Russian "Official Antisemitism" Reconsidered: Socio-Economic Aspects of Tsarist Jewish Policy, 1881–1905

DANIEL GUTWEIN

Summary: The respective Jewish policies of Tsarist ministers Witte and Plehve are re-examined through the perspective of their opposing socio-economic policies. The two ministers' rivalry over Jewish policy is considered not to be a reflection of "antisemitic" or "pro-Jewish" sympathies, as that would leave major elements of these policies unexplained; rather, analysis shows it to be a means in their struggle to gain supremacy for their own respective policies regarding the nature and pace of Russia's industrialization. The Russian policy-makers perceived the Jews not only as a religious group; they saw them as a non-monolithic economic entity, and differentiated among the various strata of Jewish society in accordance with the respective influence of each stratum's economic activities on Russian society and economy. Accordingly, the two ministers formulated opposing differential Jewish policies to fit their respective all-Russian socio-economic policies.

ANALYTICAL FRAMEWORK

The Jewish policy of late Tsarism was characterized by a conspicuous discrepancy between ideology and practice.[1] The making of Jewish policy proved the catalyst for continuous power struggles between rival factions within the Russian administration that supported opposing policies. Orthodox interpretation has borrowed contemporary ideological rubrics and labelled these factions and their policies as "anti-Jewish"

[1] See the considerable attention paid to this issue in S. Dubnow, *History of the Jews in Russia and Poland*, 3 vols (Philadelphia, 1920); L. Greenberg, *The Jews in Russia*, 2 vols in one (New York, 1976); H. D. Loewe, *Antisemitismus und Reakionäre Utopie Russischer Konservatismus im Kampf gegen den Wandel von Staat und Gesellschaft, 1890–1917* (Hamburg, 1978). Also: S. Etinger, "Ha'yesodot Veha'megamot Beitsuv Mediniyuto Shel Ha'shilton Ha'rusi Klapey Ha'yehudim im Khalukat Polin", *Ha'avar*, 19 (1972), pp. 20–34; Etinger, "Takanot 1804", *Ha'avar*, 22 (1977), pp. 87–110. For the years 1881–1917, see M. Aronson, *Troubled Waters: The Origin of the 1881 Anti-Jewish Pogroms in Russia* (Pittsburgh, 1990), pp. 44–192; A. Goldenweiser, "Legal Status of Jews in Russia", in J. Frumkin, G. Aronson and A. Goldinweiser (eds), *Russian Jewry (1860–1917)* (New York, 1966), pp. 85–109; J. D. Klier and S. Lambroza, *Pogroms: Anti-Jewish Violence in Modern Russian History* (Cambridge, 1992), pp. 3–289; H. Rogger, *Jewish Policies and Right-Wing Politics in Imperial Russia* (Berkeley and Los Angeles, 1986), pp. 1–187.

International Review of Social History 39 (1994), pp. 197–221

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

and "pro-Jewish", respectively. The struggle over Jewish policy is perceived as a component of the overall struggle that divided Russian governing circles between adherents of reactionary Slavophilism – by nature, anti-Jewish – and advocates of a progressive, Western orientation, which was more accommodating to the Jews. Such an ideological contrast, however popular, suffers from conceptual and theoretical inadequacies. It cannot offer a paradox-free model of the relationship between the supposed ideological motives of Tsarist Jewish policy and its real expressions. For instance, it fails to explain the incidence of purportedly "anti-Jewish" and "pro-Jewish" politicians who supported the same Jewish policy, or of "reactionary" politicians who championed a more lenient policy *vis-à-vis* the Jews and of "progressives" whose actions aggravated the conditions of Jewish life.[2]

The most telling inadequacy of the ideological interpretation is found in its analysis of the Jewish policies of two prominent representatives of the rival ideologies: V. K. Plehve, Minister of the Interior, who was commonly considered a reactionary and antisemite; and S. I. Witte, Minister of Finance, a progressive and supposed advocate of more liberal policies toward the Jews.[3] Hans Rogger, a harsh critic of the ideological interpretation of Tsarist Jewish policy, contends that the key to understanding the making of Tsarist Jewish policy lies in the struggle over a socio-economic policy for Russia as a whole.[4] Thus in his account of the Plehve–Witte rivalry Rogger argues:[5]

> The differences between the two powerful ministers ranged from the personal to the political, reflecting as well long-standing conflicts between their ministries

[2] On the ideological interpretation and its limitations see Rogger, "The Jewish Policy of Late Tsarism: A Reappraisal", in *ibid.*, pp. 25–39 (will be referred to as Rogger, "Reappraisal"); Rogger, "Russian Ministers and the Jewish Question 1881–1917", in *ibid.*, pp. 56–112 (will be referred to as Rogger, "Ministers").

[3] See, for instance, Dubnow, *History of the Jews*, III, pp. 16–17, 67–97, 107–108, 125–127; Greenberg, *The Jews in Russia*, II, pp. 48–52, 103–107; S. W. Baron, *The Russian Jew Under Tsars and Soviets* (New York, 1976), pp. 56, 137–138, 369.

[4] See Rogger, "Ministers", pp. 109–112; this is the perspective which informs Rogger, "Government, Jews, Peasant and Land After the Liberation of the Serfs", in Rogger, *Jewish Policies and Right-Wing Politics in Imperial Russia*, pp. 113–175 (will be referred to as Rogger, "Peasants").

[5] Rogger, "Ministers", p. 78; and cf. H. Rogger, *Russia in the Age of Modernisation and Revolution, 1881–1917* (London and New York, 1983), pp. 33–34 (will be referred to as Rogger, *Modernisation*). Loewe is of the same opinion: "The Ministry of Finance pursued a course of rapid industrialization. At the same time it was consistently more favourable towards Jews than any other government agency, and it advocated a gradual relaxation of anti-Jewish regulations. The Ministry of Interior tried to block a development along capitalistic lines, or at least to slow down this process, and it was more often than not a proponent of anti-Jewish measures. The bitterness of the conflict between Witte and Plehve has to be seen in this light", Loewe, *Antisemitismus*, p. 294. And Loewe sums up: "Pleves Antisemitismus muss daher als ein integraler Bestandteil seiner politischen Weltanschauung, seiner antikapitalistischen Grundeinstellung gesehen werden. Seine Politik wurde durch eine halbfeudale, agrarische Art von Staatsräson bestimmt,

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

over policies and priorities. Finance [. . .] stood for economic development, for putting restraints on the stifling and arbitrary practices of the bureaucracy so that a climate of legality and predictability might be created in which the enterprise and energy of all loyal citizens could bring private and public benefits. Interior was fearful of giving scope to autonomous social or economic forces; it was preoccupied with stability and control, with maintaining the barriers that safeguarded authority and order.

Rogger emphasizes that "These disagreements extended to Jewish matters, as well."[6] However, he encounters serious difficulties in ascribing Witte's and Plehve's Jewish policies to the differences between them in the realm of socio-economic policy. Thus, when trying to explain how in a debate over Jewish policy, they acted contrary to their ideological stereotype, Plehve supporting a "pro-Jewish" policy and Witte opposing it,[7] Rogger speaks of a "curious reversal of roles" between the two ministers.[8] He was well aware of the inadequacy of this interpretation, and so concluded that until Soviet archives made new sources available, no better explanation existed for this paradoxical situation.[9]

The extant sources, it would seem, do contain a sufficient empirical base for interpreting the motivations of the respective Jewish policies of Witte and Plehve in the framework of Rogger's original approach, which correlates the making of Jewish policy with the struggle over Tsarist socio-economic policy. The formulation of a Jewish policy in this period focused mainly on such issues as the future of the Pale of Settlement and the May Laws, which limited the residential rights and occupational opportunities of the Jews. Beside their ramifications for the Jewish population, these issues had far-reaching economic consequences for Russian society as a whole, particularly for the rural sector.[10] The obvious economic effects of any Jewish policy in turn-of-the-

wahrend Vitte eine moderne kapitalistiche Staatsräson vertrat, die in lezter konsequenz zu bürgerlichen Regierungsformen hin tendierte", *ibid.*, p. 57.

[6] Rogger, "Ministers", p. 78.

[7] See the 1903 confrontation between Witte and Plehve over a request by a Jewish mutual aid association to open a workhouse for indigent Jews in Vilna. Rogger emphasizes that "There were matters at issue here – the police-sponsored unions of Sergei Zubatov (including the Independent Jewish Workers' Party of Vilna), whether association of mutual aid should be allowed, which ministry should supervise them – that did not necessarily bear on the Jewish question, but it was against its background that both sides stated their positions in the debate.", Rogger, "Ministers", pp. 78–79; see, also, E. H. Judge, *Plehve* (New York, 1983), pp. 131–149; T. H. Von Laue, *Sergei Witte and the Industrialization of Russia* (New York, 1969), pp. 251–252; M. Mishkinski, "'Ha'sozialism Ha'mishtarti' Umegamot Bemediniyut Ha'shilton Ha'tsari Legabei Hayehudim (1900–1903)", *Zion*, 25 (1960), pp. 238–249.

[8] Rogger, "Ministers", p. 78.

[9] Rogger, "Reappraisal", p. 25.

[10] See Rogger, "Peasants", and also, I. M. Aronson, *Russian Bureaucratic Attitudes toward Jews, 1881–1894*, unpublished Ph.D. thesis (Northwestern University, 1973), pp. 141–273.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

century Russia suggest the hypothesis, inherent in the correlative approach, that Witte's and Plehve's stands on the Jewish question were influenced by opposing socio-economic policies, and that the former was a means to attain the latter.

PLEHVE'S JEWISH POLICY

Basing itself on contemporary assessments, accepted scholarly interpretation views Plehve as an ideological antisemite,[11] thus leaving unexplained certain central tenets in his policies that do not fit the antisemitic model.[12] Plehve himself denied any antisemitic motive in his more than two-decade involvement in Tsarist Jewish policy.[13] Referring to the anti-Jewish policies and actions he pursued as Assistant Minister of the Interior,[14] he argued that he had simply been carrying out the policies of his superiors.[15] Accordingly, the present discussion – concerned as it is with motivations – will focus on that period during which Plehve unquestionably did determine policy: between 1902 and 1904, when he served as Minister of the Interior.

The most damning testimony of Plehve's antisemitism concerns his alleged involvement in the 1903 Kishinev pogrom.[16] However, re-examination of the sources in the last decade has led several historians to question Plehve's complicity. Feldman, in the most exhaustive account of Plehve's involvement in the Kishinev pogrom yet published,[17] argues

[11] Loewe argues that "In der Welt Pleves war kein Platz für die Juden", Loewe, *Antisemitismus*, p. 57.

[12] See, for instance, Y. Maor, "Yehudey Rusia Betkufat Pleve", *Ha'avar*, 1 (1958), pp. 38–40, 43, 47–48; Judge, *Plehve*, pp. 93–101, 104–109.

[13] For Plehve's biography see Judge, *Plehve*, pp. 12–37.

[14] The proof of Plehve's antisemitism during his "bureaucratic" period is of three types: 1) justifications for the restrictions imposed on the Jews as a result of their involvement in revolutionary politics; 2) Plehve's own involvement in the formulation of anti-Jewish legislation during the1880s and his leadership in the early 1890s of an ultimately unsuccessful attempt to make the May Laws more rigorous; 3) responsibility for the pogroms of the 1880s. Save for his uncontested expressions of support for anti-Jewish restrictions, the other evidences are problematic. The principal source for Plehve's reputed responsibility for the pogroms of the 1880s is Witte's memoirs, the credibility of which is clearly questionable particularly when they concern Plehve, Witte's main rival. On Plehve and the pogroms see: Maor, "Jews under Plehve", pp. 38–39; Judge, *Plehve*, p. 94; on the way Plehve is handled in Witte's memoirs see: Rogger, "Ministers", p. 78; A. Feldman, "Pleve Veha'pogrom Bekishinev be-1903", *Ha'avar*, 17 (1970), pp. 140–145. The information regarding Plehve's efforts to extend anti-Jewish legislation in the 1890s is based on Plehve's own admission, on rumors that were spread, and on attempts by other ministers to obstruct such prospected legislation. No archival material exists, however, on this issue. See Rogger, "Ministers", pp. 69–70, 74–76; Rogger, "Peasants", pp. 153–154; Judge, *Plehve*, pp. 23, 25, 94; Aronson, *Russian Bureaucratic Attitudes toward Jews*, p. 61.

[15] Maor, "Jews under Plehve", p. 43.

[16] See, for instance, Greenberg, *The Jews in Russia*, II, pp. 50–52; Dubnow, *History of the Jews in Russia and Poland*, III, pp. 67–77; Maor, "Jews under Plehve", pp. 43–51.

[17] Feldman, "Plehve and the Kishinev Pogrom", p. 137.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

that the sources are not unequivocal and, therefore, not credible enough to serve as the basis for any certain conclusion. In his opinion,

> the question is still largely an open one. It is most probable that Plehve had some kind of connection to the pogrom. However, the nature of that connection and the extent of his actual involvement in those events is unknown. Certainly, there is no justification for such unrestrained or unqualified pronouncements as Greenberg's that "there is no doubt whatsoever that Minister of the Interior Plehve was the instigator of the pogrom."

Likewise, Rogger contends that although Plehve's moral guilt for the pogrom "is beyond doubt", his legal culpability cannot be established.[18] Judge and Lambroza further indicate that any involvement in the pogrom would have stood in contradiction to the basic principles that guided Plehve's policy throughout his career in the Ministry of Interior: to maintain public order by suppression of all popular demonstrations or violence.[19] This "revisionist" analysis seriously undermines the accepted version of Plehve's antisemitic motivation, and calls for an alternative interpretation of the factors that informed the minister's Jewish policy.

A better insight into Plehve's Jewish policy might be gained through an analysis of the account of the respective interviews he gave to the Zionist leader, Theodore Herzl, and to the Anglo-Jewish "Foreign Minister", Lucien Wolf.[20] Plehve argued that the restrictive nature of Tsarist Jewish policy was justified because the Jews endangered Russia's social fabric and political order. That danger was manifest both in the significant participation of Jews in the revolutionary movement and in the threat that unproductive and exploitive Jewish economic activity posed to the Russian peasantry. For Plehve, the perfect solution to the Jewish problem was civil assimilation,[21] transforming the Jews into patriotic citizens, loyal to the state. However, as the chances for this to happen were small, he saw no point in granting the Jews equal rights or in lifting the residency restrictions embodied in the Pale

[18] Rogger, "Reappraisal", p. 31; Rogger, *Modernisation*, p. 205. Cf. "Die Behauptung Pleve habe ihn selbst organisiert, ist weder beweisbar noch wahrscheinlich. Warum solte Pleve sich die Finger schmutzig machen, wo es doch andere gab, die seine Wünsche als Befehle auffassten?", Loewe, *Antisemitismus*, p. 65; see also pp. 57–68.

[19] E. H. Judge, *Easter in Kishinev: Anatomy of a Pogrom* (New York, 1992), pp. 125–133; Judge, *Plehve*, pp. 98–101; S. Lambroza, "Plehve, Kishinev and the Jewish Question: A Reappraisal", *Nationalities Papers*, 23 (1981), pp. 117–127; cf. Klier and Lambroza, *Pogroms*, pp. 203–204.

[20] For Plehve's interview with Herzl, see Th. Herzl, *The Diary*, III (Herzl's Collected Writings, IV) (Tel-Aviv, 1960), pp. 315–319; 323–328; for Plehve's interview with Lucien Wolf, see *The Jewish Chronicle*, London, 12 February 1904.

[21] In describing the meeting between Plehve and Herzl, Rogger notes that Plehve remarked: "the ultimate goal for the Jews was assimilation", Rogger, "Ministers", p. 80. However, it should be emphasized that Plehve's comments make it clear that his intention was to a civil integration based on political loyalty to the tsarist regime rather than cultural assimilation: see Herzl, *The Diary*, III, p. 324.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

of Settlement. Under these circumstances, according to Plehve, the government sought the emigration of the Jewish masses. He admitted, though, that the government could do very little in the sphere of emigration. The only possible Jewish policy, Plehve concluded, lay in improving the Jews' economic situation and raising their standard of living. He confessed that economic conditions in the Pale were so bad that they actually justified Jewish revolutionary activity. Still, he thought it possible to change this situation without abolishing the Pale. Employing an argument that might almost be considered a criticism of the restrictive May Laws, Plehve said that although the Pale covered a considerable area, the Jews lived in it as in a ghetto. Thus, he supported a liberalization of Jewish settlement opportunities within the Pale, and even outside it, provided that any injurious effects on the peasantry would be avoided.

Plehve echoed similar ideas in supporting the licensing of a workhouse for indigent Jews in Vilna that had been proposed by a Jewish mutual aid association.[22] He argued that the government had a right to discriminate against the Jews, as the nature of their economic activity, together with their support for revolutionary movements, turned the Jews into enemies of the regime and made them a danger both to the state and to society. He saw the Jewish threat, however, as a direct result of the Jews' economic straits, for which the government was to blame. Therefore, action had to be taken to ameliorate the Jews' economic plight, mutual aid being one such avenue to do so and as such should be encouraged.

These policy declarations were reflected in Plehve's actual role in the area of Jewish legislation, of which favoring the licensing of the Vilna workhouse presents only one example. In May 1903, he enacted legislation initiated by his predecessor, D. S. Sipiagin, abolishing the May Law prohibition on Jewish rural settlement in more than one hundred villages inside the Pale that were no longer deemed agricultural. In December he overturned a prohibition on settlement in fifty-seven additional villages.[23] During discussion of the matter in the Committee of Ministers, Plehve opposed attempts to reduce the number of villages to be opened up to the Jews. On this occasion he articulated the views guiding his policy of a gradual attenuation of the May laws:[24]

> The Jewish population, crowded into the cities, does not have sufficient wages. Impoverished Jews, living in unsanitary conditions, present a danger for public health and order. [. . .] New restrictive measures could make matters still worse.

Plehve continued to work in this spirit to limit the scope of the May Laws.[25] In March 1904, he ordered an end to expulsions of Jews living

[22] Rogger, "Ministers", pp. 78–79.
[23] Rogger, "Ministers", pp. 79–80; Rogger, "Peasants", pp. 158–159.
[24] Judge, *Plehve*, p. 106.
[25] Rogger, "Ministers", pp. 79–82; Judge, *Plehve*, p. 109.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

in prohibited sections of the Pale, and in June he rescinded the prohibition against Jewish settlement within thirty-three miles of the western border. In July, at Plehve's insistence, the Committee of Ministers excused certain categories of Jews from "unnecessary" and "impractical" regulations; furthermore, the quota of Jewish students accepted by institutes of higher learning was raised. In a meeting with representatives of Russian Jewry in August 1903, Plehve announced that measures to allow both land purchases by Jews within the Pale and the residency of educated Jews outside it were under consideration. The following August, while reiterating his belief that Jewish bankers in the West were financing revolutionary movements inside Russia,[26] Plehve informed the Russian-Jewish banker and philanthropist, Baron Guenzburg, that he would consider instituting these liberal measures and partially revoking the May Laws in exchange for co-operation from Western Jewish bankers.[27]

These were not empty promises, but a clear reflection of Plehve's intentions regarding the Jewish policy that he intended to implement.[28] Indeed, in August 1903, he had requested all regional governors in the Pale to submit their views on the current state of Jewish legislation, an action that constituted a first step toward its revision. He followed this up in January 1904, by appointing a Commission for the Revision of Jewish Legislation. Although the work of the Commission was interrupted by the Russo-Japanese war, the make-up of its membership was such that it would in all likelihood have recommended either a moderation or a complete cancellation of the May Laws.

Plehve's support for the enlargement of the scope of Jewish economic activity within the Pale by moderation of the May Laws was only one side of his Jewish policy; the other side of the coin was a toughening of restrictions on Jewish activity outside the Pale.[29] Thus, he made it more difficult for Jews to purchase land outside the Pale and even rescinded a previous authorization allowing Jewish craftsmen to reside beyond its borders. This duality in Plehve's Jewish policy is convincing evidence that it was directed, not by pro- or anti-Jewish feelings or antisemitic ideology, but by broader socio-economic considerations. The actual and potential economic function of the Jews inside and outside the Pale had direct implications for Russian society at large, as well as for Plehve's policy as a whole. This conclusion becomes clearer still when Plehve's Jewish policy is contrasted with that of his great rival, Minister of Finance Witte.

[26] Compare to Z. Szajkowski, "Paul Nathan, Lucien Wolf, Jacob H. Schiff and the Jewish Revolutionary Movement in Eastern Europe", *Jewish Social Studies*, XXIX (1967), pp. 3–26, 75–91.

[27] Loewe considers this statement as "Handel mit Menschenrechten", Loewe, *Antisemitismus*, p. 56.

[28] Rogger, "Ministers", p. 82; Rogger, "Peasants", p. 159; Judge, *Plehve*, p. 109.

[29] Mishkinski, "State Socialism", pp. 246–247; Rogger, "Ministers", p. 79.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

WITTE'S JEWISH POLICY

Jewish policy as such was never included in Witte's ministerial responsibilities, whether as Minister of Finance or as holder of other ministerial posts.[30] Therefore, the principal source for his views on Jewish matters lies in his own declarations; additionally, there are a small number of instances when Witte did participate in formulating Jewish policy.

Witte's Jewish policy was arrived at by an analysis similar to Plehve's, but with opposite conclusions.[31] The Jews, Witte argued, constituted a permanent danger to the Tsarist regime because they were central to the revolutionary movements. Blaming the government for this situation, he emphasized that the revolutionary ardor of the Jews was a result of and reaction to the economic hardship, the administrative harassment, and the legal discrimination to which they were subjected. The only practical solution to this situation was to improve the Jews' living conditions, which meant gradually granting them equal civil rights. An essential aspect of Witte's Jewish policy was the emphasis he had put on the slow and gradual pace of the equalization process in regard to Jewish legal and political rights. He envisioned the course of implementing the reforms that would finally result in Jewish emancipation as a decades-long, if not centuries-long, process; it would all begin with the government's desisting from any new discriminatory legislation.

Witte's occasional participation in the making of Tsarist Jewish policy focused on its economic aspects, as a facet of both Russian socio-economic policy and Russia's financial standing in the international money market. He consistently opposed anti-Jewish persecution, arguing that it portrayed Russia as a backward country and, thus, thwarted the treasury's efforts to raise loans in Western money markets and hindered the attraction of foreign, particularly Jewish, capital to Russia. Witte also disapproved of restrictions placed by both local and central authorities on Jewish capital, such as the prohibition against Jewish settlement in Siberia.[32] At the same time, while opposing proposals to bar Jews from becoming members in the Moscow merchants guild, he was helpful in instituting that exclusion in order to avoid a confrontation

[30] For Witte's political biography, see Von Laue, *Sergei Witte*; H. D. Mehlinger and J. M. Thompson, *Count Witte and the Tsarist Government in the 1905 Revolution* (Bloomington, 1972). In evaluating Witte's Jewish policy allowance should also be made for the traditional Jewish policy of the Finance Ministry: "In der Judenfrage hatte das Finanzministerium immer schon eine liberale Haltung eingenommen. Vittes unmittelbare Vorgänger Bunge und Vysnegradskij verhinderten durch Intervention beim Kaiser von Ignatev und Pleve geplante Verschärfungen der restriktiven Judengesetzgebung", Loewe, *Antisemitismus*, pp. 43–44.

[31] A. Feldman, "Ha'minshar Miyom 17.10.1905, Ha'rosen Vite Vesheelat Ha'yehudim Berusia", in A. Yavin (ed.), *Sefer Raphael Mahler* (Merchavia, 1974), pp. 122–124, 137, 150; Greenberg, *The Jews in Russia*, II, pp. 105–108; Rogger, "Ministers", pp. 84–88.

[32] Von Laue, *Sergei Witte*, pp. 187, 206; Rogger, "Ministers", p. 86.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

with the governor-general of Moscow, Grand Duke Sergei.[33] Likewise, although acknowledging the anticipated beneficial effects of the Vilna workhouse, Witte opposed its licensing with the argument that it would entail a political risk. It would promote the popular impression that government policy favored the Jews; moreover, it would induce additional requests of a similar nature, which would be difficult to refuse after the Vilna precedent.[34]

Witte's most significant role in Jewish legislation came with the introduction of the state liquor monopoly in the Pale of Settlement. In a memorandum to Alexander III,[35] Witte contested that the Jewish liquor trade was invariably connected to interest-bearing loans, the preferred business activity of the Jews.[36] Control of the liquor trade gave the Jews a powerful mechanism, with which they exploited the peasants; and he went on to blame Jewish tavern-keepers for the chronic depravation and devastation that had overtaken the Russian peasantry. However, Witte emphasized that the peasant problem could not be solved by oppressive anti-Jewish legislation that violated property rights and, in the end, damaged the economic interests of Jews and non-Jews alike. Only measures that were designed to protect the peasants as well as to improve the moral character of the Jews, while also encouraging their eventual assimilation, would address the problem. An example of such a step, according to Witte, was the introduction of the state's liquor monopoly into the Pale of Settlement. This measure would end the destructive effects of the Jewish liquor traffic and ameliorate political problems resulting from the alien (i.e. Jewish) presence in the Pale. Witte's proposal was accepted. With the extension of the state's liquor monopoly into the Pale, 200,000 Jews lost their livelihood, increasing by half the official number of Jews without any defined occupation.[37]

THE DEBATE OVER SOCIO-ECONOMIC POLICY

The analysis of their respective Jewish policies shows Plehve's not to have been anti-Jewish or Witte's to have been pro-Jewish and, thus, points to the inadequacy of the accepted ideological interpretation of their positions on Tsarist Jewish policy. That interpretation emanates from a common notion of the two ministers' respective *weltanschauung* as well as of the causes of the rivalry between the Interior and Finance

[33] Feldman, "Witte and the Jewish Question", p. 131; Greenberg, *The Jews in Russia*, II, p. 106.
[34] Rogger, "Ministers", pp. 78–79.
[35] Rogger, "Peasants", pp. 155–156.
[36] Cf. Herzl, *The Diary*, 10 August 1903, III, p. 320.
[37] Rogger, "Peasants", p. 156.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

Ministries over Russian socio-economic policy.[38] According to this conception, the Finance Ministry was the bastion of Western modernism, economic development, and social change, whereas the Interior Ministry represented Moscovite traditionalism, economic stasis and social conservatism. These characterizations, however, are rooted in a contemporary polemic of politically interested groups, rather than in scholarly research. Their easy application to the popular stereotypes of "progressive" and "reactionary" led to the uncritical adoption of these characterizations in analyses of the Jewish policy of late Tsarism, as well.[39] Any historical or economic test of this version of the differences between the Finance and Interior Ministries reveals – as in the case of Jewish policy – its inadequacy to serve as interpretative framework for explaining basic differences in the policies pursued by the two ministries. There are, however, alternative interpretations – found in the contemporary debate as well as in the scholarly literature – of the rivalry between the Interior and Finance Ministries, and between Plehve and Witte in particular, over socio-economic policy that deserve a closer look.

Writing early in the century, the Russian economist P. P. Migulin indicated that two avenues of industrialization were open to Russia:[40] accelerated industrialization fueled by foreign capital, or organic, gradual industrialization growing out of accumulated savings in the Russian economy. In comparing the relative advantages of the two systems, Migulin advocated the adoption of a policy of accelerated industrialization, to close the gap between Russia and the West. He admitted, however, that from a purely economic point of view, a more gradual process would be both cheaper and more lasting in the long term. Migulin's contemporary, Professor I. Kh. Ozerov, posited a similar set of alternatives for Russia's industrialization, but opted for the second model.[41] Ozerov believed Russia's process of industrialization had to be an organic and graduated one, similar to England's: beginning with handicrafts and developing through light industries to heavy industry, all in parallel with the development of a domestic market. The disagreement between Migulin and Ozerov encapsulated what was, at the turn of the century, a "ferocious" debate in the upper echelons of

[38] Rogger, "Ministers", pp. 78–79.

[39] Witte himself presented this opposition in such terms. See S. Witte, *The Memories of Count Witte* (ed. A. Yarmolinsky) (New York, 1921), pp. 191–192, 209, 237–249, 273. On the acceptability of this explanation for contemporary observers, see E. J. Dillon, *The Eclipse of Russia* (London, 1918), pp. 112, 118–119; A. Ular, *Russia from Within* (London, 1905), pp. 135–136. On the acceptability of this explanation for modern scholarship, see Von Laue, *Sergei Witte*, pp. 95, 252; Judge, *Plehve*, pp. 8–11, 38–92.

[40] Von Laue, *Sergei Witte*, p. 146. See also the chapters "Sergej Vitte und das Finanzministerium (1892–1903): Eine Kapitalistische Gegenposition zum gouvernementalen Antisemitismus", Loewe, *Antisemitismus*, pp. 40–48, and "Das innenministerium unter V. K. Pleve: Feudaler Antikapitalismus und repressive Judenpolitik", *ibid.*, pp. 49–51.

[41] Von Laue, *Sergei Witte*, pp. 289–290.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

the Russian government over how to modernize Russia's economy and society.[42] The two opposing concepts of industrial policy will be referred to below as the mercantilist school, whose proponents were concentrated in the Ministry of Finance, and the organic school, based in the Ministry of the Interior.

The fundamental assumption of the mercantilist school, advocating accelerated and even forced industrialization, was that in order to remain a world power, Russia had to close the technological-industrial gap with the West as fast as possible, a gap that had been progressively widening throughout the nineteenth century.[43] It was obvious, though, that Russia lacked even the elementary conditions requisite for such industrialization, in particular the necessary capital and an entrepreneurial class. In order to circumvent these obstacles and to reach the industrial level of the Western powers in the shortest time, the mercantilist school proposed an integrated model whose stages would progress in an opposite order from what had transpired in the West. According to this model Russia's industrialization would be initiated by the creation of an infrastructure of heavy, mainly metallurgical industries, whose products would guarantee Russia's strategic global standing and make possible the acquisition of raw materials for the construction of a strategically and economically needed rail network. The next stage would encompass the development of lighter industries and the production of consumer goods. This stage would ultimately effect increased productivity in the rural economy and create a domestic market for already-existing industries.

The crux of the mercantilist model, then, was that the role filled in the West by the bourgeois entrepreneurial class would be assumed in Russia by the state bureaucracy. In addition, the state should make an effort to attract entrepreneurs and investors from abroad by granting concessions and guaranteeing prices, means that would also be used to encourage indigenous entrepreneurial potential. As Russia's retarded agricultural economy could not generate the necessary capital accumulation essential for building modern heavy industry, the adherents of accelerated industrialization thought that this capital demand should be met by government action, namely, by raising foreign capital, either

[42] K. C. Thalheim, "Russia's Economic Development", in K. G. Katkov (ed.), *Russia Enters The Twentieth Century* (London, 1971), pp. 85–110.

[43] On the mercantilist school see S. Witte, "Save Russia by Rapid and Forceful Industrialization", in A. E. Adams (ed.), *Imperial Russia after 1861* (Boston, 1968), pp. 49–59; Ular, *Russia from Within*, pp. 144–167; V. I. Gurko, *Features and Figures of the Past* (New York, 1967), pp. 57–61; J. P. McKay, *Pioneers for Profit* (Chicago, 1970), pp. 3–40, 78–79; O. Crisp, *Studies in the Russian Economy before 1914* (London, 1976), pp. 98–110, 136, 176; Mehlinger and Thompson, *Count Witte*, pp. 20–24; P. Liashchenko, *History of the National Economy of Russia* (New York, 1949), pp. 534–538, 560–563; Von Laue, *Sergei Witte*, pp. 22–35, 76–77, 90, 101–114, 137–146, 179–187, 218, 270; Rogger, *Modernisation*, pp. 102–109.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

through state loans or private investments. The chances of attracting foreign capital, the mercantilist school maintained, depended on an appropriate environment encouraging Western trust in Russia's repayment capacity, the stability of the ruble, and the state of the Russian economy in general. Thus, a budget surplus and a favorable balance of payments were essential prerequisites for industrialization. The latter was to be financed by a favorable balance of trade; the export surplus would pay for the large amounts of capital that would be imported.

Achieving these goals necessitated adequate monetary and fiscal measures. Monetarily, the mercantilist school preached and ultimately succeeded in introducing the gold standard into Russia, a move involving massive gold purchases in order to establish an adequate reserve. Fiscally, accelerated industrialization entailed a strict tax policy for financing the budget surplus, gold purchases and interest payments to the West. This fiscal policy meant a heavy tax burden, principally on the agricultural sector, which encompassed approximately 80 per cent of the Russian population. The heavy taxation impoverished the Russian village, denying it purchasing power and preventing not only the development of a domestic Russian market, but even the minimal level of investment necessary for keeping agricultural production at its current levels. Such a condition, and even periodic famines, however, were considered by the mercantilist school as a price worth paying for the accelerated industrialization necessary to secure Russia's standing as a world power. Along with increased government revenue, high taxation was designed to force the peasants to sell their wheat at low prices. This would achieve two goals: a continuous supply of Russian wheat to the Western European market – guaranteeing, in turn, a steady flow of foreign currency into Russia – and reduced wages for industrial labor, making Russia more attractive to foreign investors. Protectionism was another aspect of the mercantilist fiscal policy. It was needed to promote a favorable balance of trade and artificially sustain a demand in the domestic market for the products of an otherwise inefficient domestic heavy industry.

The program of the mercantilist school became Russia's economic policy during the reign of Alexander III and the first half of that of his successor, Nicholas II. During this period, from 1892 to 1903, Witte, the theorist and instigator of accelerated industrialization, served as Minister of Finance.[44] A prominent aspect of Russia's economic policy under Witte was the fierce resistance he faced from the domestic-market-oriented organic school and, in particular, Plehve. Plehve had been a leading opponent of accelerated industrialization since the 1890s, and

[44] This conception is the crux of Von Laue's work: Von Laue, *Sergei Witte*; see, also, P. Gatrell, *The Tsarist Economy, 1850–1917* (New York, 1986), p. 236 n. 8.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

according to Witte's biographer, Von Laue,[45] "[. . .] more than any other single man, was responsible for Witte's downfall. He embodied all the forces that opposed the Minister of Finance".

The organic school criticized the mercantilist policy for causing the government, in serving both as entrepreneur and principal consumer, to nurture an inefficient, artificial, heavy industry for whose products there was no demand.[46] Proponents of the gradual industrialization particularly emphasized the heavy price paid by the Russian economy, mainly the rural sector, for the policy of accelerated industrialization. In order to encourage heavy industry, the government, "enslaved" as it was to foreign capital, pursued monetary and fiscal policies whose main effect was the destruction of the agricultural sector and the domestic market. The organic school preached a policy of encouraging light industry, relying principally on the existing capital accumulation in the Russian economy, in conjunction with the development of the rural economy. A growth in the purchasing power of the village and its emergence as a market for consumer industry products, they claimed, would encourage the domestic market, an essential condition for future industrial development. These considerations informed the organic school's opposition to the establishment of the gold standard in Russia. Its adherents were leery of the strict fiscal policy that the gold standard dictated and, more generally, of its deflationary effects that would hurt the development of the domestic market. They demanded, instead, an inflationary monetary policy – a silver standard, bimetalism, or paper money – which would provoke monetary expansion, cheapen credit and devalue the ruble. This meant, *inter alia*, encouraging and facilitating the activity of small-scale entrepreneurs who lacked access to Western or even Russian capital markets. This policy would also strengthen the competitive position of Russian wheat exports in the West and increase the amount of rubles paid to the agricultural sector. Fiscally, the organic school argued, both direct and indirect taxes could be lowered by abandoning the policies of accelerated industrialization and the gold standard, thus further bolstering the purchasing power of the agricultural sector. It also demanded the transfer of part of the tax revenues from the central government to local authorities in order to encourage the rural economy by financing of local development projects. Protectionism, championed by the mercantilist school in order to serve heavy industry, was opposed by the organic school. Lowered import duties were deemed

[45] Von Laue, *Sergei Witte*, p. 202; Gurko, *Features and Figures*, pp. 107, 201, 219, 227–233; Judge, *Plehve*, pp. 29, 50–51, 80–81.

[46] On the organic school, see Gurko, *Features and Figures*, pp. 227–233; Ular, *Russia from Within*, pp. 141–152; Von Laue, *Sergei Witte*, pp. 62, 122, 135–159, 168–177, 201, 220–221, 276–290; Crisp, *Studies in the Russian Economy*, pp. 98–99, 137–142, 159–196; Judge, *Plehve*, pp. 38–92; Gatrell, *The Tsarist Economy*, pp. 12–20.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

necessary to cheapen the imported, mainly German, means of production, and to encourage their acquisition by the peasants and small-scale entrepreneurs. Anticipated reciprocal measures by the German government would open up the German market – then impenetrable because of a customs war between the two countries – to Russian agriculture and light industry. The purpose of all these measures was to increase the income of the agricultural sector, enabling it to invest in its own productivity and strengthen its purchasing power. The result would be the emergence of a domestic market, a precondition for the development of a consumer industry and a class of small-scale entrepreneurs, in both the rural areas and towns. Although focusing on economic policy, the debate between the organic and the mercantilist schools had a great many ramifications for different spheres of Russian life, from regional government to foreign policy.[47] For the present analysis of the Jewish policy there is special significance to the social and ideological facets of this debate.

The mercantilist school's accelerated industrialization policy was meant to effect, and actually introduced, widespread social change in Russia, and it essentially caused a redistribution of economic and political power.[48] The mercantilist policy proved detrimental to those sectors of Russian society that depended on the domestic market: the various strata of the peasantry, the gentry,[49] merchants, middlemen and suppliers of services to the rural population, and industrial producers of consumer goods and machinery for agriculture.[50] The organic school, in effect, represented the interests of this variegated group; and, indeed, its more politically-oriented elements – the gentry, merchants and industrialists – led the opposition to Witte. Witte's authority derived from a rival assembly of social forces that came into being, or gained greater economic and political power, as industrialization accelerated. These forces included the high aristocracy and those sections of the bourgeoisie that participated in accelerated industrialization: owners of concessions, entrepreneurs, and managers, particularly those involved in the stock exchange and in banking activity connected to foreign capital markets,

[47] See, for instance, Judge, *Plehve*, pp. 122–174, 62–92; Von Laue, *Sergei Witte*, pp. 145–162, 239–248.

[48] G. T. Robinson, *Rural Russia under the Old Regime* (Los Angeles, 1967), pp. 132–133; Judge, *Plehve*, pp. 8–9, 64.

[49] Witte differentiated between the high and low aristocracy. While viewing the gentry as an enemy, he sought an alliance with the high aristocracy, both because he needed their political support and because he viewed their wealth as an appropriate basis on which to constitute a class of industrialists. Accordingly, he pursued a policy that actively attempted to divide these two sections of the aristocracy, see Gurko, *Features and Figures*, pp. 60–61; Von Laue, *Sergei Witte*, pp. 120–140.

[50] *Ibid.*, pp. 167–187.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

the professional and technical class, the state bureaucracy, and certain parts of the intelligentsia.[51]

The diverging sociological profiles of the respective power-bases of these rival schools, and the opposed interests they represented, were clearly reflected on the ideological level. Proponents of the organic school presented their policy as defending traditional Russia, in particular, as serving the interests of the agrarian majority.[52] Theirs was a vision for preserving or, rather, saving the social order of rural Russia, based as it was on the village and the aristocracy, and the traditional values that were coming under growing threat with the advance of capitalism. Decrying the commercialization and expansion of the market society in Russia, they warned against domination by foreign capital and the penetration of Western values and non-Russian patterns of political and social behavior. As such, they opposed modernism, constitutionalism, and social change. Therefore, the organic school's attack on accelerated industrialization and its social consequences was conducted under the banner of an anti-Western, Moscovite-Slavophile ideology, one having a distinct anti-Jewish component. Proponents of the organic school deplored the conspicuous role played by Jews, mainly Jewish financiers – whether Russian subjects or foreigners – in Russia's industrialization and criticized the heavy Jewish presence amongst Witte's advisors.[53] This critique of the Jews' role in accelerated industrialization, in combination with its Moscovite-Slavophile ethos, served to stereotype the organic school not only as reactionary, but antisemitic as well. Indeed, Witte characterized Plehve as a Jew-hater, and charged that he was the guiding spirit behind the anti-Jewish policies of late Tsarism. Witte specifically accused Plehve of both direct and indirect responsibility for the Kishinev pogrom. Here one finds the basis of the ideological analysis of the Jewish policies of Witte and Plehve as being a contrast between a Western-oriented, pro-Jewish policy and a Moscovite, antisemitic policy.

This ideological distinction between Witte and Plehve was further buttressed by viewing Russian economic history during this period in terms of Gerschenkron's theory of relative backwardness. Drawing largely from Russia's experience, Gerschenkron argued that the industrialization process undergone by backward countries required that the state, using mercantilist policies, fill the role assumed in the West by

[51] Gurko, *Features and Figures*, pp. 60–65, 201–203; Ular, *Russia from Within*, pp. 136–139, 163; Mehlinger and Thompson, *Count Witte*, pp. 54–55; on the high aristocracy see note 47.

[52] See notes 44 and 45.

[53] An unequivocal spokesman for this view was Pobedonostsev, see R. F. Byrnes, *Pobedonostsev* (Bloomington, 1968), pp. 282–357, 104–107, 130–131, 187–191, 202–209. See also the chapter "Im ideologischen Spiegel der alten Elite: Die Juden als Speerspitze des Kapitalismus", in Loewe, *Antisemitismus*, pp. 23–29.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

private enterprise and the free market.[54] Russia obviously lacked these Western institutions; therefore, accelerated industrialization through state intervention was not only one possible track for Russian industrialization, but the only applicable model, and those who opposed it should be perceived as opposed to industrialization. This interpretation casts the debate between the mercantilist and organic schools as a struggle between economic development and modernism, on the one hand, and economic stagnation and reaction, on the other.

An alternative interpretation of Russian industrialization is suggested by Kahan, who challenged Gerschenkron's theory.[55] In Kahan's view, the fact that Russia actually underwent accelerated industrialization did not prove that this was the only avenue of industrialization open to it. Witte's policy, he contended, was actually detrimental to Russia's economic development in the long run. Monetary and fiscal policies – principally the heavy taxation and the government's successful competition with the private sector for loanable funds – not only froze the private sector out of industrialization; it also prevented the formation of conditions necessary for durable industrialization, in particular the creation of private demand and domestic markets. Kahan's critique of the process of accelerated industrialization is consistent with the argument made by the organic school. Moreover, his contention that the Russian experience did not obviate the existence of an alternative path of industrialization – like that advocated by the organic school – suggests that the confrontation between the mercantilist and organic approaches was not between reaction and progress, but between two opposing versions of modernization.

The prevailing ideological interpretation of the rivalry between Russia's Ministries of Interior and Finance, and between Plehve and Witte, is further undermined by an analysis of the anticipated economic results of their respective policies. Despite its anti-Western bias, the organic school actually endorsed a Western-style model of industrialization, i.e. gradual industrialization paralleling a developing domestic market. Economically, the agrarian Slavophilism of the organic school was not autarkic or protectionist in nature, nor was it directed against economic relations with the liberal industrial West. On the contrary, the organic school's objection to accelerated heavy industrialization and its counter-demand to develop the agricultural sector and Russia's consumer industries went hand-in-hand with the critique of protectionism and the

[54] A. Gerschenkron, *Economic Development in Historical Perspective* (Cambridge, Mass., 1962), pp. 5–51. See also Gatrell, *The Tsarist Economy*, pp. xi–xiii, 8–9, 231–234, 235 n. 1.

[55] A. Kahan, "Government Policies and Industrialization in Russia", *Journal of Economic History*, XXVII (1967), pp. 460–477; A. Kahan, "Capital Formation During the Period of Early Industrialization in Russia, 1890–1913", in P. Mathias and M. M. Postan (eds), *Cambridge Economic History of Europe*, Vol. 7, part 2 (Cambridge, 1978), pp. 265–307.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

insistence that Russia exchange goods with the West, selling agricultural and light industry products and purchasing heavy industry goods. In other words, the organic school envisioned Russia's integration in the international market through its participation in the world division of labor. It sought to base Russia's relationship with the international market principally on the export and import of goods rather than on raising loans in Western capital markets and paying interest. Ironically, it was the mercantilist school that championed, in almost a Slavophilic spirit, a different, particular Russian model of industrialization. It pursued a policy of autarkic protectionism and economic nationalism that rested on Russia's separation from the international division of labor and establishment of its relations with the world economy mainly on financial grounds.[56]

INDUSTRIALIZATION AND THE RUSSIAN JEWISH ECONOMY

Interpreting the clash between Witte and Plehve as that over the nature of Russian modernization might also free the analysis of Tsarist Jewish policy from ideological misconceptions. A more adequate and relevant theoretical framework might be supplied for testing the manifestations and motivations of the "official antisemitism" of late Tsarism. To understand the relationship of Witte's and Plehve's Jewish policies to the broader economic doctrines of the mercantilist and organic schools, the structure of the Jewish economy in Russia and its relationship to the debate over Russian economic policy should be analyzed.

Scholars disagree about the nature of the economic structure of Russian Jewry.[57] The two antithetical views in currency are best articulated by the respective interpretations of Leshchinsky and Kahan. Leshchinsky contends that the changes wrought by capitalism and the industrialization of Russia exerted mainly negative effects on Jewish economic life, the most outstanding results being pauperization and

[56] There were additional differences between the two schools which belie ideological illusions. For instance, the organic school fought to restrict the power of the central bureaucracy and supported extending the authority of provincial government bodies, such as the Zemstvos, which served as "schools for democracy". In contrast, Witte was committed to preserving autocratic power as a vehicle for instituting his desired changes. He warned that investing the Zemstvos with greater authority was alien to the Russian spirit, an idea imported from England and the West which would eventually bring with it constitutional government. See J. Walkin, *The Rise of Democracy in Pre-Revolutionary Russia* (London, 1963); Von Laue, *Sergei Witte*, pp. 157–167; Judge, *Plehve*, pp. 38–92; Gurko, *Features and Figures*, pp. 78–81, 122–128; Mehlinger and Thompson, *Count Witte*, pp. 24–25.

[57] For a general survey on the Jewish economy in Russia, see I. M. Dijur, "Jews in the Russian Economy", in J. Frumkin, G. Aronson and A. Goldinweiser (eds), *Russian Jewry (1860–1917)* (New York, 1966), pp. 120–143.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

class polarization.[58] Like its effects on the Christian population, capitalization of the traditional Russian economy induced a far-reaching transformation of Jewish economic and social life. There was, however, an essential difference in how the two populations responded and adapted to capitalism and industrialization. The non-Jewish population underwent a process of proletarization; namely, those – mostly the peasants – no longer able to find a livelihood in their traditional occupations were absorbed by the emerging modern industry. The Jews, on the other hand, because of political, social and religious factors, were unable to integrate into the industrial economy. In contrast to the proletarization of the peasantry, Jewish middlemen who were pushed out of their traditional occupations underwent a process of non-proletarization and pauperization. Instead of entering modern industries, the Jews increasingly depended for their livelihood on craft manufacturing, carried on in the sweat-shop system, where their exploitation worsened as competition with industry increased. This anomalous adaptation, or rather non-adaptation, of Russian Jewry to industrialization had a clear class expression, as well: the near-total absence in Jewish society of the two principal classes of an advanced capitalist society, industrial bourgeoisie and proletariat. Failing to develop a hold on industry after being dispossessed of their traditional sources of income, the Jewish commercial bourgeoisie and petit-bourgeoisie – which had included the majority of Jewish society in the pre-capitalist era – were concentrated in marginal, retarded sectors of the economy, where they experienced rapid pauperization. The principal market for their commercial and craft services, furthermore, were the non-Jewish peasants, who were also undergoing a process of impoverishment and whose demand was diminishing. At the same time, the Jewish class structure became highly polarized; alongside the impoverished masses there existed a relatively small stratum of large-scale Jewish entrepreneurs. This class was active in sectors of the economy characterized by great dependence on government demand and on government intervention such as banking, finance, transportation, basic infrastructure industries, mining, and oil production. Concomitant with its affluence this stratum became increasingly estranged – economically, socially and nationally – from the rest of Jewish society.

Kahan paints a far more complex, dynamic picture of the changes overtaking Jewish society and economy in Russia at the turn of the century.[59] In contrast to Leshchinsky's emphasis on the Jews' inability

[58] See Y. Leshtzinski, *Der Idishar Arbeitar (in Rusland)* (Vilna, 1960); Leshtzinski, *Ha'tfuza H'yehudit* (Jerusalem, 1960), pp. 93–96. Cf. Y. Peled and G. Shafir, "Split Labor Market and the State: The Effect of Modernization on Jewish Industrial Workers in Tsarist Russia", *American Journal of Sociology*, 92 (1986–1987), pp. 1435–1460.

[59] A. Kahan, *Essays in Jewish Social and Economic History* (Chicago, 1986), pp. 1–69 ("The Impact of Industrialization in Tsarist Russia on the Socioeconomic Conditions of the Jewish Population"), 82–100 ("Notes on Jewish Enterpreneurship in Tsarist Russia").

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

to integrate into the industrial economy, Kahan claims that there was also a segment of Jewish society that did successfully integrate into Russia's industrialization process. This was particularly evident in the activity of a small class of Jewish entrepreneurs – and here Kahan includes elements that Leshchinsky had located in the high and middle bourgeoisie – whose business activities underwent several transformations in accordance to the development of capitalism in Russia. These entrepreneurs operated on a scale too large for the limited markets of the Pale of Settlement. In the pre-industrial era, this meant that they had depended on state demand. Their involvement with the government meant that their economic activity possessed distinct political traits. As industrialization proceeded and the market developed from a regional into an all-Russian market, these Jewish entrepreneurs turned increasingly to the private sector and were able to lessen their dependence on the government. Outside of this small class, the majority of the Jews – bourgeoisie and petit-bourgeoisie alike – found their living in trade and craft production whose emphasis was on the consumer goods sector, rather than on capital goods sector. Thus,

> in the area of trade we find a preponderance [of Jews] in foodstuff, in agricultural products, and in undifferentiated retail (and also some wholesale) trade. The role of the Jewish trader as a middleman for rural clients and for the lower classes of the urban areas is still very much in evidence, dominating the picture, while Jewish traders in manufactured consumer goods were fewer and were concentrated in the large cities.

Like Jewish entrepreneurial activity, Kahan explains, Jewish commerce and craft production also underwent several changes in reaction to the progress of capitalization and industrialization. The emergence of a non-Jewish local merchant class and the market's loss of its previous regional character – both of which were facets of the modernization process – meant a greatly reduced need for the Jewish merchant's intermediary role. Furthermore, the purchasing power of those segments of the population that Jewish commerce and crafts served, Jewish and rural non-Jewish, dropped considerably. Kahan's analysis of Jewish class relations accentuates their interdependence, again in contrast to Leshchinsky's emphasis on the chasm between the classes. The upper bourgeoisie, according to Kahan, driven as much by economic considerations as by notions of Jewish national solidarity, contributed toward the creation of new employment opportunities for the dispossessed Jewish masses. In focusing on the decrease of the Jewish upper bourgeoisie's dependence on government demand as industrialization progressed and in emphasizing that, economically, Jewish solidarity transcended class differences, Kahan has explicitly rejected Leshchinsky's efforts to define a correlation between class stratification and occupational patterns in Russian Jewish society.

Despite these differences – which are essentially a transposition of the polemic between Gerschenkron and Kahan into the sphere of Jewish

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

economic history – Kahan's and Leshchinsky's accounts share an essential common denominator. They both perceive the Jewish economy in Russia as having been divided into two sectors, differentiated by respective sources of income. One sector was connected to government demand and concessions; the other was based on private demand and, in particular, the purchasing power of Jewish and rural society. This bi-sectoral structure of the Jewish economy in Russia and its ramifications for Russia's economy and society provide the key to an understanding of the respective stands of the mercantilist and organic schools – and, thus, of Witte and Plehve – in the making of the Jewish policy of late Tsarism.

The two Jewish economic sectors had differential influences on the implementation of the policy of the two rival economic schools that split the Russian ruling elite. Jewish businessmen were essential to accelerated industrialization in their role as international financiers, concessioners, and contractors. At the same time, Jewish merchants and craftsmen were the main entrepreneurial-capitalist element within the Pale of Settlement, particularly in the rural areas; as such they made a clear contribution to the development of the domestic market and had a great interest in increasing the purchasing power of the population in the Pale. The effect of the bi-sectoral Jewish economy on the Russian economy and on the struggle over the making of Russia's socio-economic policy explains the intense interest that the Jewish policy provoked amongst Tsarist politicians. Indeed, for them, the concept of "Jew" as an object of policy-making, particularly economic policy – affected either by legislation or administrative directive – had no exclusively religious-cultural or any singular meaning. In their Jewish policy, both the mercantilist and organic school distinguished between the two sectors of the Jewish economy and treated those sectors in accordance with the anticipated contribution that each could make to the economic goals of their respective policies.

SOCIO-ECONOMIC AND JEWISH POLICIES

On the basis of this analysis of the structure of the Jewish economy in Russia and of its relationship to the struggle over Russian socio-economic policy as waged between the mercantilist and organic schools, the respective Jewish policies of Witte and Plehve can now be explained free of the contradictions that accompany the ideological interpretation. The mercantilist school sought by means of its Jewish policy to make maximum use of those forces in Jewish society that could facilitate its vision of accelerated industrialization, particularly by having them take on functions that no stratum of native Russians were able to fill. This explains its interest in facilitating Jewish entrepreneurial activity and the activity of the Jewish professional and technical intelligentsia both inside and outside the Pale of Settlement, as manifested in its liberal

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

attitude toward these classes. Such a policy was pursued on the assumption that these elements would directly contribute to the managerial-technical needs of industrialization; in addition, they would serve as a bridge to the financial community in the West, particularly to Jewish financiers. The primary expression of these considerations was the consent given for activity by these elements outside the boundaries of the Pale. Thus, Witte – who developed personal relations with Jewish financiers and entrepreneurs[60] – worked to ease the restrictions on Jews who pursued activities that benefited accelerated industrialization.

Yet, financiers and entrepreneurs whose economic activity contributed to accelerated industrialization comprised but a small minority of Jewish society; the majority consisted of merchants and craftsmen, whose livelihood not only remained dependent on the domestic market but contributed to its development. The economic activity of the vast majority of Russian Jews was, therefore, diametrically opposed to the policies of the mercantilist school. The Jews' actual as well as potential contribution to the development of the domestic market explains why the mercantilists made no special effort to rescind or amend the May Laws or to alleviate residency restrictions in and outside the Pale of Settlement. On the contrary, since the Jews formed the major element able to serve as the agent of capitalization in the villages of the Pale, restrictions on both residence and economic activity suited the interests of the mercantilist school. Similarly, maintenance of the Pale prevented an influx of Jews into rural Russia, a process that would almost certainly have enhanced the capitalization of the village and a developmental surge in domestic markets.

These considerations found clear expression in Witte's Jewish policy. He opposed any immediate abolition of the Pale of Settlement, save for residential concessions for those elements considered valuable to accelerated industrialization. He also objected to lifting the restrictions governing the Pale itself and sought to limit the capitalist activity of the Jews who lived there. This was the motivation for Witte's most

[60] Rogger, "Ministers", p. 86. A revealing example of Witte's connection with Jewish financiers in Russia and the West was his relationship with the Rothschilds. Witte was on friendly terms with Alphonse de Rothschild in Paris with whom he regularly sought counsel on political and economic issues. Witte provided tangible help to the Rothschilds in gaining control of Russian oil, which was important both to Russian industrialization and to the strategic business interests of the Rothschilds. The mediator between Witte and the Rothschilds was another Jew, Adolph Rotstein, who, in addition to managing a bank in St Petersburg which was associated with the Rothschilds, served as Witte's principal economic advisor and took an active part in executing the policy of the mercantilist school. The Rothschilds purposefully employed Jews in their dealings in Russia. See M. Graetz, "Yozma Yehudit Beyemey Ha'mahapekha Ha'taasiyatit Ha'sheniya: Kenisat Ha'rotshildim letaasiyat Ha'neft Ha'rusit", *Zion*, 50 (1985), pp. 355–378; A. A. Fursenko, "Parishkie Rosthschildi i russkaia nepht", *Voprosi Istorii*, 8 (1962), pp. 29–42. On the Jewish role in the Russian oil industry, see also H. Landau, "Jews in the Russian Oil Industry", *YIVO Bleter*, 14 (1939), pp. 269–285.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

prominent intervention in Jewish policy, replacing the Jewish liquor trade with a state monopoly. While restricting the economic activity of the majority of the Jews in pursuit of its socio-economic domestic program, the mercantilist school also understood that these restrictions – or rather persecutions – detrimentally affected a no less important condition for its success: Russia's image in the West. A continual flow of investments and loans to Russia from the West depended, *inter alia*, on Russia's reputation as a socially stable and enlightened country, where the rule of law would protect investments and profits and guarantee loan repayments. Just as the permanent infusion of foreign capital was immanent to accelerated industrialization, so too was the liberal image of its proponents. For the sake of that reputation, the mercantilist school – most conspicuously, Witte and his predecessors in the Finance Ministry, Vishnegradsky and Bunge – opposed the more brutal aspects of Tsarist Jewish policy. Opposing the physical oppression of the Jews enhanced the liberal image of the mercantilist school. Its proponents sought not to provoke the ire of Jewish financial circles in the West, which had assumed an active role in financing loans and investments in Russia partly as an outgrowth of their special relations with Russian Jewish financiers.[61] Witte considered this issue to be of the utmost importance. He went to great lengths to suppress any overt anti-Jewish activity that was liable to bring an outcry from the West; he even engaged public relations agents in France to shore up Russia's, and his own, personal image in the eyes of French investors;[62] and he repeatedly promised leading Jewish financiers tangible improvements in the conditions of Jewish life in Russia.[63]

Thus, Witte's Jewish policy contained two facets: support of restrictive measures on the economic activity of most of Russia's Jews, in accordance with the priorities of the mercantilist school and the accelerated industrialization policy; and an insistance that not only should these steps not appear as a deliberate policy of discrimination, but that there be no persecution of the Jews. Most contemporary observers thought that Witte pursued a genuine liberal attitude toward the Jews. It was, though, the Zionist leader, Herzl, who pointed to the duality of Witte's Jewish policy by complaining that though Witte had been in power for years, he had actualy done nothing for the Jews and only pretended to be pro-Jewish.[64]

The Jewish policy of the organic school reflected the opposite dilemma and, as such, was also of a dualistic nature. Placing development of the rural economy and the domestic markets at the crux of its policy,

[61] Rogger, "Ministers", pp. 74–75; see also, C.C. Aronsfeld, "Jewish Bankers and the Tsar", *Jewish Social Studies*, XXXV (1973), pp. 87–103.
[62] Mehlinger and Thompson, *Count Witte*, p. 24.
[63] Rogger, "Ministers", pp. 87–88.
[64] Herzl, *The Diary*, III, p. 322.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

the organic school could not but view the Jews, theoretically, as a positive economic force within the Pale of Settlement; thus, it should have welcomed the advantages of Jewish economic activity once the Pale was opened up. When it considered the longer term, however, this school apparently perceived a contradiction between the development of the rural economy and the emergence of the Jews as central to that development. In order to ensure that the modernization of the Russian village would be a durable process, the organic school thought, it had to be generated by "authentic" – that is, Christian – elements in Russian society. Accordingly, the policy of this school aimed to encourage the peasantry to develop a capitalist, commercial, entrepreneurial class from its own midst. In order for this to happen, the rising Christian rural capitalistic class had to be protected from the competition of the commercially more experienced Jews. This concern to secure optimum conditions, and mainly the necessary time, for the development of an indigenous capitalist class in the Russian village, and not anti-Jewish feelings as such, accounts for the organic school's refusal to open up the Pale and allow the Jews to settle freely all over Russia. As to Jewish economic activity in the Pale itself, two different attitudes were in contradiction within the organic school: one was that this activity should be restricted in order to encourage the development of an indigenous capitalistic class there; the other was that Jewish activity within the Pale's borders, where the Jews had constituted the capitalist class for generations, should not be hindered. Plehve's Jewish policy was a fair reflection of these considerations within the organic school, and he clearly held the latter attitude. He attempted to encourage Jewish economic activity within the Pale by weakening the May Laws or by authorizing the Vilna workshop. At the same time, he opposed canceling the restriction on Jewish residence outside the Pale. Moreover, since any assisting of the policy of accelerated industrialization was to be avoided, Plehve sought to restrict the activity outside the Pale of Jewish professional classes capable of participating in the development of heavy industry.

CONCLUSIONS

Reviewing the respective Jewish policies of Witte and Plehve through the perspective of their socio-economic policies makes possible a more adequate interpretation of those policies. In contrast to the ideological interpretation, which explains the rivalry over Jewish policy as a contest between Slavophilic reaction and Western progress, the two ministers' opposing Jewish policies can now be seen as a means in the struggle between the mercantilist and organic schools of economic thought over the nature and pace of Russia's industrialization. Thus, Witte's support of anti-Jewish measures and Plehve's advocacy of pro-Jewish regulations

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

are not paradoxical; rather, these Jewish positions are consistent with their opposing socio-economic policies and they served as a means of realizing those policies.

This political interpretation of the Jewish policy of late Tsarism may better explain the anti-Jewish nature of that policy, which has been labeled as "official antisemitism". According to its proponents, "official antisemitism" was designed to defend Russian society, particularly the peasant, from the Jewish "exploiter" and revolutionary.[65] Its most conspicuous element was the preservation of the Pale of Settlement, a policy basically supported by both Witte and Plehve and their respective schools. This common support for the central element of "official antisemitism", however, does not prove that when it came to the Jews, Witte and Plehve saw eye to eye on a single anti-Jewish policy originating in a common antisemitic heritage and transcending their ideological differences and political rivalries. Analysis of their Jewish policies from the socio-economic perspective reveals any purported consensus to be illusory. Rather, common elements employed in the Jewish policies of both ministers were actually the product of opposing motivations and purposes, which usually bred differences in the socio-economic policies of the two schools. It might further be concluded that Russian policy-makers perceived the Jews, first and foremost, not as a religious but as an economic entity. Nor did they view the Jews as a monolithic economic group but differentiated among the various strata of Jewish society in accordance with the influence of the Jews' economic activities on Russian society. They then formulated a Jewish policy to fit their all-Russian socio-economic policy.

The debate between the two schools over socio-economic policy affected Russian Jewry beyond the making of Jewish policy, serving as a fruitful perspective for analyzing other aspects of Russian Jewish history, as well. At the turn of the century, it was the politics of the mercantilist school, headed by Witte, that prevailed and so set the priorities of Russia's socio-economic policy. Thus, whereas the ideological rhetoric of Witte and his school was "pro-Jewish", the success of their policy of accelerated industrialization impaired the development of domestic markets and the purchasing power of the peasantry, which detrimentally affected the scope of Jewish economic activity. Moreover, the impoverishment of the Russian village generated in part the socio-economic conditions that would inflame the turn-of-the-century pogroms. Contrary to the accepted view, then, it was Witte's mercantilist, "pro-Western" policy that undermined the economic and political conditions of the masses of Russian Jewry. These masses did not include the more influential segments of bankers, financiers, concessioners and entrepreneurs, who benefited from the accelerated industrialization and

[65] Rogger, "Ministers", pp. 109–112.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X

who contributed to Witte's pro-Jewish image, as well as to Plehve's anti-Jewish reputation. Again, contrary to the accepted view but consistent with Kahan's interpretation, it can be hypothesized that a broader economic base and activity scope for the majority of Russian Jews would have ensued had the organic approach and its emphasis on the domestic market prevailed, in spite of this school's Slavophilic ideology.[66]

[66] Cf. Kahan, "The Impact of Industrialization", p. 25.

Downloaded from https://www.cambridge.org/core. IP address: 5.35.92.37, on 23 Sep 2026 at 16:06:01, subject to the Cambridge Core terms of use, available at https://www.cambridge.org/core/terms. https://doi.org/10.1017/S002085900011257X