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A. G. Kholliev
National University of Uzbekistan, azizbekholliev@gmail.com

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THE FOREIGN TRADE OF RUSSIA IN THE END OF XIX - THE BEGINNING OF XX CENTURIES.

Kholliev Azizbek Guzalovich
PhD. Docent History faculty,
National University of Uzbekistan
E-mail: azizbekholliev@gmail.com

Annotation: The main directions of development of the foreign trade connections of Russia in the end of XIX - the beginning of XX centuries are considered in given article from the historical point of view.

Keywords: Trade, economic relations, Russia, export, import, the external economic policy, trade turnover, the world market, balance

INTRODUCTION: The historical development of Russia's economic connections with foreign countries is closely related in its content and method to economic theory.
Historical study of foreign economic activity, and in particular foreign trade policy, grows out of the specific practical needs of modern society, and must respond to these requests.

The history of foreign economic relations is considered in its main aspects. This, in the first place, is related to the evolution of foreign trade relations.

During the centuries-old history, the complex and controversial nature of the interaction of the processes of world and Russian trade development is traced, when periods of mutual cooperation are replaced by eras of intense competition. This, in turn, determines the main objectives and goals of studying the history of foreign trade relations of Russia.

The Russian economy is almost unchanged throughout the XIX century. by its nature, it could seek to exceed exports over imports by stimulating the export of agricultural products, timber and raw materials in order to finance the import of industrial goods. The system of these trade relations has a long history, during which the range of foreign trade turnover changed, but not its meaning. [1]

Russia in the post-reform period was not only an active participant in the European and world market, but was also a leader in selected exports.

LITERATURE REVIEW: Features of the economic development of Russia in the end of XIX - the beginning of XX centuries was the subject of constant discussion in historiography. The issues of development of foreign trade relations are reflected in the studies of historians and economists of various historical periods. Such authors include such researchers as: I.K.Babst, B.F.Brandt, I.V. Vernadsky, D.I. Mendeleev, P.B.Struve, V.Vitchevsky, I.M.Kulisher, A.I.Chuprov, A.I.Nikitsky, Yu.V.Gote, N.H.Bunge, M.N.Sobolev, N.P.Ionichev, B.C.Dyakin, Y.F.Subbotin, A.V.Ignatiev, S.A.Pokrovsky, T.M.Kitanin and others.

At the end of the 1850s, the problem of choosing ways of developing the Russian economy between the principles of free trade and the need for government
intervention caused a wide discussion in scientific literature and journalism, in which economists, public and state figures participated these publications laid the foundation for further research, both the theoretical foundations of the country's trade and customs policy, and the study of the development of relations with Russia's trading partners.

The works of scientists of the end nineteenth and the beginning of twentieth centuries were aimed at substantiating their own scientific positions. At the same time, it was they who initiated the study of the history and practice of foreign economic relations of Russia and its foreign trade.

The status and development of historical and economic science, in turn, was determined by the peculiarities of the economic stages that Russia underwent after 1917. At each of the stages, the focus of the researchers was on its main problem, closely related to the need to solve specific political tasks, resulting in the formation of views and concepts, largely due to these features.

Since the 90s of the XX century, the attention of scientists has shifted to a more in-depth and comprehensive study of issues, directly related to solving specific economic problems.

At the same time, the problem of actually studying the role of Russia’s foreign trade relations remains at the center of scientific research. How did international trade develop with the participation of Russia? This and similar questions of the history of Russia’s foreign economic relations remain relevant for historical and economic science.

**RESEARCH METHODOLOGY:** The study of the development of foreign trade relations of Russia in the end of XIX – the beginning of XX centuries should be carried out on the basis of certain approaches.

Consideration of the history of foreign trade relations should be based in the relationship of the main aspects of the evolution of the country's foreign economic
activity as a whole and taking into account the conditions of a specific historical period.

In our opinion, the dynamics of foreign economic relations, including foreign trade, the complex mechanism of the formation and development of their leading forms, weave them at different stages. The specifics of the evolution of foreign trade can be studied and understood only in historical sequence and continuity.

The historical experience of the development of foreign trade relations of Russia is a part of the world economic experience. The study of Russia's foreign trade relations with should not be limited only the accumulation of historical facts, turn into a simple description of events. It should be consider that in the historical and economic literature many often the fundamental questions of Russian foreign economic history are debatable.

**ANALYSES AND RESULTS:** Russia's economic development gave rise to economic difficulties and contradictions, in overcoming which an important place was given to foreign trade. Especially great was its role in solving the problem of the balance of payments.

Tight balance of payments of Russia, developing their own industry to a large extent at the expense of foreign investment, had to be offset by the active balance of foreign trade operations.

It was possible to achieve this in two ways: full expansion of exports and protection of the domestic market from the competition of foreign goods.

With the dynamic development of the Russian economy, above all industry, many countries of the world maintained intensive economic relations with it.

In the second half of XIX century, trade agreements were concluded on the principles of mutual favor with France - in 1857 and 1874, with England and Belgium - in 1858, Italy - in 1863, Switzerland - in 1872, Peru - in 1874, Spain - in 1876, China in 1858 and 1862, with Japan - in 1867 and etc.
With Germany, England, Austria (Austria-Hungary), Italy, France, trade relations were built on the basis of conventional tariffs. Seven states, including China, Persia, Turkey, had bilateral trade treaties with Russia.

Foreign trade was conducted mainly by sea. With the growth of the railway network, the volume of trade across the land borders also increased.

Russia after the reforms of the 60-70s of the XIX century remained an agrarian country, exported, with some exceptions, agricultural products and imported industrial goods.

The turnover of foreign trade from 1860 to 1890 increased by more than three times. The structure of exports remained traditional: agricultural products 75-80%, more than half of it was grain. [2]

It should be noted that the study of Russia’s trade policy is complicated the fact that before 1905 there was no special ministry for trade.

Those tasks were assigned to the Ministry of Finance. October 26, 1864 the Department of Commerce and Manufactures was established in the Ministry of Finance.

The department consisted of 4 offices. The third branch - Foreign Trade Relations - was in charge of communication with the consuls, foreign agents, dealt with issues of trade agreements, customs duties, business on the part of merchant shipping and shipbuilding.

In 1872, as an advisory institution under the Ministry of Finance, the Council of Commerce and Manufactures whose task was to represent the interests of Russian industry and commerce began to operate. [3]

In view of the fact that the Ministry of Finance in the end of XIX – the beginning of XX century had not only a great influence on the country's foreign economic policy, countries, and participated in the discussion of foreign policy issues, that was reflected in the mechanisms for making foreign trade decisions.
The intertwining of competencies of the Ministry of Foreign Affairs and the Ministry of Finance has often not only in solving private issues, but also in determining the overall foreign trade rate.

Statistics show that in the second half of the century due to the excess export of goods over the import there was a constant tendency to increase Russia’s income from foreign trade. By 1895, as compared with 1889, that income an average increased on 35 % per annum.

The development of Russian foreign trade was extremely uneven. Factors such as economic crises, the size of the harvest, the war, the protective nature of the customs policy of the government, increased competition etc. Russia's foreign trade sensitively responded to changes in the global economy. In the 60-70s, Russian imports outpaced exports. The rapid increase in volume of importation has been caused, first of all, enhanced purchases of transport and industrial equipment abroad.

In the 80s, imports declined. The export of goods from Russia was constantly increasing, especially rapidly after the second half of the 60s. In connection with this, the state of the overall balance of foreign trade also changed, which, since 1877, has been positive for Russia.

Russia traded with both European and Asian countries. The main share of its turnover was in European trade. The exclusive position in the foreign trade of Russia was occupied by England and Germany.

In terms of the value of exported goods, in the first place was bread, the second place belonged to wool, the third - to flax, then came the oilseeds, lard, hemp, and wood. As a result of the progress of the relevant Russian industries, the import of sugar, tobacco, butter, cotton fabrics and other goods has decreased.

A stable and highly profitable contribution of Russian industrial exports in the post-reform era is the export of oil and oil products from the Baku oil region to the world market.
Oil production here rose from 557 thousand poods in 1865 to 21.5 million in 1880 and to 489 million poods in 1898. [4]

Russia played an important role in the formation of the world grain market, occupied a dominant position among European countries-exporters of grain. During the period from 1866 to 1899, exports of bread grew more than second.

Russian wheat was imported into all Western European states, but England was the main consumer (a quarter of all exports). After Russia Germany, France, Italy, Holland, Greece etc.

Grain export statistics show that it actually grew faster than grain production. Between 1884 and 1904 grain exports increased by 3.5% per year, while the annual increase in grain production was 2.5%. [5]

The shift of the center for the production of marketable grain to the southern and southeastern regions in the 70-80s predetermined their transformation into the breadbasket not only in Russia, but also in Western Europe. If in the first half of the 19th century St. Petersburg was the main port for exporting grain, then in the post-reform period the role of the ports of the Black and Azov Seas increased significantly. Through them, the bulk of agricultural exports went to foreign markets.

The task of bringing out as much bread as possible to the external market in order to be able to make ends meet in the balance of payments becomes one of the main ones in the foreign trade policy of the tsarist government.

In the structure of Russian exports, manufactured goods accounted for only 3-4 percent, with most of them exported to the border countries of Asia.

The foreign trade policy of the Russian government at the beginning of the twentieth century was determined by two main reasons: the desire to create their own industry and fiscal considerations. Along with the trade surplus, customs duties served as an important source of repayment of overseas loans.
In the beginning of XX century, Russia imported mainly industrial goods, which in turn meant, that the demand for consumer goods gradually began to meet the dynamically developing Russian industry.

The structure of foreign trade on the eve of World War I reflected the agricultural character of the country's economy. Among the exported goods from Russia, as in previous years, the leading place was occupied by the products of agriculture. The first place in Russian exports remained firmly for bread. In addition to grain products, Russia on the eve of World War I exported eggs, oil, flax, leather, furs, and a large amount of wood (mostly in unprocessed form). Timber removal was in second place.

Among industrial goods, Russia continued to export cotton fabrics, metals, petroleum products, manganese ore, metal products, and glass abroad.

The growth of exports led to an increase in imports of industrial goods, which served as convincing evidence of Russia's economic growth and expansion of its foreign economic relations, and active participation in the global division of labor.

Industrial goods and some types of raw materials — machinery and equipment, metals (ferrous and non-ferrous), coal, chemical goods, cotton, raw silk, yarn, tea — prevailed among imported goods.

As the industry developed, the demand for imports of industrial goods declined, and before World War I, Russia's dependence on foreign countries remained mainly in the supply of machinery and equipment, chemical products and certain types of non-ferrous metallurgy products.

**CONCLUSION:** Foreign trade relations of Russia have a long history. They originated in the form of international trade in the era of the formation of statehood of Eastern Slavic tribes and went through several major and lengthy stages in their development, relevant historical milestones of the development of the Russian state and society.
In the second half of XIX century, external economic relations (trade, loans, investments) took a key place in the process of modernization of the Russian economy. A moderate "protective-prohibitive" customs policy was pursued.

As a result of the reforms of the 60-70s, Russia embarked on a long path of its historical development in the direction of creating an industrial market economy and breaking down the archaic social and state structure.

The dynamics of foreign trade relations depended on the development of the entire economy as a whole, determined by the role of industry and the improvement of the productive forces of society.

In the beginning of XX century, Russia's economic growth proceeded in the forms as the economy of the countries of Western Europe, the development of foreign trade relations was determined by the general laws inherent in the global economy. In turn, foreign trade activity had a great influence on the course of Russia's economic development.

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