



Reformer of the Railways and of the Country



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Levin D. Yu. S. Yu. Witte – railwayman, an outstanding statesman [S. Yu. Witte – zheleznodorozhnik, vydayushchiisya gosudarstvenniy deyatel']. Moscow, Railway training and methodological centre, 2020, 376 p. ISBN 978-5-907206-02-1.

Books about the «outstanding railway man No. 1» are published quite often, especially since 2019 that marked his 170th birthday. The personality of Sergey Yulievich Witte has always attracted connoisseurs and lovers of Russian history. Dmitry Levin's new

book «S. Yu. Witte – railwayman, an outstanding statesman» [S. Yu. Witte – zheleznodorozhnik, vydayushchiisya gosudarstvenniy deyatel'] is about him, a reformer who began his career on the railway. The author of the first Charter of Railways, the creator of the theory of tariffs, the initiator of the reform of construction and operation of railways, the acting head of construction of the Trans-Siberian Railway, who became a politician, statesman, diplomat, financier – this is a small part of what Witte had managed to do for the country.

Keywords: S. Yu. Witte, railway, tariff theory, Charter of Railways, Great Siberian Route.

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The preface to the book notes that Witte left a bright mark on the history of the country and the life of Russian society. Assessing the scale of the personality, one should speak of him as a major statesman of Russia, a person of outstanding intelligence, will and energy, an organizer who contributed to the rise of productive forces in the difficult transition period of post-reform Russia, the evolution of the socio-economic system of society. S. Yu. Witte proposed and successfully implemented his views on overcoming backwardness, modernizing Russia on the rails of a market economy with the state as a locomotive.

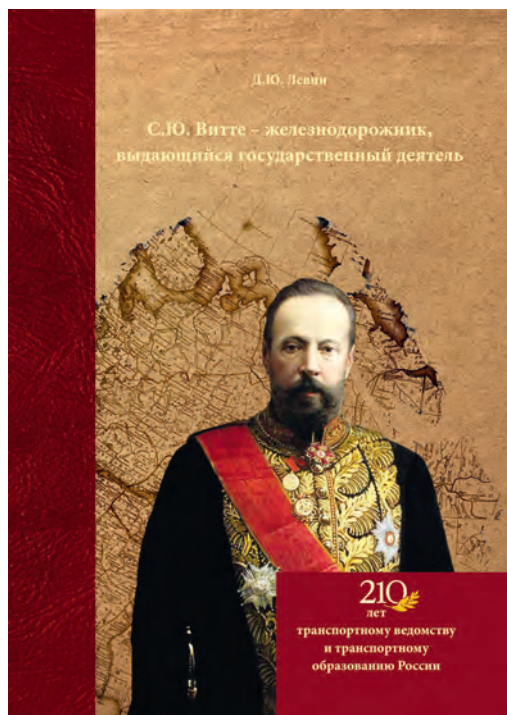
S. Yu. Witte was born on June 17, 1849 in Tiflis in a noble family. After graduating from high school, he entered the physics and mathematics faculty of Odessa branch of Novorossiysk University. After graduation, S. Yu. Witte wanted to stay at the university and become a professor. But under the influence of his mother and uncle, the Minister of Railways, Count V. A. Bobrinsky persuaded young Witte to make a career on the railway.

Starting from the position of a cashier, continuing as a clerk, ticket collector, traffic inspector and station chief, S. Yu. Witte quickly rose through the ranks and was appointed head of the traffic office of Odessa railway.

At that time, construction and development of railway transport began, the Odessa railway consisted of several sections from Odessa to Balta. To complete the picture, the author of the book, based on his work «Development of Russian Railways in 19th Century», showed further development of Odessa and South-Western Railways, on which S. Yu. Witte later worked.

As the head of Odessa railway, Witte showed extraordinary creativity, proposing a new system of driving steam locomotives by drivers, increasing the size of train traffic with a shortage of capacity, solving the problem of transporting the wounded during the Russian-Turkish war.

After the end of the war in 1878, Odessa railway was merged with several other railways and the Society of South-Western Railways was formed. S. Yu. Witte got the position of



the head of the operational department of the South-Western Railways. On February 16, 1880, S. Yu. Witte was appointed head of the operation service for the South-Western Railways, and later – the manager of those railways.

The main task of the young boss was to increase operating income. He solved this problem from 1881 to 1885. The Company's net income from operation of its roads increased from 4 million 300 thousand rubles up to 13 million 600 thousand rubles, or more than three times.

This result was achieved by a flexible tariff policy. Summarizing the results of his activities, S. Yu. Witte wrote the book «*Principles of Railway Tariffs for the Carriage of Goods*», published in 1884 in Kiev and republished in Paris in 1910.

Taking part in the imperially established Commission for the Study of Railway Business in Russia, chaired by Count E. T. Baranov, S. Yu. Witte developed a draft Charter of Russian Railways, which was approved by the State Council and on June 12, 1885, approved by the emperor.

On March 8, 1889, after the approval of Alexander III, the tariff legislation was concentrated in the new Department of





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Railway Affairs of the Ministry of Finance, and on March 10, after being promoted to acting state councilors, S. Yu. Witte was appointed director of the department.

On February 15, 1892 S. Yu. Witte was appointed manager of the Ministry of Railways. In this post, he showed remarkable talent. A firm idea was established about the state importance of railways, in accordance with which the possibility of building and operating railways by private companies was excluded. The purchase of railways from the hands of private companies and construction of railways by the treasury followed.

On August 30, 1892, S. Yu. Witte was appointed manager of the Ministry of Finance, and from January 1, 1893, he became a full-fledged minister of finance. Thanks to the energy of S. Yu. Witte, construction of the Great Siberian Railway began. First, he proposed to form a special committee to legislatively decide on management of construction of the railway under the chairmanship of the heir-crown prince (the future Emperor Nickolay II), and then ensured the allocation of the necessary

finances. S. Yu. Witte constantly coordinated and supervised construction of the railway, initiated organization of resettlement to Siberia. From 1897 to 1914, the population of Siberia increased from 4,6 to 7,6 million people, the population of the Far East — from 0,9 to 1,6 million people. The construction of the railway was completed in 1915.

Thanks to the Minister of Finance S. Yu. Witte, in 1894, the first trade agreement with Germany, which was beneficial for Russia, was concluded, which covered trade, economic and political interests and put an end to the customs war. This was a great personal victory for the finance minister.

Introduction of a state-owned wine monopoly is of particular interest. The alcohol reform carried out by S. Yu. Witte was the first to introduce an excise system that did not allow sale of vodka to anyone except the state. The budget has increased by almost 30 %. During the anti-alcohol campaign, S. Yu. Witte visited many provinces on inspection trips.

S. Yu. Witte persistently fought for implementation of the gold reform. At the beginning of the monetary reform, he substantiated his position: «*The tremendous value of the gold currency lies, first, in what is the golden bridge thrown from rich countries to poor ones. It accelerates the way out of poverty, while with paper currency it slows down*». In 1894, a monetary reform was carried out, which introduced the gold currency. For the first time, the Russian ruble became convertible.

S. Yu. Witte's activities went far beyond the traditional framework of the Ministry of Finance. He invaded many areas, including foreign policy. From the first years of his tenure as a ministerial, he showed himself as a geopolitician who sought to strengthen and expand Russia's position as a great power.

His diplomatic career began with a brilliant success in Berlin in 1894 with signing of a trade agreement and ended with a brilliant success in Paris in 1906, the year of a billion-dollar loan.

In September 1902 S. Yu. Witte traveled to the Far East, was in Port Arthur, Vladivostok and Dal'niy (now Dalian), got acquainted with the situation on the far outskirts. Upon his return, S. Yu. Witte drew up a report in

which he insisted on the withdrawal of our troops from Manchuria and the need for an agreement with Japan.

On August 16, 1903, by decree of Nikolay II, S. Yu. Witte was relieved of his post as Minister of Finance and appointed Chairman of the Committee of Ministers. During S. Yu. Witte's management of the Ministry of Finance, the country's budget was significantly strengthened, revenues constantly exceeded expenses, for which he was constantly criticized. He believed that with the country's huge debt, it was necessary to keep several hundred million rubles, which under unfavorable circumstances, including crop failures, could stop the decline of Russian funds. When S. Yu. Witte left the Ministry of Finance, he left free cash in the amount of 380 million rubbles, which made it possible for the Russian Empire to live without loans for several months after the start of the Japanese War.

After the defeat in the Japanese War, the question arose of appointing a chief commissioner for conducting peace negotiations. The then Minister of Foreign Affairs V. N. Lamsdorf and other applicants refused to negotiate. Then Nikolay II proposed this mission to S. Yu. Witte. The negotiations and the Portsmouth Peace Treaty, concluded in a tense struggle on terms favourable to Russia, became a diplomatic triumph for S. Yu. Witte. He has earned himself authority on the world stage.

Returning from Portsmouth to Petersburg in September 1905, S. Yu. Witte witnessed the growing wave of revolution. He thought a lot and analysed the causes of the revolution. He considered the unresolved peasant issue to be the main cause of strikes and riots.

After a report to His Majesty, Count S. Yu. Witte prepared a draft manifesto; on October 17, the tsar issued this imperial manifesto «On improvement of state order», which made a deafening impression on Russian society. The principles proclaimed by the manifesto broke the age-old way of life and abolished one of the foundations of Russian statehood – unlimited autocracy. Immediately after the announcement of the manifesto on October 17, a wave of counter-revolutionary actions swept across Russia.

On October 20, 1905, Count S. Yu. Witte was appointed chairman of the Council of Ministers. Because of fear of the elements of revolution, many of the candidates he proposed to fill positions in the government refused. The formation of the government dragged on until the end of October.

By order of S. Yu. Witte, telegrams were sent to the administrations of the striking factories, the telegrams contained an appeal to the workers to stop listening to those who were clearly leading to ruin and hunger. On November 5, the Workers' Council decided to end the strikes. The chairman of the Council, G. S. Nosar, and then the entire council were arrested. On November 7, the strikes stopped, and the Emperor wrote to S. Yu. Witte: *«I am glad that the senseless strike is over, this is a great moral success for the government»*.

At first, after October 17, 1905, Nikolay II listened to the opinion of S. Yu. Witte, but as the fear of a sudden revolution began to pass, the sovereign ceased to reckon with the opinion of S. Yu. Witte, began to act apart from him, and even in a secret way. S. Yu. Witte did not want to remain the semi-nominal head of the government.

On April 16, 1906, S. Yu. Witte was dismissed with all the due honours. After his resignation, he continued to be Secretary of State and a member of the State Council. He devoted most of his time to literary works.

Count S. Yu. Witte is a complex and contradictory figure, which is largely due to the peculiarities of his time. He inscribed his name into the history of the country and will forever remain in it. He will remain as a man of decisive will and an outstanding organizer, as one of the largest politicians who contributed to the rise of the productive forces of Russia, development of the railway business and improvement of the monetary system, as a bright representative of the Russian school of economic thought.

The book by Dmitry Levin «S. Yu. Witte – railwayman, an outstanding statesman» [*S. Yu. Witte – zheleznodorozhnik, vydayushchiysya gosudarstvenniy deyatel*] is intended for the attention of a wide range of readers, will be interesting to everyone who is interested in Russian history, personality in history, the history of railways.

