

Alexander Herzen and James de Rothschild

Among the private clients of the House of Rothschild in the mid-nineteenth century few can seem more incongruous in that company than the Russian socialist, and avowed revolutionary, Alexander Herzen (1812–1870). Derek Offord examines the relationship.

By turns novelist, libertarian political philosopher, political exile, journalist and autobiographer, Alexander Herzen arrived in Paris with his family on 25 March 1847,¹ in the early stages of the Grand Tour then popular among Russian noblemen. The years 1847–1852, which he spent in the francophone world before settling in London, were very productive for Herzen from a literary point of view, yielding the various cycles of letters that were eventually published as *Letters from France and Italy* and a number of essays that outlined his ‘Russian Socialism’, as well as the work that he regarded as his masterpiece, *From the Other Shore*. They were also a period of great political disappointment for him. He was severely shaken by the defeat of all the European revolutionary forces that he supported in 1848–1849 and by the triumph of reaction or the consolidation of power in Western Europe in the hands of the bourgeoisie. The defeat was most crushing in France itself, where the workers’ insurrection of June 1848 was suppressed with much bloodshed by General Cavaignac and where Louis-Napoleon carried out a *coup d’état* in December 1851 and then, a year later, proclaimed himself Emperor Napoleon III. At the same time Herzen was buffeted by family turmoil and loss. In 1849–1850 his wife, Natalie, conducted a passionate affair with the German poet Georg Herwegh, whom the Herzens had befriended soon after their arrival in Paris. (Natalie’s adultery became known to Herzen at the beginning of 1851.) On 16 November 1851 his mother, Luise Haag,² and youngest son, the deaf-mute Kolia, were drowned at sea in a shipping accident off the south of France. Finally, on 2 May 1852, Natalie died, weakened by childbirth, pleurisy and the emotional traumas of recent years.

During Herzen’s passage through this turbulent period the Paris branch of the House of Rothschild was one of the most stable landmarks in his life, a haven that provided him and his family with security and much support. Students of Herzen have always been aware of his relationship with the bank, and with the founder of the Paris branch, James de Rothschild, in particular. Indeed Herzen himself alluded to it in his autobiography, *My Past and Thoughts*. And yet the relationship with James, which it is the purpose of this article briefly to examine, has been viewed through no lens other than Herzen’s own and has received no close attention. This lacuna might be partly due to the fact that some authoritative scholars who have written about Herzen have tended to idolise him both as man and socialist thinker,³ with the result that there has been a reluctance to dwell on an aspect of his life that might furnish grounds for a charge of hypocrisy against him. It might also be due, though, to the fact that scholars have not previously traced the direct documentary evidence of the relationship that is housed in The Rothschild Archive.⁴

Fundamental to Herzen’s political thought from the moment of his arrival in the West was the conviction that Western civilisation was in terminal decline. This conviction rested on the assumption that the bourgeoisie, which had become the dominant economic and social force in Western Europe, was morally bankrupt. The sole ruling passion of this class, of which Herzen always spoke with an air of immeasurable superiority, was ‘money-grubbing, profit-making, stock-jobbing’ (v, 142).⁵ Herzen’s castigation of the bourgeoisie was enlivened in his

writings by the demonisation of certain groups or individuals who were held to represent it. Prominent among these demons, and standing at the apex of the bourgeois world, were the fabulously wealthy Rothschilds, or more specifically James. Herzen makes explicit disparaging references to the family both in a published 'letter' of 1847 that later formed part of his *Letters from France and Italy* (v, 35, 61) and in *From the Other Shore* (vi, 28).

Notwithstanding this public disdain for the Rothschilds, Herzen was already privately availing himself of their services in February 1848, when he turned to the Italian branch of the House following the theft of a briefcase that contained important financial documents during a visit to Naples (v, 114–115; xxiii, 62–65). The relationship with the House continued when Herzen returned to Paris. As is evident from letters to the man who was overseeing Herzen's affairs in Russia during his absence, Grigorii Kliuchariov, in April 1848 Herzen was in touch with James de Rothschild about a bill of exchange that had been sent to him from Moscow and, by the second half of the following year, was in 'constant contact' with him 'about shares and various matters' (xxiii, 71, 73, 164, 209).

From Herzen's correspondence, especially his previously unknown letters to and from James de Rothschild as well as his letters to Kliuchariov, it is possible to build up a detailed picture of Herzen's financial affairs and of the services that Rothschilds rendered to Herzen and his family in the early years of their emigration. For one thing, the bank was a reliable conduit for mail addressed to the itinerant political refugee. It was also a source of guidance on practical matters, besides purely financial matters, in the foreign world in which the Herzens now found themselves. For example, in June 1849, when Herzen had fled to Geneva, he confidently expected the House not only to take care of his share certificates in his absence but even to advise Natalie about difficulties that might arise during her journey to Switzerland to join him as a result of the fact that the family's passport was in his name (xxiii, 148). Herzen also tried from time to time to exploit Rothschild's social and political influence. Thus in May 1852, when he wished to return to Paris from Nice (which was not at that time within French territory), he wondered whether Rothschild might be able to intercede on his behalf (xxiv, 274). Most importantly, though, Herzen constantly consulted the bank about his family's financial affairs or, when he was not in Paris, urged Natalie or his friends and various informal aides to consult it about them. Indeed he seems from the spring of 1848 to have been wholly dependent on James, and one of his assistants, Schaumbourg, about whom he spoke with respect and a certain fondness, for the management of his family's resources. The financial services from which Herzen benefited, besides the routine service of maintaining his accounts, changing bills of exchange and keeping his financial papers, included continual advice on investment of his assets, brokerage, and – as it became clear that Herzen would not return to Russia – recovery of as much of the family's wealth as possible from his homeland.

It should be said at this point that by the time he arrived in the West Herzen was a very wealthy man. In 1841 he had received from his father, by a deed of transfer of ownership, a sizable estate, with over two hundred male serfs, in Kostroma Province, to the north-east of Moscow. When his father died, on 6 May 1846 (OS), Herzen inherited one-third of his capital, amounting to 106,000 silver roubles,⁶ as did his elder half-brother, Egor (1803–1882), and his mother, Luise Haag. He also enjoyed substantial income, in the region of 10,000 roubles a year as a rule (xxiii, 99), from his capital and estate, on which his serfs paid quit-rent. As for his mother's assets, they included 60,000 paper roubles and a bond worth 17,500 silver roubles as well as her share of Herzen's deceased father's capital (xxiii, 62–63). The combined capital of mother and son at the time when James began to handle their financial affairs was in the region of 300,000 silver roubles, or well over a million French francs at the then rate of exchange, in addition to the Kostroma estate and two houses in Moscow.⁷

In 1847, during his first year in the West, Herzen's main financial concerns were to keep abreast of the management of his assets in Russia and to arrange for the transfer of sufficient



Alexander Herzen in 1847, the year before his business relationship with James de Rothschild began.

resources from his Russian income to pay for his family's travels. He did not at this stage expect to settle in the West indefinitely. However, as the Russian government introduced more repressive policies in response to the European revolutionary events of 1848–1849, and as it came to seem more and more unwise for a man of Herzen's political sympathies to return to Russia, Herzen began with James de Rothschild's help to transfer his assets to the West. Thus in February 1849 deposits in his name in the Moscow Savings Bank, amounting to 100,000 silver roubles, were moved to the St Petersburg Savings Bank, whence they were handed over in March to the Rothschilds' agent in St Petersburg, Karl Gasser (xxiii, 381). His mother's assets were being transferred too: in the summer of 1849 she received through Rothschilds the value of the bond of the Moscow Savings Bank worth 60,000 paper roubles and immediately put the sum received at Herzen's disposal.⁸ Herzen also began to explore the possibility of liquidising the asset of his estate in Kostroma Province, either by selling it to his half-brother for 50,000 roubles or by mortgaging it and drawing the value of it from the Moscow Savings Bank (xxiii, 71, 77, 173, 179, 330).

It was in late 1848 and 1849, as he extracted his capital from Russia, that Herzen seems to have developed a taste for speculation *à la bourgeoisie*. One may assume that it is not coincidental that this development took place just as his relationship with James de Rothschild blossomed. At any rate it was James who guided him as he entered the capitalist world. Through Rothschilds he acquired Belgian stock and American stock, including – as we see from his correspondence with James in 1867, when this investment was reaching the end of its twenty-year term –

thirteen tranches of 6 per cent United States stock, amounting to 50,000 dollars in all, that were purchased in the period from January to October 1849.⁹ In April 1849, for 135,000 francs, Herzen also bought a house in Paris, in the rue Amsterdam, as an investment and to let.

It can be argued, of course, that it was only prudent of Herzen to use the best advice available to him to preserve his wealth in a time of political instability and financial uncertainty (although the same argument could be mounted in defence of any member of the bourgeoisie, which Herzen was collectively vilifying for its mercenary mentality). Herzen himself took pains to present his activity in the financial markets as not merely sensible but at bottom altruistic, as a means of ensuring that he could help friends in need (xxiii, 126). And yet he evidently relished his forays into the capitalist world and had few qualms about them. He has decided 'to enter into a little commercial matter', he tells Kliuchariov, because '[T]he profits that are to be had here now for cash are beyond what one could believe' and it would be 'shameful' not to grasp them (xxiii, 115, 124). Flushed with the success of his speculation, he joked that he must seem like a 'banker' (xxiii, 134). As for Rothschild and his ilk, who eschewed what to them were small transactions, he was rather in awe of them (xxiii, 124).

By the late autumn of 1849, though, Herzen needed more from Rothschild than advice on the best means of extracting profit from capital. He also needed help in recovering those remaining Russian assets (chiefly his estate in Kostroma Province and the 106,000 silver roubles that his mother had inherited from his father) on which the Russian authorities had placed a distraint in July of that year, after they had become aware of the movement of Herzen's and his mother's other assets.¹⁰

Herzen learned of the distraint rather belatedly, in October 1849. On receiving the news, which was to cause him great inconvenience and anxiety over some nine months, he wrote from Geneva to the wife of Herwegh, with whom he was still on excellent terms, asking her to have a mutual friend, the Polish dramatist Edmond Chojewski, go to Rothschild to discuss a ruse to recover the estate:

Edmond must go to Rothschilds, Edmond must see the honourable Schaumbourg again and put this question to him ([or] better still address it to Rothschild himself). 'Mr H owes Mrs Haag 100,000 or 120,000 roubles in assignats'.¹¹ Mrs Haag has an acknowledgement of debt from Mr H that she would like to surrender to Mr Rothschild in order to have the immovable property that belongs to H in Russia sold. Mr Rothschild *will not pay* until he has received the money, but he will issue H with a certificate signed by him; H for his part will do everything within his power to expedite this sale in Russia?' (xxiii, 204)

On 6 November, by which time Chojewski had evidently carried out Herzen's instructions, Herzen wrote to James direct, proposing this means of forcing the sale of his estate, appealing to the banker as a man of honour, and expressing his willingness to accept whatever charges and conditions James might demand for his services.¹²

James evidently saw no prospect of recovering the Kostroma estate but he did think it possible to recover the value of Luise Haag's bond (xxiii, 222–223). He therefore took the matter up through Gasser, who even succeeded in obtaining an interview with the Russian Minister of Foreign Affairs, Count Nesselrode, one of several very high-ranking Russian personages who now became embroiled in the affair. The Russian authorities refused to remove the distraint on the estate, just as Rothschild had predicted. However, they did come to the conclusion that it



James de Rothschild, founder and head of the Paris Rothschild bank, in a photograph by Bingham of Paris.

francs' worth of 5 per cent Piedmont stock, some 73,000 francs' worth of 2½ per cent Dutch stock and about 14,000 francs' worth of Spanish stock (xxiv, 383).¹⁵ In 1852, following the death of his mother and his acquisition of her remaining assets, Herzen acquired further stock to a value of 60,000 francs in a new Belgian Government loan, a share worth 25,000 francs in a new loan to the City of Paris (an investment highly recommended by Rothschild) and stock worth 25,000 francs in the Lyon-Avignon Railway Company.¹⁶

In this fresh spell of financial activity, as previously, Herzen showed himself always willing to be guided by James de Rothschild. He could give no better proof of the high value that he placed on his advice, he told James as he was persuaded to use some of his capital to buy Ohio stock, than to follow it immediately.¹⁷ His capital invariably went into projects or funds that Rothschilds were promoting. After all, the Rothschilds made large loans to the Kingdom of Piedmont-Sardinia, enjoyed pre-eminence in Spanish finance up until 1854, and aspired to control the finances of the new Belgian state, which had been created in 1831. It might therefore be said that by investing in the stock of governments that the Rothschilds supported Herzen the investor was making a personal contribution, however small, to the preservation of the stable European order which the Rothschilds, as financiers, valued and helped to maintain by means of their political influence but which Herzen, as a revolutionary, supposedly hoped to undermine. A socialist might also have been expected to balk at an investment in Virginia, a slave-owning state of the ante-bellum southern confederacy.

Herzen was alive to the possibility that his relations with the House of Rothschild could give rise to the charge of hypocrisy and he was naturally anxious to forestall this charge. He therefore openly addressed the matter in *My Past and Thoughts*, deploying his considerable literary skill to distance himself from his financial mentor, to understate his personal wealth and the extent of his speculation, to characterise himself as prudent and morally unimpeachable, and to present himself as master of every situation in which he found himself (x, 132–140).¹⁸

For one thing, Herzen leads his readers to believe that his relationship with James de Rothschild began slightly later, after the 'June Days' of 1848, than it actually did. He thus seeks perhaps to explain his contact with the banker more easily as a product of political expediency rather than financial prudence. He was not tainted by association with the corrupt bourgeoisie, he is implicitly assuring his readers, until such time as the suppression of the Parisian workers and the impossibility of his return to Russia had forced upon him a measure of pragmatism.

Nor does Herzen's characteristically ironic account of his relations with James de Rothschild in *My Past and Thoughts* capture his appreciation of the kindness that James showed him. When he urgently needed cash to provide for his mother in July 1849, he told Kliuchariov in a private letter, Rothschild lent him 15,000 francs 'with such solicitude and without any conditions' that Herzen the nobleman with a sense of honour was touched and felt obliged to repay him as soon as possible (xxiii, 164). Again, when he visited Rothschild in June 1851, he reports, Rothschild received him 'with the greatest cordiality' (xxiv, 189). Herzen also gives the false impression that it was only after Rothschild had recovered his mother's sequestered assets that the two began to be on the best of terms, the reason for the supposed change in Rothschild's attitude towards him being that Rothschild liked in Herzen 'the field of battle on which he had beaten Nicholas [the Russian tsar]' (x, 140).

More importantly, Herzen creates the illusion in his autobiography that his investments in the capitalist economy were rather trivial. On Rothschild's advice, he reports casually, he bought 'some American shares, a few French ones and a small house in the rue Amsterdam' (x, 134). This information, which is presented in such a way as to blur the fact that Herzen was reinvesting his family's movable wealth from Russia both before and after the attempt by the Russian authorities to sequester it, does not give the reader a clear indication of the scale of either portion of that recovered wealth. In particular Herzen does not convey the size of his American stock-holdings, which were very large for a private investor.¹⁹ He is also vague about his French

Monsieur le Baron

Mais de mes amis - ce n'est honneur à vos soins
 leur à mes affaires qui ne s'interrompt beaucoup - et
 qui se peuvent mener à mes fins favorables. Si
 vous voudriez me prêter votre appui.

Je possède un Rouble (gouvernement de Tschoumouk)
 au lieu de 17,000 à peu près ce même R. il n'est
 pas hypothéqué, il ne peut servir à garantir
 ni intérêts légal, ni moi, ni mes parents, ni
 aucun de mes parents, ni aucun de mes parents.
 Tout cela prouvant ce ne prouve pas après de
 garantie pour obtenir la vente de mes biens ce
 fût de ma situation, surtout les autres biens
 possédés mais sans influence. Les autres biens
 fût, la manière comme le gouvernement français
 change au long temps - l'échange qu'on se
 n'y a pas long sans qu'on se quitte le Rouble en
 qu'on ne s'en jamais fait de formation, je l'avais
 prouvé, que j'ai pu le transformer sans la
 justice de pays. Surtout les autres biens possédés
 par moi

Belgique de Paris à ses soins sans cela, peut-être
 très peu, ce n'est pas.

Russie - Monsieur, sans déduction les
 plus obligés

Alexandre Herzen

Paris le 6 Nov.

Hôtel de Bourges

Pages from a letter written by Herzen to the bank shortly before the death of his wife in 1852. CAMT 132 AQ 68 H. Photograph by Jean-Charles Leyris.

investments, in railways and the reconstruction of Paris during the economic boom that marked the beginning of the Second Empire, and he makes no mention at all of his investments in Belgium, Holland, Piedmont or Spain.

Besides striving to understate the scale and range of his investment in the capitalist economy, Herzen contrives to present himself in his narrative as an actor of masterly skill and independence, able to maintain his own course amid the turbulent currents of the age and even to gain a measure of control over Europe's most astute banker. In his account of his conversations with Rothschild he appears to strengthen Rothschild's resolve by teasing him about Nicholas' initial refusal to pay over the value of his mother's bond, which represents a snub to Rothschild (x, 137). He also claims to possess a native Russian craft that enables him to beat down the charge of 5 per cent that Rothschild allegedly wants to impose (x, 139–140). (In the event, as we know from the statement that Rothschild sent Herzen when the business had been concluded, Rothschild's commission was 3 per cent, and his bill for expenses in Russia



Alexander Herzen
in later years.

amounted to roughly a further 1.75 per cent.)²⁰ Not that Rothschild's charges, actual or as originally proposed, according to Herzen, would seem to warrant Herzen's resentment when one is aware of the unconditional nature of the plea for assistance that Herzen had made to him the previous November.

Herzen the private individual, as he has emerged from this account of his relations with James de Rothschild during his first years in the West, was a prudent man who, unlike many profligate countrymen of his class, paid meticulous attention to his financial affairs. He seized opportunities to increase his capital and kept track of the various sources of his income (creditors, tenants and serfs, as well as the bonds and stock on which Rothschild advised him). He was not distracted from these matters by the despondency of his literary self at the failure and brutal suppression of the workers' insurrection in Paris in June 1848. On the contrary, under Rothschild's tutelage he took full advantage of the opportunities for self-enrichment that the new political situation offered to those with capital.

And yet as a public scourge of the bourgeoisie, who did much to foster the distaste in the nineteenth-century Russian intelligentsia for material wealth and bourgeois values such as thrift and assiduity, Herzen is compromised by this private financial activity and by his dependence on the family whom he considered emblematic of the class that he affected to despise. His self-presentation as an exemplar of a moral excellence that was lacking in the bourgeoisie does not sit well with his readiness to exploit every mechanism of the capitalist world that his banker recommended to him. Thus an examination of his relationship with James de Rothschild,

informed by the fresh sources available in The Rothschild Archive, serves not merely to illuminate a corner of the Rothschilds' relations with their private clients. It also fills a lacuna in scholarship on Russian intellectual history and calls into question the often idealised image of this major Russian thinker.

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NOTES

- 1 Dates are given here in the Old Style (OS), according to the Julian calendar, if they relate to events in Russia, but in the New Style (NS), according to the Gregorian calendar that was in use in Western Europe, when they relate to events there. In the nineteenth century the Julian calendar was twelve days behind the Gregorian calendar.
- 2 Luise Haag (1795–1851) was a subject of the German Kingdom of Württemberg. She had been brought to Russia by Herzen's father, Ivan Alekseevich Iakovlev (1767–1846), who was almost thirty years her senior, in 1811. The two did not marry, and Herzen was therefore an illegitimate child.
- 3 See especially Isaiah Berlin, 'Alexander Herzen', in *Russian Thinkers*, ed. Henry Hardy and Aileen Kelly (London: The Hogarth Press, 1978), pp.186–209; Aileen Kelly, *Toward Another Shore: Russian Thinkers Between Necessity and Chance* (New Haven and London: Yale University Press, 1998, idem, *Views from the Other Shore: Essays on Herzen, Chekhov, and Bakhtin* (New Haven and London: Yale University Press, 1999).
- 4 The papers in question are housed at the Centre des archives du monde du travail (hereafter CAMT) at Roubaix, near Lille, which is a branch of the French National Archives. They include a bundle of documents (now catalogued in CAMT as 68 H–1869) that concern Herzen's business with the Paris House of the Rothschild bank, viz. thirty-four letters from Herzen to the Paris branch, one letter to the same address from Herzen's mother, Luise Haag, and three other financial documents. Also at CAMT are copies of thirty-one of the letters from the bank to Herzen over the period June 1850 to July 1870 and one letter written to Herzen's surviving son in 1871 after Herzen's death. These copies are

preserved in the surviving registers, or volumes, of copies of the bank's correspondence with its private customers. These registers are catalogued at CAMT as 132 AQ.

The extant (but still incomplete) correspondence between Herzen and the Paris branch of the House of Rothschild was conducted entirely in French. It is to be published shortly on the online Research Forum of The Rothschild Archive at www.rothschildarchive.org.

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- 5 References in brackets in the text of this article are to the definitive edition of Herzen's works (including his letters), i.e. A.I. Gertsen, *Sobranie sochinenii v tridsati tomakh* (Moscow: Izdatel'stvo Akademii nauk, 1954–1965).
- 6 Besides the silver rouble there existed in nineteenth-century Russia a paper rouble, or assignat. The silver rouble was worth between three and four times as much as the paper rouble. Roubles mentioned hereafter in this article are silver roubles unless otherwise stated.
- 7 Some impression of the extent of this wealth can be gained from the fact that a million francs would have been sufficient to maintain Herzen's large household in comfort in central Paris, at the rate of

expenditure that Herzen was incurring there in 1849 (xxiii, 126), for over thirty years.

- 8 CAMT, 59 H–1869 (Haag's letter of 19 August 1849).
- 9 CAMT, 68 H–1869 (Herzen's letters of 5 September, 11 September and 6 November 1849 and 22 June, 25 September, 7 October and 12 November 1867). The dollar was worth roughly six French francs in 1849.
- 10 On the distraint and attempts to have it removed see Herzen, *Polnoe sobranie sochinenii i pisem*, ed. M.K. Lemke, 22 vols., (Petrograd: Gosudarstvennoe izdatel'stvo, 1915–1925), vol.14, pp.8ff.
- 11 See note 6 above.
- 12 CAMT, 68 H–1869 (Herzen's letter of 6 November 1849).
- 13 CAMT, 132 AQ, vol.1784, folios 27–28.
- 14 *Ibid.*, vol.1786, folio 364. See also vol.1784, folio 27, and 68 H–1869 (Herzen's letters of 3 and 13 July 1850).
- 15 CAMT, 132 AQ, vol.1786, folios 364 and reverse, and folio 743. See also CAMT, 68 H–1869 (Herzen's letter of 8 January 1852).
- 16 CAMT, 132 AQ, vol.1812, folio 146, vol.1814, folio 253, and vol.1815, folio 56. See also 68 H–1869 (Herzen's letter of 14 April 1852).
- 17 CAMT, 68 H–1869 (Herzen's letter of 13 July 1850).
- 18 For an English translation of this work see Alexander Herzen, *My Past and Thoughts*, translated by Constance Garnett, revised by Humphrey Higgs (Oxford and New York: OUP, 1985). The account of Herzen's relations with Rothschild is to be found in vol.2, pp.757–65.
- 19 As is clear, for example, from statements of dividends paid to the bank's private investors: see CAMT, 132 AQ 74. I am grateful to Caroline Shaw for drawing my attention to this file.
- 20 CAMT, 132 AQ, vol.1784, folio 28.