Witte's reforms

- **Witte**
  - Ideas
    - Modern, liberal, looking westwards
    - Believes in capitalism, foreign loans and the power of railways and industry
  - Background
    - Married a divorced Jewish woman
  - Position
    - **1892 - 1903** — **Minister of finance**
    - **1905** — Briefly recalled
      - Needed to borrow money from France
      - Immediately dismissed
  - Weaknesses
    - Looked on with suspicion and **disliked** by
      - Wealthy elite
      - Courtiers
      - Ministers
      - Because he was too progressive
- **What did he do?**
  - Brought in **engineers** and **managers** from the West
  - Massive **foreign loans** from the West
    - **High interest**
    - Germany, France...
  - Links rouble to **gold standard**
    - Keep currency high and stable
  - Government uses revenue for industrialisation and railway
    - Foreign loans
    - High tariffs
    - **Increased taxes**
- **What went well**
  - Improved railway
    - Length of railways almost doubled during his term
    - Trans-Siberian railway
      - Joining up markets and regions with raw materials
  - Improved industry and productivity
    - Coal production more than tripled
    - Russia became
      - 4th largest producer of steel
      - 2nd largest producer of petroleum
  - Invested in education
    - Small rise in literacy
- **What went wrong**
  - Increased taxes hit the peasants hard
    - Regressive tax system
      - Indirect on necessities and food
  - More spent on paying back loans interest
    - Twice as much spent on paying back loans compared to education
  - Witte was fired
    - His policies were long-term
      - No benefits seen

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