

# Crossing the channel: Nathan Mayer Rothschild and his trade with the Continent during the early years of the blockades (1803–1808)

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Margrit Schulte Beerbühl explains the background to Nathan Rothschild's earliest days as a merchant in Great Britain

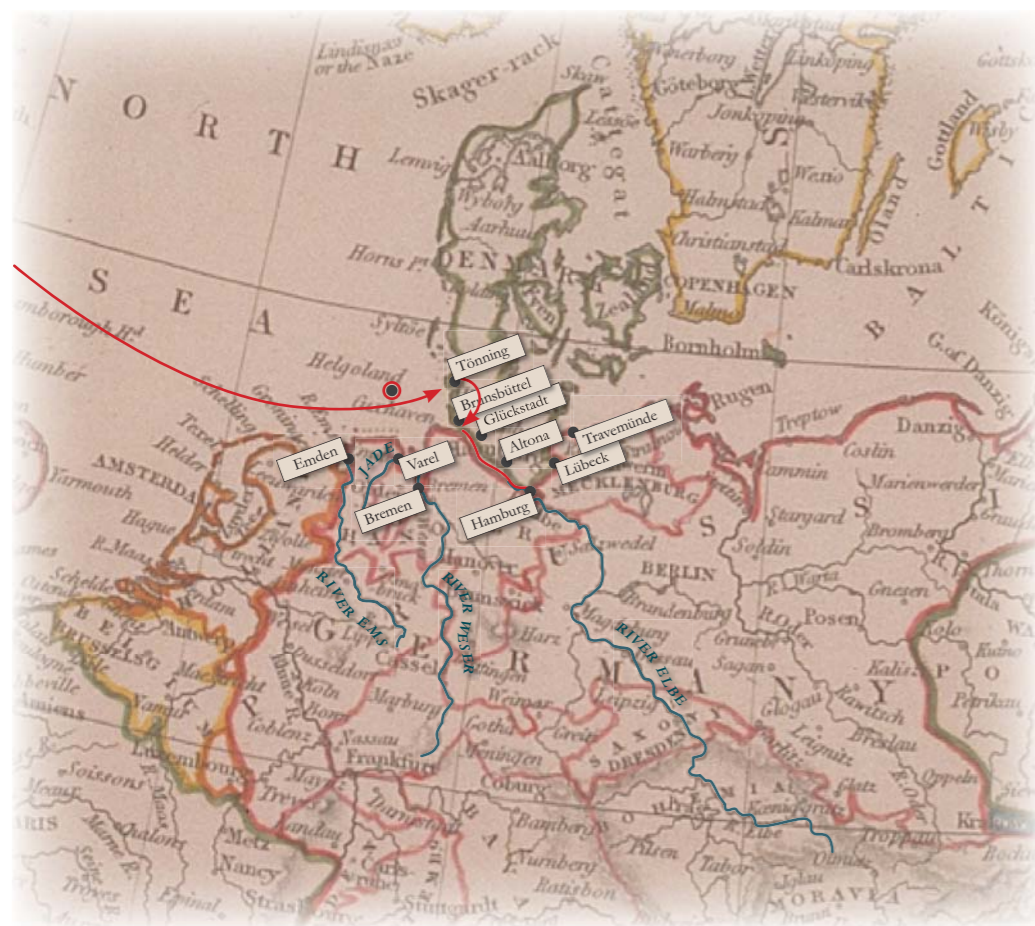
Around 1798, when Nathan Mayer Rothschild decided to leave his home town of Frankfurt and settle in England, the western world was experiencing a particularly difficult time. Britain had been at war with Revolutionary France for about five years, and in the very year of 1798 Napoleon threatened to cross the channel. The war was to continue for another 16 years with the exception of a short period after the Peace of Amiens in 1802. It was a war that was waged on a sustained and massive scale.

At the time when Britain and Napoleon proclaimed their mutual blockades Nathan Rothschild was not yet the well-known banker. He was just one of many continental European merchants who left their home country because of the advancing French troops. Much historical research into his early career in England has been overshadowed by his later career as one of the leading British bankers, but when he began his business life in England nothing distinguished him from many other German immigrant merchants. His spectacular rise in the banking world only began towards the end of the first decade of the nineteenth century. While his career as a banker has attracted much attention, remarkably little is known about his early beginnings as a commodity merchant and his trade with the blockaded continent before his move to London in 1808.<sup>1</sup>

Although the parent firms of immigrant merchants usually had old established and reliable partners in Britain, the early phase of a merchant career in a foreign environment was never easy. The immigrant merchant had to overcome many difficulties, such as language problems, different legal and trading customs and other social questions.<sup>2</sup> Many foreign merchants began their career on a very modest scale and what can be seen from the few records which survive of the early years of Nathan Rothschild in England, his career was not so very different from that of many of his contemporaries.

Myths about his move to England abound. His biographers usually tend to refer to one of his own later remarks that he moved to England 'because there was not room enough for all of us' in Frankfurt. This remark has been interpreted among others by Derek Wilson for instance, that he wanted to flee the confines of the Frankfurt ghetto.<sup>3</sup> Others have referred to Mayer Amschel's farsightedness in setting out a business plan for all of his sons. The abovementioned remark, that there was not room enough for all, did not exclusively refer to the ghetto, but had further implications. Since the days of the Hanse many internationally operating business families sent their sons abroad. It was part of a well-established strategy of merchant houses operating on a transnational scale and was found more or less among all continental merchant families. From the autobiographical remarks of Henry Muilman of Amsterdam, for example, we find that he had emigrated to London for similar reasons:

When his children grew up what to do with 5 boys, he could not tell himself chose to be of the profession of their father, that would not do in one & the same town, that



Routes for the importation of British goods.

placing 2 of them in England, those remaining at Amsterdam might be of reciprocal advantage to each other by the reciprocal connections and correspondences, accordingly in 1715 Henry the eldest & in 1722 Peter the 3rd son came over & these two brothers entered into partnership<sup>4</sup>

The same arguments can be found in the letters of Herman Jacob Garrels of Leer (East Friesland) who migrated to London in 1789.<sup>5</sup> Nathan Rothschild's decision to migrate to England has to be regarded as a well-established strategy pursued by internationally operating merchant families in Europe.

Additionally many continental family firms had long established trade connections with Britain before they sent the young members across the channel to open a branch in Britain. Since the outbreak of the war in 1793 a considerable part of the Dutch trade had shifted to the north German ports so that a settlement in England became even more attractive. Mayer Amschel Rothschild's house in Frankfurt had similarly profited from the general economic developments and his son's decision to leave his home town has to be seen against that background.

Not much is known about the young Rothschild's early years in England. As he neither had much knowledge of English business life nor knew the language, he entered the firm of L.B. Cohen and Levi Salomons for a few months before he settled in Manchester with a starting capital of £20,000. The amount of his starting capital – though it seems high – was not unusual for overseas merchants. Figures ranging between £15,000 to £30,000 for an overseas business were quite common in the middle of the eighteenth century.<sup>6</sup> Of course some immigrants started with less capital and some even without, but this was a risky affair. Shortage of liquidity was a constant problem in the eighteenth century: during the French and Napoleonic

Wars especially returns became very uncertain and even sound businesses went bankrupt.<sup>7</sup> What can be said with certainty is that Nathan Rothschild started with a solid capital base.

Rothschild's business with the textile manufacturers at Manchester has been thoroughly described by S.D. Chapman.<sup>8</sup> The textiles he ordered from them were destined for his family and other partners on the continent. The main port of entry for English textiles into the German states was Hamburg and from there they were transported to Frankfurt and beyond. After the renewal of war in 1803 the British government proclaimed the blockade of the Elbe and Weser. To circumvent the blockade merchants were forced to divert the traffic to other ports and use neutral vessels.

Nathan Rothschild's main shipping agents in 1803 and 1804 were Edward and George Coulson in Hull. In 1803 Nathan almost exclusively worked through them. During the next few years George Holden and Richard Southern & Pearson also of Hull became two other important shipping agents for Rothschild,<sup>9</sup> and he occasionally employed R.S. Reiss in Glasgow. Before 1805–1806 few of his consignments left from London.

In the early months of the British blockade in 1803 Coulson still sent some neutral ships to Hamburg. To reduce the growing risk of capture he petitioned for convoys for his ships to Hamburg from May onwards. Nevertheless it became increasingly difficult to send ships to north German ports and by July Coulson complained to Nathan that 'suitable German ports were running short'.<sup>10</sup>

The only ports which remained open to English goods were Emden and the Danish ports of Altona and Tönning. Coulson also started to ship more and more goods to the Baltic ports of Lübeck, Kiel, Wismar, Stettin and other places. The 'Reichsdeputationshauptausschuss' (representative committee of the old German empire) had just declared Lübeck a free and neutral Hansetown. Consequently Nathan and his shipping agents thought Lübeck a convenient port to circumvent the blockade.

In Lübeck the new agent became Messrs Brothers Müller who received Nathan's wares and sent them to their ultimate destination. In August 1803 Joseph Barber, Nathan's bookkeeper, had received alarming rumours that the French threatened to occupy Travemünde, in the neighbourhood of Lübeck. These rumours proved to be groundless and ships continued to sail to the Hansetown for some more months.<sup>11</sup> The route to Lübeck was long and dangerous and until 1806 Nathan preferred the ports of Emden and Tönning. They were not only much closer to Britain but also nearer to Frankfurt. The neutrality of the surrounding duchies of Oldenburg and Kniephausen also made it easier to evade the blockade. In Emden he mainly traded with two old established houses, those of P.J. Abegg and Altmann & Winckelmann, who transferred Nathan's wares to his father and other customers in Frankfurt. Emden was also used as a secret place of turnover to introduce the forbidden wares into occupied Holland.<sup>12</sup>

The ships which went to Tönning and Altona in Denmark were destined for partners in Hamburg. Among them were Ludwig Alex Philipson and the Huguenot firm of De Chapeaurouge & Co. Some of the merchants at Hamburg like A. Ellermann opened branches in Tönning to facilitate the trade.

Some very interesting letters survive in The Rothschild Archive which reveal the secret routes Nathan's goods took from the ports of entry to their destination. From Tönning, for example, British goods were at first loaded on wagons to be sent overland to Brunsbüttel and then from there conveyed up the Elbe in safe vessels to Hamburg.<sup>13</sup> After Emden had come under the blockade in 1806 the local firm of Altmann & Winckelmann had opened a branch at the small port of Varel, on the river Jahde, which belonged to the neutral Duchy of Oldenburg. At Varel Abegg began to co-operate with the firm of F.G.A. Melcher. On the advice of Mayer Amschel Rothschild in Frankfurt the firms of Abegg and Altmann & Winckelmann supplied Nathan Rothschild in Manchester with detailed descriptions of safe transport routes from the coast to Frankfurt and into Holland. The transport of goods to Mayer Amschel Rothschild in



*(this page)*  
Nathan Rothschild's  
business partner, John  
Parish (1754–1858).

*(opposite page)*  
Nathan Rothschild  
corresponded with other  
members of the Parish  
family including Charles  
(1781–1856) and  
David (1778–1826).  
All three images  
reproduced with the kind  
permission of Peter Boué  
and John M. Parish, Baron  
von Senftenberg.

Frankfurt were to be organised by Melcher under the supervision of Abegg. In one letter Altmann & Winkelmann noted that via the port of Varel Bremen was not only within easy reach without touching the occupied territory of Hanover, but from there two routes were open to Frankfurt, one via Bremen through Prussian territory and another from Varel via the neutral Duchy of Ahrensberg, county of Bentheim and Hesse to Frankfurt. As the navigation of the 'Watten' or tidal waters was not interrupted, goods could be sent on small barges from Varel to Delfsiel and from there into Holland and Brabant.<sup>14</sup>

Until 1805 Nathan Rothschild's trade was only of a relatively regionally limited scope and it was still deeply embedded in his father's firm. Two events changed the structure of his trade considerably: his marriage to Hannah Cohen and the continental blockade of 1806.

Important new partners, like the Hamburg house of John Parish & Co., or the London house of Fermin de Tastet came into the picture, while others dropped out. Among the latter was the Hamburg firm of De Chapeaurouge & Co. The De Chapeaurouge were of Swiss origin and had settled in Hamburg in the middle of the eighteenth century. In 1802 during the short peace time Nathan had begun to trade with French houses in Paris, Metz and Lyon. He sent his goods via the house of De Chapeaurouge to these houses.<sup>15</sup> During the Napoleonic Wars they had become heavily involved in smuggling British goods into France via the Basel firm of Bourcard & Co. The De Chapeaurouge, however, fell under the suspicion of the British government for their political views and were expelled when they entered Britain.<sup>16</sup> The Basel firm of Christoph Bourcard & Co. was an old established house and since 1802 NMR already traded with this firm directly.<sup>17</sup>

From at least 1804 Messrs Ausset Dutoit & Co. of Vevey in Switzerland belonged to Nathan Rothschild's correspondents, receiving, above all British textiles from him. The transactions with Ausset Dutoit were managed by three firms, the Swiss-German firm of Rougement & Behrens in London, the firms of Altman & Winkelmann at Emden and John Parish at Hamburg. The increasing difficulties in getting English goods safely into Switzerland caused Ausset Dutoit to install his son Jacques at Hamburg. A glutted market, the confiscation and prohibition of all English goods in Switzerland in 1806 forced Ausset Dutoit to stop temporarily all business with England. Trade with the Leipzig firm of H.G. Schoeffel & Haenel was equally



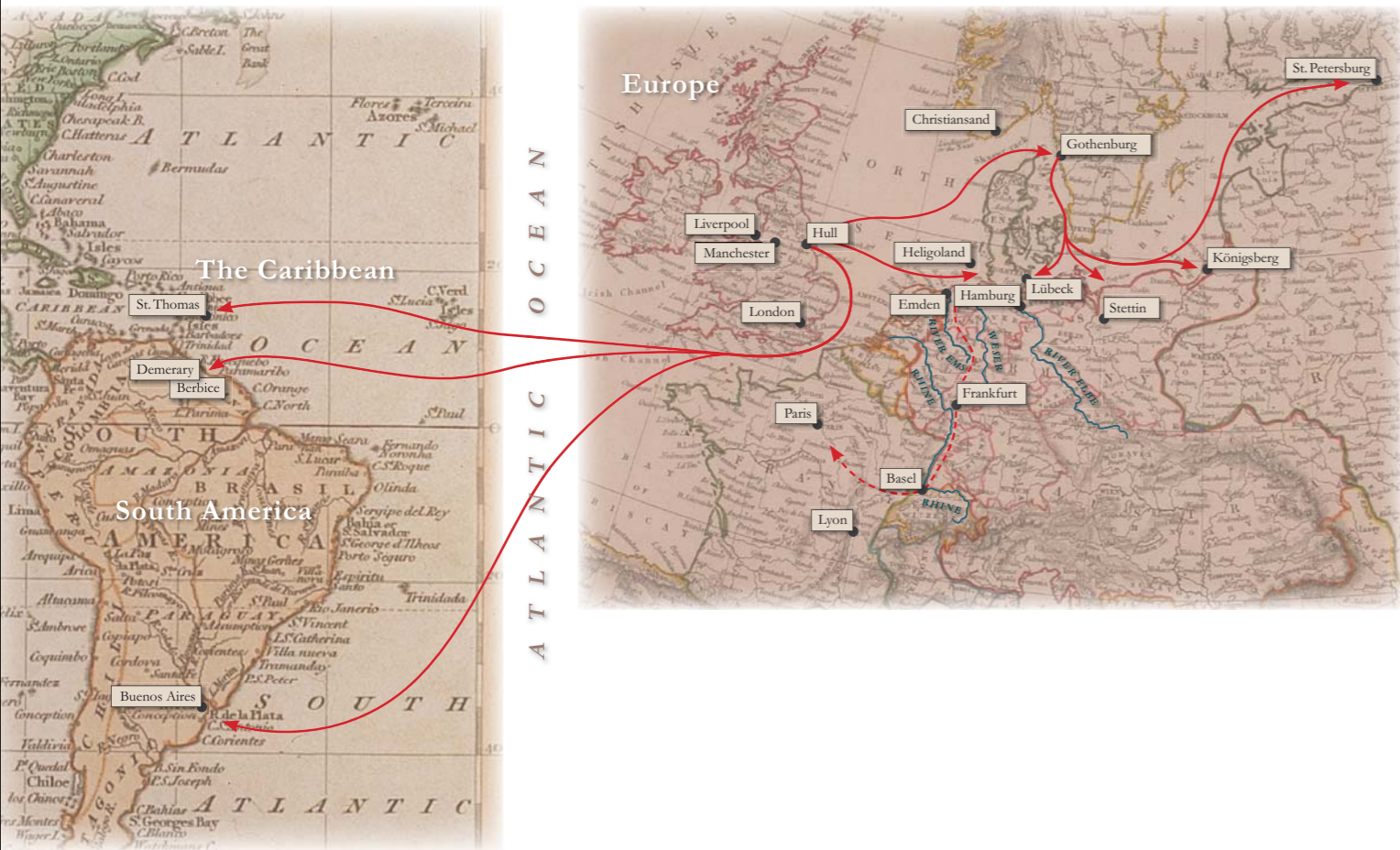
interrupted. In October J.N. Maur of Altona wrote to Nathan Rothschild that the goods for this firm could not be forwarded to Leipzig as the French had taken the city.<sup>18</sup>

At this time the firm of John Parish at Hamburg became an important new partner. The house of Parish had been involved in banking activities at least since the early 1790s and cooperated closely with the biggest banking house of the eighteenth century, Hope & Co. in Amsterdam, as well as with Harman & Co. in London, an old partner of Mayer Amschel Rothschild in Frankfurt. Since 1794 the house of Parish had been transferring English subsidies to Prussia and in 1809 also to the Austrian Government. From the 1790s Parish also dealt with the Board of Transport. He supplied the English troops on the continent with money and goods and provided the Navy with ships for the transport of British soldiers to the West Indies.<sup>19</sup>

At the time Nathan Rothschild began to trade with the house of Parish, John Parish's sons, John, Charles and David had taken over the business. The first two in particular became key figures in breaking the blockade. John and Charles Parish kept Nathan informed about all the latest events on the continent and both organised the secret transports of Nathan's goods to his father and to Israel Elias Reiss and others in Frankfurt as well as transferring bills of lading, money and goods to correspondents in Rotterdam and Amsterdam.<sup>20</sup>

The progress of Napoleon's armies not only forced the merchants to look out constantly for loopholes which they could exploit in order to bring in British goods, but also necessitated an increasing mobility. In 1806 and again in 1807 Mayer Amschel Rothschild stayed with John Parish several times to supply the firm with the necessary information and organise safe transport to Frankfurt.<sup>21</sup> They also arranged that goods sent by Nathan to Parish should be entered in the name 'MAR', Mayer Amschel Rothschild.

It was evident that the house of Parish was among the first to be suspected of dealing with British goods and indeed, after the French had entered Hamburg, John Parish was soon taken into custody. His brother Charles fled to London and on 20 December he wrote to Nathan: 'It is out of question, as to sending manufactured goods there – should you have any on the way destined for that place I strongly recommend you stopping them if possible'.<sup>22</sup> After about half a year of silence the Hamburg house of Parish and Nathan Rothschild took up business again.<sup>23</sup>



(opposite)  
Nathan Mayer Rothschild's trade in 1806.

(this page)  
'Hamburgh', published by R. Bowyer, Pall Mall, 1815. Presented to N M Rothschild & Sons and inscribed on the reverse, 'with best wishes for the new New Court and in memory of a very old relationship with old New Court', Eric M. Warburg, November 1965.

to the continent. These developments caused Nathan to send his associate, John Fox, to Sweden. He needed a reliable agent there to make contact with the local authorities and merchants. Only with the support of the local authorities in Sweden could ships be cleared and reloaded after changing flags and getting new papers unlikely to arouse suspicion. Cohen introduced Fox to Simon Elias Warburg at Gothenburg, the brother of Samuel Elias Warburg of Hamburg. Financial transactions with Amsterdam were also organised via the Swedish Warburgs.

After the acquisition of Heligoland by the British in 1807 a new prospect of entering the blockaded continent appeared. L.B. Cohen was, however, rather sceptical at the beginning and even advised Nathan against using the island as a place of turnover:

Some clever person is necessary to have on the other side, say the Continent, to give you information in what manner to manage this kind of business. For my own part should not like to have any thing to do with it. The season is already too far advanced the entrance into Heligoland is very difficult and besides I think there are no accommodations to stow goods in such an infamous Place.<sup>26</sup>

Despite Cohen's initial doubts, Heligoland became a flourishing smuggling nest within the course of the year and Nathan Rothschild stationed S.F. Cantor as his agent there. By the time these events took place, Levi Barent Cohen had died, and Nathan left Manchester for London, taking up permanent residence in the capital.

We can see that until 1808 Nathan Rothschild's trade was deeply embedded in his father's network and subsequently that of his father-in-law. After the proclamations of the mutual blockades by the belligerent countries commerce with the continent could only survive in a



Since late 1805 Nathan had extended his business considerably in close co-operation with Fermin de Tastet of London and Levy Barent Cohen, his future father-in-law. Cohen, the founder of the London house, was born in Amsterdam and despite the occupation of the Netherlands by the French he continued to correspond with his family in Amsterdam. In 1806 Nathan traded with the Dutch members of the Cohen family as well as with H. Hanau, L.A. Haas and others of Amsterdam.

The Cohen family traded in colonial produce and the correspondence of A. Hertz, L.B. Cohen's principal clerk, with Nathan Rothschild reveals that he too, at least after his betrothal to Hannah Cohen, traded extensively in dyes, coffee, sugar and other colonial produce. The trade in dyes, in particular indigo, was an especially profitable one and many merchants made a fortune out of it. Madder was another profitable dye. While indigo came from the West Indies and East Indies, madder mostly came from the eastern Mediterranean. The London house of A. Harman, an old trading partner of Mayer Amschel Rothschild and of Cohen, mostly supplied Nathan Rothschild with these dyes, which were destined for Frankfurt and other customers on the continent. By 1807 Nathan Rothschild, in co-operation with the house of his father-in-law, had opened a direct trade with the West Indian sugar islands.<sup>24</sup> In a joint venture with Fermin de Tastet in 1806 Nathan had also bought hides in Buenos Aires on the account of his father in Frankfurt.<sup>25</sup>

The closure of the North German ports forced the overseas merchants in Britain to shift their trade with continental Europe to the Baltic. Even before the blockade Nathan Rothschild traded with the Russian port of Königsberg, and other ports in the Baltic. After 1806 Gothenburg and Christiansand became the main places of turnover for bringing British goods

clandestine environment. Under these circumstances a well-established, reliable and trustworthy web of family, kin, co-religionists and compatriots became of vital importance, for detection by the French would not only involve heavy losses but also imprisonment. In all these activities Nathan Rothschild's partners on the continent reveal that they were Napoleon's unwilling allies who readily collaborated against the emperor and contributed to the final failure of the continental blockade.

*Priv-Doz. Dr Margrit Schulte Beerbühl is an assistant professor in modern history at the University of Düsseldorf. She has published widely in the fields of British history, Anglo-German relations, merchant networks and British naturalisation policy. Her latest publications are: ed. with Joerg Voegelé, Spinning the Commercial Web. International Trade, Merchants, and Commercial Cities, c.1640–1939 (Frankfurt, 2004); ed. with Stefan Manz and John Davis, Migration and Transfer from Germany to Britain (1660–1918) (Munich 2007); Deutsche Kaufleute in London: Welthandel und Einbürgerung 1660–1818 [German merchants in London: global trade and naturalisation (1660–1818)] (Munich, 2007). She is currently working on a project on Anglo-German trade during the Napoleonic Wars.*

## NOTES

- 1 The only exception is Stanley D. Chapman's article on NMR as a textile merchant. However, he tells us little about his trade with the blockaded continent (S.D. Chapman, 'The Foundation of the English Rothschilds: N.M. Rothschild as a Textile Merchant 1799–1811', in: *Textile History* 8 (1977), pp.99–115).
- 2 See for that more explicitly Margrit Schulte Beerbühl, *Deutsche Kaufleute in London: Welthandel und Einbürgerung (1660–1818)* (Munich, 2007).
- 3 Derek Wilson, *Die Rothschilds. Eine Geschichte von Ruhm und Macht bis in die unmittelbare Gegenwart* (Munich, 1994), p.36f (German edition).
- 4 Peter Muilman, 'Autobiographical notes of Peter Muilman', Mss at the end of vol.1 of his 'A New and Complete History of Essex. [...] by a Gentleman', 6 vols., (Chelmsford, 1770).
- 5 His letter in Ernst Esselborn, *Das Geschlecht Garrels aus Leer* (Berlin-Pankow, 1938), p.130.
- 6 Schulte Beerbühl, *Deutsche Kaufleute*, pp.164–170.
- 7 For the risk of failure during the Napoleonic Wars see Ian P.H. Duffy, *Bankruptcy and Insolvency in London during the Industrial Revolution* (New York, London, 1985); Schulte Beerbühl, pp.347–383.
- 8 See note 1.
- 9 RAL, NMR Archive Consignment book 1803–1808 (1/218/10). Nathan had already worked through Southern & Pearson in 1802 but had become dissatisfied with their services.
- 10 RAL, XI/112/0 Coulson of Hull to NMR 7, 15 and 16 July 1803.
- 11 RAL, XI/112/0 Barber in Hull to NMR 22 August 1803.
- 12 RAL, *ibid.* Rob. Hudson Hull to NMR 8 October 1803.
- 13 RAL, *ibid.*, A. Ellermann & Co. Tonningen to NMR 17 September 1803.
- 14 RAL, *ibid.*, Altmann & Winkelmann Emden to NMR Manchester, 9 May 1806, J.P. Abbegg, Bremen to NMR 26 May 1806.
- 15 RAL 1/218/35, see for example letter from Nathan to Amschel Mayer Rothschild Frankfurt 12 May 1802.
- 16 TNA, HO5/34, Whitehall 16 February 1807, pp.95f.
- 17 In London the accepting bank for the Bourcards was J. Cazenove. NMR also traded with the latter.
- 18 RAL, XI/112/4, J.N. Maur Altona to NMR 21 October 1806.
- 19 Richard Ehrenberg, 'Das Haus Parish in Hamburg', in: *Große Vermögen. Ihre Entstehung und ihre Bedeutung*, Bd. 2, Jena 1925, pp.38f., 68f., 117.
- 20 RAL, XI/112/4, Parish & Co. to NMR 15 July, 8 and 15 August, 14 November 1806.
- 21 *Ibid.*, 25 January 1806.
- 22 *Ibid.*, 20 December Charles Parish London to NMR Manchester.
- 23 *Ibid.*, 8 and 9 May 1807.
- 24 *Ibid.*, L.B. Cohen London to NMR in Manchester 1 July 1807.
- 25 *Ibid.*, Fermin de Tastet London to NMR 16 September 1806; Parish & Co. Hamburg to NMR 11 November 1806.
- 26 *Ibid.*, L.B. Cohen, 22 and 23 October, 16 November 1807.