while its exports were only 776 million marks. To counter exports, on May 2, 1894, the British Parliament passed the “Vincent Bill”: from that point on, all goods imported into England had to bear the mark of the country of origin. Hopes that the “Made in Germany” label would deter British buyers proved unfounded; in fact, the label functioned as advertising. Nevertheless, relations between the countries deteriorated—during 1894–1895, the British press waged a war against German industry, accusing Germany of dumping, of using prison labor in production, and so on.³⁰⁶

On January 1 (13), 1894, after lengthy discussions during the Russo-German negotiations, a list of proposals regarding the Russian tariff was adopted,³⁰⁷ and as a result, on January 29 (February 10),

³⁰⁰ Привоз из-за границы иностранных товаров. В. – По отдельным государствам, откуда товары привезены, с показанием главнейших предметов привоза. // Обзор внешней торговли России по европейской и азиатской границам за 1893 год. С. 11.

³⁰¹ Там же. С. 7.

³⁰² Соболев М.Н. История русско-германского торгового договора. С. 77.

³⁰³ Отчет по Морскому ведомству за 1890-1893 года. СПб., 1895. С. 35.

³⁰⁴ Там же. С. 25.

³⁰⁵ Тэйлор А. Дж. П. Борьба за господство в Европе 1848-1918. М., 1958. С. 363.

³⁰⁶ Ерусалимский А.С. Внешняя политика и дипломатия германского империализма в конце XIX века. М., 1951. СС. 31-32; 284

³⁰⁷ Соболев М.Н. История русско-германского торгового договора. С. 78.

1894, a Russo-German trade treaty was concluded in Berlin for a period of ten years. It was ratified by Alexander III on March 5 (17).³⁰⁸

Russia renounced its autonomous customs tariff and reduced duties on German industrial goods by 18–65% compared to the 1891 tariff.³⁰⁹ Out of 218 items in the Russian tariff, 14 rates were reduced by 10%, 59 by 11–20%, 20 by 21–30%, 13 by 31–40%, 18 by 41–59%, and 7 by more than 50%.³¹⁰

In turn, Germany extended to Russia the preferential tariff established in 1891 in its trade treaties with certain countries, which meant a reduction in rates by 15–33% compared to the normal tariff.³¹¹ The Germans lowered tariffs on wheat, rye, and oats by 30%, and on barley by 11%. Preferential conditions were also introduced for the importation of Russian kerosene.³¹² Moreover, the treaty extended the principle of most-favored-nation treatment to both sides.³¹³

Both parties made concessions, but the Russian government considered its primary objective achieved.³¹⁴ A brief review of Russo-German trade relations and customs disputes was published in the Government Gazette.³¹⁵ It concluded with the statement: “But the treaty, by ensuring equal rights for our agriculture in the international market, provides it with the opportunity, when competing with other countries on an equal footing, to take advantage of the favorable conditions of our agricultural production and to weather the current difficult situation with fewer constraints. In view of all the foregoing, the State Council recognized that the conclusion of the discussed trade treaty between Russia and Germany, being a new guarantee of European peace and highly desirable from a political standpoint, is equally beneficial on economic grounds since, without hindering the development of domestic manufacturing, it will undoubtedly serve the interests of agriculture—the foremost sector of our labor.”³¹⁶

The Moscow Stock Exchange immediately expressed its “profound gratitude” to the Ministry of Finance, the Saratov Stock Exchange its “deepest gratitude,” and the Saratov City Duma even its “sincere gratitude.”³¹⁷ Nevertheless, as is often the case, the compromise provoked dissatisfaction in both countries. Public opinion in both Germany and Russia was quite agitated by the fact that each

³⁰⁸ ПСЗ РИ. Собрание третье. СПб., 1898. Т.14. 1894. №10409. СС. 99-104.

³⁰⁹ Ламздорф В.Н. Дневник 1894-1896. М., 1991. С. 411.

³¹⁰ Соболев М.Н. История русско-германского торгового договора. С. 79-89.

³¹¹ Ламздорф В.Н. Дневник 1894-1896. М., 1991. С. 411.

³¹² Соболев М.Н. История русско-германского торгового договора. СС. 90; 93-94.

³¹³ Ламздорф В.Н. Дневник 1894-1896. М., 1991. С. 411.

³¹⁴ Министерство финансов. 1802-1902. СПб., 1902. Ч.2. С. 233.

³¹⁵ Действия правительства. // Правительственный вестник. 23 марта (4 апреля) 1894 г. №64. СС. 1-2.

³¹⁶ Там же. С. 2.

³¹⁷ Телеграммы, полученные министерством финансов, по поводу заключения договора о торговле и мореплавании между Россией и Германиею. // Там же. С. 2.

side's concessions exceeded those of its partner.³¹⁸ Overall, however, the commercial and industrial circles welcomed the agreement, while the rural proprietors criticized it.³¹⁹

The abundant harvests of 1893 and 1894 improved Russia's economic situation, even though international grain prices continued to fall.³²⁰ The 1893 harvest was gigantic. A total of 630 million puds of bread were sold abroad, and to export this mass of grain, 1,050,000 wagons were required—which, if lined up simultaneously, would stretch 7,800 versts (approximately 8,321 km).³²¹ Customs revenues were expected to reach 131,511,000 rubles in 1894, but in reality, 186,333,000 rubles were collected. While the average growth in customs receipts for the period 1889–1893 was 17.49%, in 1894 it reached 41.69%.³²² At the same time, the volume of imports (514.6 million rubles) and exports (664.226 million rubles) via the European border increased significantly.³²³ England became the principal consumer of Russian wheat—with 60.4 million puds (29.5%)—followed by France with 33.6 million puds (16.4%) and Italy with 30.4 million puds (14.8%). Wheat imports into Germany amounted to only 8.6 million puds (4.2%). Meanwhile, regarding rye exports from Russia, Germany firmly occupied first place with 23.7 million puds compared to 19 million puds for England. Also noteworthy are the substantial export figures to the Netherlands—19.4 million puds of wheat and 15.3 million puds of rye.³²⁴ These figures are expected to grow further, which explains the significant discrepancies between the Russian data (172.4 million rubles for 1894–1897 and 179.4 million rubles in 1898) and the German data (133.3 million rubles for 1894–1897 and 203.9 million rubles in 1898) on the volume of Russian bread imports into Germany. In St. Petersburg, Russian bread entering Germany via Belgium and the Netherlands was not counted, whereas it was included in German statistics.³²⁵

The nature of trade between Germany and Russia, as well as that of Russian imports, did not undergo significant changes. Nearly half of the 1894 imports (275.8 million rubles, or 49.3%) came from Germany (143 million rubles, or 25.55%) and Great Britain (132.8 million rubles, or 23.4%). Thus, the Germans once again reclaimed first place.³²⁶

Regarding the import of machinery and spare parts (excluding agricultural machinery), Great Britain and Germany held the leading positions—accounting for 38.3% and 40.1% of the total

³¹⁸ Витчевский В. Торговля, таможенная и промышленная политика... СС. 154-155.

³¹⁹ Соболев М.Н. История русско-германского торгового договора. СС. 98-100.

³²⁰ Всеподданнейший отчет государственного контролера за 1894 год. СПб., 1895. СС. 50-51.

³²¹ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1894 год. С. XX.

³²² Там же. С. III.

³²³ Всеподданнейший отчет государственного контролера за 1894 год. СС. 61-62.

³²⁴ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1894 год. С. XXXV.

³²⁵ Витчевский В. Торговля, таможенная и промышленная политика... С. 312.

³²⁶ Введение. // Обзор внешней торговли России по европейской и азиатской границам за 1894 год. С. XLVII.

imports, respectively.³²⁷ The primary task of the Ministry of Finance—to maintain a positive balance in external trade—was achieved, although the figures declined: during 1889–1893, the average surplus amounted to 225,321 credit rubles (or 154,473 gold rubles), whereas in 1894 it fell to 109,181 credit rubles (or 73,206 gold rubles).³²⁸ Meanwhile, positive net figures in the inflow of silver and gold were maintained.³²⁹

³²⁷ Там же. С. XLIX.

³²⁸ Там же. С. L.

³²⁹ Там же. С. LI.