THE INFLUENCE OF NAPOLEON'S CONTINENTAL SYSTEM
ON RUSSIAN ECONOMY, 1807-1811

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## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>CHAPTER</td>
<td></td>
</tr>
<tr>
<td>I. Russian Economy at the Beginning of the Nineteenth Century</td>
<td>5</td>
</tr>
<tr>
<td>II. The Meaning of Tilsit</td>
<td>14</td>
</tr>
<tr>
<td>III. The Immediate Effect of the Continental System</td>
<td>25</td>
</tr>
<tr>
<td>IV. Some Positive Effects of the Continental System</td>
<td>38</td>
</tr>
<tr>
<td>V. Russia's Political Answer to Napoleon's Economic Demands</td>
<td>43</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>55</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>57</td>
</tr>
</tbody>
</table>
LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. The Russian National Deficit, 1801-22</td>
<td>28</td>
</tr>
<tr>
<td>II. Relation Between Revenue and Expenditure</td>
<td>28</td>
</tr>
<tr>
<td>III. British Account of Timber Imported from Russia During the Years 1800-1814</td>
<td>33</td>
</tr>
<tr>
<td>IV. Russia's Grain Exports, 1801-1820</td>
<td>34</td>
</tr>
<tr>
<td>V. The Number of Factories and Mills in Moscow Province from 1804 to 1815</td>
<td>40</td>
</tr>
<tr>
<td>VI. The Over All Growth of Russia's Foreign Trade, 1801-1825</td>
<td>42</td>
</tr>
<tr>
<td>VII. The Value of United States Foreign and Domestic Exports to Russia, 1825-1820</td>
<td>48</td>
</tr>
</tbody>
</table>
THE INFLUENCE OF NAPOLEON'S CONTINENTAL SYSTEM ON RUSSIAN ECONOMY, 1807-1811

INTRODUCTION

Leaving St. Cloud on May 9, 1812, Emperor Napoleon travelled with Marie Louise to Dresden where, as guest of the King of Saxony, he held his last great court. In parvenu splendour and pageantry this assemblage rivalled Erfurt. The Princes of the Confederation were there, claiming the honor of presenting their homage. Emperor Francis of Austria and the King of Prussia, though cherishing against Napoleon secret grievances, endeavored to charm the great Corsican with their flattery. No Roman Emperor had lorded over his German vassals more despotically than this Corsican over his sycophantic entourage. Yet, this second Erfurt, this tragicomedy which was "something at once brilliant and sad,"¹ was without its Alexander.

The impasse, which had gradually developed between the allies of the Tilsit agreement, reached climactic proportions during the Dresden festivities when Napoleon received the refusal to negotiate, brought by his aide-de-camp, Count Marbonne, from the Czar. The texts dealing with the causes of this final breach have been legion, and the emphases placed on the various causes as numerous as the authors who have discussed the subject. Among these causes Napoleon's refusal to withdraw from Prussia

and the Duchy of Warsaw and Alexander's corresponding refusal to leave the Danube, even after the armistice with Turkey concluded August 21, 1807, have received considerable attention. The Czar's justifiable fear that, in the event of a re-establishment of Poland, he would be forced to cede to Poland the provinces which had once been a part of that country, and Napoleon's augmentation of the Duchy by the Peace of Vienna on October 14, 1809, were important factors in widening the gap of the alliance. Another, to which Vandal has perhaps attached too much significance, was the indecent haste with which Napoleon married Marie Louise of Austria when he learned that he had been refused the hand of the Duchess Anna Pavlovna, the Czar's youngest sister.  

The annexation of Holland in July, 1810, and the annexation of the Hanseatic cities Bremen, Hamburg, and Lubeck in December of that year terrified Alexander. Then too, the annexation of Oldenburg, and the subsequent transportation of Duke Peter I to Erfurt was a flagrant violation of the Tilsit Treaty and has even been listed by one author as "the gravest problem between . . . Alexander and Napoleon, becoming later the actual casus belli."  

Of great importance, however, in understanding the gradual deterioration of this friendship are two factors which have received less attention from these same authors: the detrimental economic effects of the Continental Blockade, and the pressure of vociferous economic groups within the Russian empire demanding abrogation of the Tilsit agreement.

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Of importance too, are the corollaries to these propositions: the incipient attempts among merchants and manufacturers to create some semblance of industrial independence in Russia during this period, and, finally, the over all effect of the Continental Blockade on the subsequent economic life of Russia.

Conceived in an atmosphere of confidence which followed the humiliating defeat of Prussia in the fall of 1806, Napoleon's plan to crush the economic power of England had its birth in the famous Berlin decree of November 21, 1806. England, according to the decree, because she did "not admit the right of nations as universally acknowledged by all civilized people," was declared in a state of blockade; all commerce with the British Islands was prohibited, trade in English merchandise was forbidden, all English property was to be confiscated and English vessels seized, and Spain, Naples, Holland, Etruria and all of France's allies were required to conform to the terms of the decree. The Continental System was actually not a blockade of Great Britain by France, for the French Navy was insignificant. Nor was it a blockade of the French Empire by England, for the British Government issued licences for trading with Europe. As Mowat suggests, "The Continental System was a blockade of the French Empire by itself." The entire system was a self-denying ordinance

5Ibid., pp. 289-90.
designed to bring Great Britain to her knees. Eventually, all of the continental states joined this alliance except Turkey, Sicily and Portugal, but it was only to the extent to which Russia would submit that the artificial framework of the system had meaning in the strain of endurance between England and France.
CHAPTER I
RUSSIAN ECONOMY AT THE BEGINNING OF THE NINETEENTH CENTURY

A brief consideration of the forces at work in the Russia of 1807 and of the predominant role of English trade in the commerce of Russia before Tilsit will high-light the problem which this paper seeks to answer.

At the beginning of the nineteenth century Russia still had an essentially feudal economy, but new economic processes, the embryonic results of Russia's wedding to more advanced European countries, were carrying promise of technological and sociological improvements.

Foremost among these new forces was the constant expansion of an all-Russian market which accompanied the continued expansion of national territory.¹ This nationalistic expansion, which had begun as a gathering-of-the-lands under Ivan IV, continued under Catherine, and under Paul I with the annexation of Georgia and, finally, with the seizure of Finland and Bessarabia under Alexander I. This continuous territorial aggrandizement resulted in an increased circulation of goods and in labor diversification.

On the internal market the increased circulation of goods was expedited by an enormous improvement in means of communication and by the development of fairs. As early as 1750 the British merchant Jonas Hanway commented on Russia's use of "the number and greatness of her rivers [which] open a communication almost to every port of the globe, but particularly

within her own extended dominions."\(^2\) The construction of the Catherine Canal uniting the Northern Dvina and Kama basins was followed, in 1804, by the construction of the Oginski Canal, connecting the Niemen with the Dneiper.\(^3\) Fairs which sometimes lasted months were an important factor in the development of internal trade. From Vladimir province chintzes and other cotton goods were sold at the fairs of Moscow, Rostov and Kharkov, and from the fair at Nizhny-Novgorod, Armenian traders carried Ivanovo chintzes down the Volga to Georgia and Persia.\(^4\)

The social division of labor was accelerated by the separation of serfs from the land, but it is significant that the serfs were merely shifted from the land to industry. True, the land grants including peasants, which had been such popular gifts under Paul and Catherine, had virtually ceased by 1800, yet serfdom was even expanded in some respects. A law of October 18, 1804, permitting merchants to buy serfs, though with land only, was followed by a manifesto of May 27, 1810, which granted foreign investors and first-guild merchants the right to purchase from the state land with peasants living on it.\(^5\) It was not so much, then, an emancipation of serfs as a transmogrification in occupation. The seizure of land by the gentry and the computation of obligatory labor to

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\(^4\) Ibid.

a quit-rent basis created a class of industrial serfs. Industry in Russia endeavored to adjust itself to the old institutions.

It follows, obviously, that this growth of an industrial population led to an expansion of the domestic market. The city population increased gradually from 4.1 per cent of the entire population in 1796 to 4.4 per cent in 1812 and in 1835, 5.6 per cent. Seasonal and temporary workers crowded the summer ports of Murmansk and Archangel, the population of the former quadrupling at the opening of navigation each year. Thousands left their villages to find labor at St. Petersburg and Moscow and the total number of workmen engaged in manufacturing rose from 95,000 to 210,500 in 1835.7

Another of the new economic forces appearing in the first quarter of the nineteenth century was the noticeable specialization of various economic regions of the country. Agriculture and cattle raising remained predominant in the area bounded roughly by the Dneiper and Volga rivers on the west and east, respectively, and the Oka and Donet rivers on the north and south. The southern and eastern provinces supplied meat, herds of cattle being moved northward from the Ukraine. The central and northern provinces (Moscow, Vladimir, Yaroslavl and Tver) became principally industrial.8

Russia's inadequate economy was further stimulated by attempts to copy the technical improvements of more advanced sister nations. In

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6 For an interesting contemporary account of this gradual transition from land to industrial serfdom see: Edward Daniel Clarke, *Travels in Russia, Tartary, and Turkey* (Aberdeen, Scotland: George Clark and Son, 1843), pp. 99-102.

7 Nechkina, op. cit., p. 3.

8 Ibid.
Russia a self-educated inventor Polzunov, in 1763, and a foreigner
Goskoin, following in 1790, were the first to construct a steam engine
of the Watt type and in 1805 steam engines were applied to the cotton
industry at St. Petersburg. Linen manufacturers of Alexandrovsk first
used the English type spinning machine in 1809. At the beginning of the
nineteenth century Russia was far behind the rest of Europe in the pro-
duction of iron, having only eighty-seven furnaces in the Ural area
and surface mining in the Tula area. Improvements in the techniques
of metal refining were slowly developed.

It is already apparent from this discussion that the influence of
the industrial revolution upon the economy of Russia was complicated
and contradictory. On the one hand, the transfer of serf labor to the
cities, the specialization of economic regions, the copying of more ad-
vanced techniques, and the improvements in communications stimulated the
desire among Russian nobles to produce industrial goods which would
otherwise have to be purchased abroad. Many Russians felt that adherence
to the Continental System would stimulate industrial development in
Russia. On the other hand, these same factors—increased urban life,
 improved communications, specialization, etc.—actually enhanced the
agrarian character of so backward a country. How were the landed gentry
to compete with a nation of shop keepers, when foreign demands for raw
materials and agrarian produce made pursuit of traditional farming methods
seem so much safer?

9Lyashchenko, op. cit., p. 328

10For a contemporary account of the Tula project, see: Clarke,
op. cit., pp. 110-111.
Agricultural products still made up the major portion of Russia's exports at this time. When Russia was drawn into the world market she hastened to develop her agricultural production. Tallow, flax and hemp were in the lead, for it was not until the early years of the nineteenth century that the export of grain began to acquire its importance as the "most natural trade for Russia."  

The grain exports for the period 1802 to 1807 accounted for 18.7 per cent of the total value of exports, and for 31.2 per cent for the years 1806-1820 inclusive.

Although this turnover of Russian foreign trade at the beginning of the nineteenth century made up only 3.7 per cent of the total world commerce, agricultural progress before 1807 had been continuous and rapid. Favorites, who had acquired immense territory in the south and west under Catherine, had made fortunes and the sales of exported grains had risen from 70,000 тщелвірті (about 111,000 roubles) at the end of the eighteenth century to 2,218,000 тщелвірті or twelve million roubles at the initiation of blockade.  

A similar augmentation in the value of linen and hemp had encouraged their cultivation. "It was mainly owing to the export of grain that Russian merchant capital attained to its highest development."  

In order to judge the influence of Napoleon's Continental System and to discover what changes came with the break with England, it will be useful to ascertain the extent and influence of English participation in

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12 Kazimierz Waliszewski, La Russie il y a cent ans: le règne d'Alexandre Ier, (Paris: Flon-Nourrit et Cie, 1923), 1, 295.

13 Pokrovsky, loc. cit.
Russian commerce before the Tilsit agreement.

When the Girondist naval officer, Kersaint, complained in a speech to the Convention on January 1, 1793, that "one cannot find on the face of the globe any lucrative branch of trade which has not been exploited to the profit of that essentially shop-keeping people," he thought especially of Britain's trade in naval stores with Russia, Sweden, and Denmark. The obvious predominance of English trade in Russia disturbed most Frenchmen, who, being unable to throw off the Colbertism of the Ancien Régime as easily as they had thrown off its political order, were willing to follow, often with immoderation, a system which sought new markets for French goods abroad.

From 1802-1806 English trade occupied the leading position in Russian foreign commerce. During this five year period, of every one hundred merchants exporting goods from St. Petersburg, sixty-three belonged to the English nation (in 1805 the amount of goods transported from St. Petersburg accounted for thirty-eight per cent of all Russian exports). During this same period about 73 per cent of all annual exports of available, first class hemp went to England, 91 per cent of flax, 70 per cent of iron, 77 per cent of fats, 80 per cent of bristles, 42 per cent of wheat and 43 per cent of linen. Of the sheep exported annually during this period from St. Petersburg, at least 75 per cent went out under the British Flag. In St. Petersburg, the three greatest commercial houses were British and they carried on more than one-fourth

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of the export trade of the capital.

British demand for Russian naval stores was an important factor in the favorable commercial agreement of April 11, 1805,16 which accompanied Russia's entrance into the Third Coalition.

These products were, of course, almost exclusively transported by English ships. According to the report of the Register General of Shipping for Britain, T. E. Willoughby, for 1804, 143,893 tons of Russian goods entered England by 641 ships cleared, as compared with 8,163 tons entering England on 23 foreign ships.17 This trade was particularly brisk in 1805 from Kronstadt even though the port was nearly ice-clogged, for, as Le Moniteur puts it, "La plupart de ceux qui avaient été surpris par les glaces, ont pu être dégagés et sont partis."18

In return for these raw materials, England supplied Russia with instruments, manufactured metal goods, woolen cloth, cotton yarn and colonial wares. These too, were transported by British ships, of the 107,000 tons of English goods sent to Russia in 1804, 91 per cent was carried by British ships.19 At the beginning of 1805 Russian consumption of British home and colonial goods fell just shortly below that of Denmark and Prussia. And of her total importations, it has been estimated that 35 per cent were in the hands of the British merchants.20

Interestingly, English activities in Russia were not limited to the carrying trade. Contemporary travellers as Madame de Stael, Jonas Hanway,


18News Item in Gazette Nationale ou Le Moniteur Universel, January 10, 1806, p. 1.

19Parliamentary Papers, 1805-7, loc. cit.

20Heckscher, op. cit., p. 318.
William Coxe and Edward Clarke describe the many positions held by Englishmen—as tutors, physicians, shop keepers, and even as "horse-dealers and grooms." This active English population, however, was in a minority in relaxation to the over all foreign population. Of the 3811 foreign residents in Moscow in 1805 only 126 were English.

Russia was also caught in a golden net of subsidies and promises of subsidies with which England held her allies. It is natural that Great Britain's subsidies would fall to Russia, a country with which she had unimpeded intercourse. Great Britain on April 11, 1805, guaranteed Russia 1,250,000 pounds sterling for each 100,000 men of regular troops "in order that the said pecuniary succours may be proportioned in the manner most conducive to the general good, and to assist the powers in proportion to the exertions they make to contribute to the common success [of the war]." British subsidies continued up to Tilsit, Russia receiving 600,000 pounds in 1807. Loans also held Alexander to his ally, and the withdrawal of these "pecuniary succours," to which he had become addicted, profoundly irritated him. At least one historian feels that the new Whig leadership's refusal to grant him another loan after Eylau was a major factor in Alexander's decision to change alliances.

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21 Clarke, op. cit., p. 84.
22 Robert Lyall, The Character of the Russians, and a Detailed History of Moscow (London: T. Cadell, 1823), Table II, Part II.
23 Cobbett, Parliamentary Debates, 1806, Vol VI, Appendix, p. iii.
24 Heckscher, op. cit., p. 353.
25 Sir Archibald Alison, Lives of Lord Castlereagh and Sir Charles Stewart, the Second and Third Marquesses of Londonderry (Edinburgh, Scotland: W. Blackwood and Sons, 1861), I, 214.
Recognizing the power of these economic ties and the preponderance of British mercantile influence in Russia, Count Vorontsov, ambassador to London, said, in his farewell audience with King George III:

You know yourself, as I have said and have repeated during the twenty-one years that we have known each other, that a good Englishman must be a good Russian, and likewise, a good Russian must be a good Englishman; that it would be contrary to all good sense to imagine that there could exist a more natural and more solid alliance than the one between Russia and Great Britain, which are neither neighbors nor the same type of countries, each of them being based on different elements: the one being the most formidable military power on the continent and the other being protected by a fleet which is the greatest any country has ever seen.

Even for a veteran diplomat like Count Vorontsov this seems to be an unusual statement of friendship. This address is a good example of the faith that many Russians had in their country's alliance with England.

In view of Great Britain's predominant position in the economy of Russia before 1807 and the favorable balance of trade accruing to Russia from this relationship, careful consideration must be given to the factors which lead to the diplomatic break between the two countries.

26F. Martens, Recueil des traités et conventions, conclus par la Russie avec les puissance étrangères (15 parts in 8 vols.; St. Petersburg: 1874-1909), XI, 123.
CHAPTER II
THE MEANING OF TILSIT

Some attention must be given to a consideration of the factors which contributed to the split between England and Russia. In general, it may be said that the very interplay of interest, economic and political, between the two allies contained elements which destroyed that alliance.

Russia had fought in 1805 at Austerlitz because of her firm conviction that Napoleon's violation of the German settlement, his occupation of the Neapolitan ports, and the execution of the duke of Enghien were threats to her interests in the Turkish Empire and Poland. The staggering defeat which Russia had sustained at Austerlitz had deprived her of her advanced posts on the Danube, and, as Sorel suggests, "Austerlitz avait atteint Alexandre dans ses illusions, le nom russe dans sons prestige, l'empire dans ses intérêts."¹ Though the Czar informed the Austrian emperor not to count on the Russian troops any longer, he himself refused to conclude a peace on Napoleon's terms. He also told the Russians to make what terms they could. With their erstwhile ally retreating through Poland, Austria signed the disastrous treaty of Pressburg and Prussia signed the Schönbrunn treaty.

The change in English foreign policy during 1806 was a strain on the Anglo-Russian accord. The death of William Pitt the Younger on January 23, 1806, elevated Charles James Fox to head position in the British Cabinet. In the field of foreign affairs his program called for withdrawal of England

from the costly continental coalition and the negotiation of peace with England. Although he failed to accomplish this aim and became convinced, after lengthy negotiations, that the war must continue, his policy did help convince Alexander that Russia's true interests might lie elsewhere.

The British, too, had reason to question the sincerity of the accord. British anger had been aroused by Russian attempts in July, 1806, to negotiate a separate peace with Napoleon. Ostensibly working with Lord Yarmouth on repatriation problems in Paris, Chargé d'Affaires D'Oubril had approached Talleyrand cautiously on the possibility of a separate peace treaty with France.² Although not authorized to sign a treaty of peace, D'Oubril, afraid of missing this opportunity and pressured by Talleyrand, had accepted a treaty which held out very little more for Russia than Napoleon's vague promises. The treaty had created a storm of protest in England and it was never ratified in Russia, and D'Oubril was temporarily exiled from St. Petersburg for his indiscretion.

Alexander's suspicion that he was concerning himself with a European coalition to which England was giving only half-hearted support was intensified with England's failure to give enthusiastic support to the Convention of Bartenstein, a military convention signed by Frederick Wilhelm III and Alexander on April 26, 1807, in which the two rulers pledged themselves to deliver Germany and Italy from Napoleonic control and to sign no separate peace with Napoleon. Sweden signed the convention, but England promised subsidies without formally joining this fourth

²Sorel, ibid., pp. 73-75.
coalition. Even England's subsidies came too late to give effective aid. Alexander now felt that he ought to concern himself with Russia's interests alone and not worry about the rest of Europe. 3

While Alexander was smarting under England's rejections and reservations, Napoleon was beginning to look favorably upon an alliance with Russia. Eylau, in February of that year, had certainly not been a clear cut victory for Napoleon, nor had he forgotten the impressive display of strength among Kutuzov's forces at Austerlitz. 4 That Napoleon considered an alliance with Russia after Eylau, is evidenced by a letter to Talleyrand of March 14, 1807, in which he said, "Toutefois je suis d'opinion qu'une alliance avec la Russie serait très-avantageuse, si ce n'était pas une chose fantastique. . . . ." 5

Meanwhile Napoleon's position was growing even stronger. He called 80,000 recruits from France and Italy to increase the power of his main army for the offensive against Russia. In June the Russian forces suffered a crushing defeat the the hands of Napoleon at Friedland. Both Alexander and Napoleon were now anxious to negotiate peace—Alexander temporarily defeated on the field of battle and disappointed in England, and Napoleon wishing to rest his troops and utilize his victory for the fulfillment of his continental program.

At Napoleon's suggestion, Prince Lobanov-Rostovsky was sent to a village near Friedland to arrange terms of a separate peace without Prussia's con-

3Lobanov-Rostovsky, Russia and Europe, p. 153.

4Ibid., p. 151.

5Correspondence de Napoléon Ier (published by order of Emperor Napoleon III, Paris: Henri Plon et J. Dumaine, 1858-1870), XIV, 440.
currence. According to Lobanov's report to Alexander of his meeting with Napoleon of June 22, the French Emperor was gay and very polite. Napoleon spoke respectfully and repeatedly of his high regard for Alexander and for the Russian empire. He concluded, according to Lobanov, by saying, "que la Vistule devait être la frontière véritable et naturelle de cet empire."\(^6\)

In this expansive atmosphere of good will, negotiations proceeded rapidly. The first meeting on the Niemen, June 25 (n. s. July 7), at 1:00 p.m., is the familiar story of Prussia's humiliation. From June 25-27 (n. s. July 7-9) Napoleon and Alexander signed a series of treaties. The provisions of these Tilsit agreements are well-known. Of particular importance in this study are the articles relating to Russia's acceptance of the Continental System.

It may be argued that the agreements at Tilsit made no specific demands upon Russia in regard to the Continental System and that, therefore, Alexander's later decision to join the system unnecessarily compromised Russia's interests. On the surface this seems to be a reasonable conclusion, but a closer examination of the articles of these agreements belies its logic.

By Article XIII of the Treaty of Peace signed at the first meeting of the two emperors on June 25 (n. s. July 7), Napoleon accepted the mediation of Alexander for the purpose of negotiating and concluding a peace treaty between France and England provided the latter accepted the mediation before December 1.\(^7\) In the secret stipulations of the joint defensive

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7Martens, Recueil des traités et conventions, XIII, 315.
and offensive alliance signed at the same meeting, Alexander agreed, by Article IV, that in the event of England's refusal to receive mediation, "His Majesty the Emperor of all the Russians will act harmoniously with France." In the event that Cabinet of St. James did not give a satisfactory reply by December 1, the Russian ambassador was to demand his passport and leave England immediately.

It is true, then, that the text of these agreements makes no straightforward demand for the incorporation of Russia into the Continental System, but Russia's obligation to "act harmoniously with France," left little doubt of this. Russia, as an ally, was as bound to a commercial war against England as any of the countries specifically listed in Article X of the Berlin Decree of November 21, 1806.

In Article XXVII of the Treaty of Peace provisions are made for the re-establishment of Franco-Russian commerce along pre-war lines, pending the signing of a new commercial treaty. This article, therefore, required a return to the Treaty of Commerce of December 31, 1786 (n. s. January 11, 1787) which was extremely favorable to French commerce. Immediate reactions to the agreement varied. Alexander's enthusiasm for the Franco-Russian alliance was certainly not shared by all Russians. The new foreign minister Budberg felt that the agreement could not last and that it was being used as breathing space. The Czar's pacific

8 Ibid., p. 324.
9 Loc. cit.
12 James Harris Malnesbury, Diaries and Correspondence, Containing an Account of His Missions to the Courts of Madrid, Frederick the Great, Catherine the Second and the Hague (London: Richard Bentley, 1844), IV, 394.
policy aroused protests among some of his own advisers: Czartoryski, the Polish Patriot, and the Russian nobles, Novosiltév and Stroganov, left their posts in the Russian Senate to protest the action.¹³ The Russian public was applauding Count Rostopchin's Gallophobic satire, O the French, his comedy, The Living Dead, and the article, "In Spoken Thoughts on the Red Staircase." In the latter he asks, "How long shall we go on imitating monkeys? As soon as a Frenchman arrives who had escaped the gallows, we fly to welcome him."¹⁴ In salons of both Moscow and St. Petersburg nobles privately expressed their concern for the final outcome of the new accord with France.

Many Englishmen believed that they saw evidence to indicate that the Franco-Russian agreement could not last. Alexander's cordiality toward Sir Robert Wilson, the semi-official British adventurer, and Robert Ker Porter, a British traveler, indicated that the vacilating sovereign had not given his unswerving consent to the Tilsit agreement, and that the alliance was, at the most, only a shaky personal policy supported by Count Rumiantsev, Minister of Commerce and later Minister of Foreign Affairs, Baron Budberg, the new Minister of Foreign Affairs, and General Prince Lobanov-Rostovsky.¹⁵ Even the Czar's friend Prince Adam Czartoryski remarked of Alexander's new attitude—"son coeur n'a pas changé, quoiqu'il ait perdu la tête."¹⁶ Then too, a pro-British

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¹⁴Alfred Rambaud, History of Russia from the Earliest Times to 1882 (Boston: Estes and Lauriat, 1882), II, 301.

¹⁵Lobanov-Rostovsky, op. cit., p. 159

¹⁶Costigan, loc. cit.
faction explained with satisfaction that General Savary, who had been sent as unofficial envoy by Napoleon pending formal exchange of ambassadors, had received very cool treatment in St. Petersburg society. Savary was barred from the homes of the nobility and wealthy merchants, while Sir Robert Wilson was lionized throughout the city.17

Pro-British sentiment was shaken, however, by a series of incidents. The first of these was the cool reception given by the British government to Russia's offer of mediation. Lord Granville Leveson-Gower gave Budberg the British reply on August 29, 1807. Expressing appreciation for the Russian offer as mediator, Gower skillfully informed Budberg that the cabinet of St. James would first have to know the terms of the secret agreement at Tilsit before it could accept Russia's offer.18 England, therefore, gave her qualified refusal at the beginning, and, though negotiations were continued briefly, it was apparent that England had little respect for Russia as an impartial mediator.

The five day bombardment of Copenhagen, which started September 1, was another severe strain on Anglo-Russian relations. The British were prepared for the violent protestations of Napoleon over this attack on Denmark by the combined naval and military forces of Admiral Gambier and General Cathcart, but they had ruefully miscalculated the reaction of Alexander. As late as September 22, following the attack, Castlereagh wrote to Cathcart:

...Russia does not show any disposition either to resent or to complain of what we have done at Copenhagen. The Emperor wants to be assured on two grounds: 1st, that the principles


18British Sessional Papers, 1808, XIV, 231-33. See also Sbornik Imperatorskago istoricheskago obshchestva (148 vols.; St. Petersburg, 1867-1916), LXXXVIII, 135-56.
on which the measure has been undertaken do not apply to Russia; and, 2nd, that we are not, by the evacuation of Zealand, about to uncover Sweden to an attack from France, and, by letting a French army into Sweden, expose Russia to be menaced on the side of Finland. ... if we could maintain our position in the Baltic. ... she [Russia] would not, in that state of things, lend herself to France, as a hostile instrument against us. 19

Convinced that Russia didn't want war, the British had taken a calculated risk in bombarding Copenhagen. Britain then declared Denmark and Sweden neutral and offered to place both of them under the guarantee of the Czar—a mere empty gesture, for the Danish fleet had been destroyed. The British cabinet realized that it had incorrectly judged Russia's reaction to the Copenhagen incident when, on October 28, it received Count Nicholas Rumiantsev's reply:

When the British Ministry conceived the Design of despoiling Denmark of her fleet; when they despatched for the Purpose to the Baltic, a numerous land force, and a considerable fleet, they gave no Intimation of it to His Imperial Majesty. This Silence, this extreme reserve may serve as a Proof that the Cabinet of St. James's were themselves persuaded, that what they were undertaking was directly contrary to the Interests of Russia. 20

This was not just a note written at the insistence of Napoleon, for it expressed the opinion of an indignant Russian cabinet. 21 Feelings were even more inflamed when Britain took the precautionary measure of sending a portion of her fleet under Admiral Saumarez to the Baltic. This potential menace to the unprotected Russian coast terrified the citizens of St. Petersburg. 22


20 British Sessional Papers, 1808, XIV, 245

21 Sbornik, LXXVIII, 169. It is true, however, that Napoleon's appeals for joint action from Russia must have influenced Alexander's decision. See particularly Correspondance de Napoléon, XVI, 37.

A final inflammatory incident was the circulation of a pamphlet, entitled *Thoughts on the Peace of Tilsit*. The pamphlet, circulated by Sir Robert Wilson, contained bitter attacks upon Alexander's policy. Savary brought the matter of the pamphlet to the Czar's attention. Wilson's involved apologies and explanations satisfied Count Rumiantsev, but not the Czar.\textsuperscript{23} Wilson dared write to the Czar, but his letter was returned unopened.\textsuperscript{24}

Alexander's period of indecision was at last over. After this last incident, he declared, in a violently worded declaration of November 7, that "he annuls, forever, every preceding convention between England and Russia..."\textsuperscript{25} This declaration was followed immediately by a ukaze of embargo on all English vessels and the confiscation of English goods in port warehouses. For better or worse, Alexander had decided to join Napoleon in the Continental System.

The rupture between England and Russia was accompanied on the continent by an official exchange of ambassadors between Russia and France. Count Tolstoy, a diplomat of the old school, was to represent Russia in Paris, and General Caulaincourt was to relieve Savary of his duties at St. Petersburg. Tolstoy, cold and distant, could get along with neither Napoleon nor the French court. Napoleon was disturbed that this tactless Russian's first demand was for the withdrawal of French troops from Prussia.\textsuperscript{26} Caulaincourt, on the other hand, proceeded with more caution.

\textsuperscript{23}Costigan, *op. cit.*, p. 47. Rumiantsev, who had replaced Dukberg as Secretary of Foreign Affairs early in September, was very anxious to maintain the new Franco-Russian accord without going to war with England.

\textsuperscript{24}Vandali, *op. cit.*, I, 167.

\textsuperscript{25}British Sessional Papers, 1808, XIV, 251.

\textsuperscript{26}Correspondance de Napoléon, XVI, 146.
and made real efforts to understand the Russian position.

The final rupture between Russia and England left opinion still divided as to the eventual outcome. Merchants and noblemen had taken the Tilsit agreement lightly, but this very real fall out with England would ruin the profitable income derived from English sales. On the other hand, a small group of Russian bourgeoisie was optimistic about the chances of developing Russian industry if the blockade continued.27

Savary was thinking of the former group when he wrote to the French Foreign Minister Champagny on October 6 (n. s. October 18), 1807:

The latest measures taken by the Russian government against England have created a very great sensation here. It is chiefly among the commercial class that most observations are made on the subject. They regard the closing of the ports to English ships as an embargo placed only on Russian produce which England purchased in great quantities, and they consider this a move that will directly injure the interests of the nation.28

In the same letter Savary suggested that Champagny give serious thought to finding an outlet for Russian produce, especially timber which had previously been purchased by the British in large quantities and had provided the nobles with their safest source of income.29

The other group had its advocates too. Though recognizing the inevitability of a temporary stagnation of Russian trade, Jean B. B. de Lessep, French Consul-general at St. Petersburg, encouraged Champagny with the reminder that most Russian merchants did not look upon this commercial injury without seeing a solution: Russia must develop her home industry and France must subsidize her market of raw materials.30 Even the English

27 Predtechensky, "K voprosu o vliianii blokady...," Nauk, VII, 894.
28 Sbornik, LXXXVIII, 240.
30 Sbornik, LXXXVIII, 311.
traveller, Robert Ker Porter, recognized this as Russia's opportunity, not as her death blow:

The treaty of commerce with England had expired, and no hopes were entertained of its being renewed... Nothing satisfactory on this head could be obtained. And indeed it is hardly to be expected that the leaders of the Russian commercial department, having learned the value of their own commerce, and the manner of carrying it on, will again put such advantages out of their own hands. The native merchants have been our apprentices for near three hundred years; so we must not be surprised that they should not wish to set up for themselves, and reap the fruits of their own vineyards... the two great civic aims of this august monarch, are, to give gradual freedom to the vassals of the empire; and to establish its commerce on a wide and firm foundation.31

On the morning after the publication of the Declaration which severed economic and political ties with Britain, the Russian government pledged itself to the sums which English concerns owed their Russian clients.32 Steps were also taken to strengthen the merchants' bank of credit which had been established earlier in the year for the specific purpose of reducing the number of bankruptcies in the city of St. Petersburg.33 The flight of sixteen English merchant ships from Cronstadt two days before the publication of the Declaration had deprived the embargo of its initial victory, but a considerable amount of English property was left behind in warehouses which were seized by the government.34

It was with a sense of hopeful courage that the Russian government embarked upon its new economic policy.

31Robert Ker Porter, "Travels in Russia," Seven Britons in Imperial Russia, pp. 339-40.
32Sbornik, LXXXVIII, 311.
33Gazette Nationale ou Le Moniteur Universel, February 27, 1807, p. 1.
34Sbornik, LXXXVIII, 311.
CHAPTER III
THE IMMEDIATE EFFECT OF THE CONTINENTAL SYSTEM

Military hostilities between England and Russia were negligible, but the facility with which the British tied up the Russian fleet in foreign waters was a humiliating experience. Russian Admiral Seniavin, who was in the Mediterranean with ten sail in the summer of 1807, concluded an armistice with the Turks after hearing of the peace at Tilsit and started toward the Baltic. Napoleon hoped that this squadron would put in at Lisbon and prevent the escape of any Portuguese and British ships.1 Admiral Seniavin did reach Lisbon, but his fleet was inferior to that of Sir Sidney Smith, who, after escorting the Portuguese ruler part of the way on his flight to Brazil, returned to blockade the Russian fleet at the mouth of the Tagus. Though Junot's forces occupied Lisbon on November 30, Napoleon was never able to give effective aid or advice to the Russian Admiral.2 Seniavin was finally obliged to hand over his ships to Wellesley on September 3, 1808.3

With most of the Russian fleet immobilized in the Mediterranean or at Lisbon, defense of the Baltic coast became extremely difficult. Attacks on the Russian coast were of considerable magnitude, for the British were certainly not willing to surrender their commercial and strategic interests in the Baltic without a fight. Caulaincourt, in describing the Russian situation to Champagny on July 4, 1809, wrote, "On s'attend

1Correspondance de Napoléon, XVI, pp. 88, 123, 145.
2Ibid., Vol. XVII, p. 83.
3British Sessional Papers, 1809, XII, 284.
toujours à une attaque de la part des Anglais. In the summer of 1808, the combined British and Swedish squadrons had often attacked the Russian coast and captured a few Russian sloops. In July, 1808, the British captured the Russian ship of the line Vsevolod. Three more sloops were taken in the summer of 1809, fishermen's settlements were destroyed, and Kola, a Russian port on the White Sea, was burned by the British Navy.

Though these reverses were annoying to the Russians they were of little importance when compared to the magnitude of the war which they precipitated between Russia and Sweden. The Czar did not fail to take advantage of the clause in the treaty of Tilsit directed against Sweden. Requiring no more, at first, than the co-operation of King Gustavus in the war against England, Runianstsev, acting at the direction of the Czar, instructed Alpeus, the Russian minister in Stockholm:

Vous ne cacherez pas au Ministere et au Roi que puisque c'est contre l'Angleterre que nous sommes obligés de prendre des mesures, il nous importe de connaître d'une manière précise si le Roi, ... désire faire cause commune pour fermer la Baltique aux anglais et venger l'outrage qu'elle a fait au Danemarc.

These instructions of November 28, 1807, were answered only with evasions, for King Gustavus and Count Stedigh, Swedish Minister at St. Petersburg, were both anxious to hold on to their alliance with England even in the face of Russian concentration on the Finnish border. Since the Swedish

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5. Lobanov-Rostovsky, Russia and Europe, p. 162.
6. Mowat, Diplomacy of Napoleon, p. 245.
7. Sbornik, II, 71.
replies were deemed unsatisfactory in St. Petersburg, Rumiantsev presented the Swedish minister with a virtual ultimatum on January 11, 1808, in which King Gustavus was practically told to join the Russians in war against England or suffer the consequences. The Russian ultimatum remained unanswered and war was declared by Russia on February 22, 1808.

Though the war opened with staggering Swedish defeats, the Russians carelessly scattered their forces over too large a front and suffered temporary reverses. It was not until September, 1809, that the war was finally completed. By the Treaty of Friedrichsham Sweden surrendered the whole of Finland up to the river Tornea, yielded the Åland Islands, and agreed to join the Continental System.

Though the military hostilities between England and Russia were limited to naval engagements and coastal attacks and even though Russia enjoyed considerable territorial aggrandizement at the expense of Sweden, adherence to the Continental System was filled with disadvantages and was leading Russia down the path of national bankruptcy.

The strain of the Continental System merely highlighted national economic problems which were less evident under normal conditions. An examination of the rate of deficit spending and the devaluation of the rouble is basic to an understanding of these economic problems. The reign of Catherine II had left Russia heavily indebted to foreign countries, for, among other things, the partition of Poland had been followed by the assumption of that country's financial obligations. The wars of Paul I and Alexander only increased Russia's national indebtedness. The national

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8 Ibid., pp. 75-77.

deficit, which stood at 7,000,000 roubles in 1801, was over two and one half times that amount in 1804. Some idea of the rapidity with which this deficit rose during the period 1801 to 1822 can be gained from the following figures:

**TABLE I**

THE RUSSIAN NATIONAL DEFICIT, 1801-22

<table>
<thead>
<tr>
<th>Date</th>
<th>National Deficit in Roubles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1801</td>
<td>7,064,799</td>
</tr>
<tr>
<td>1804</td>
<td>18,457,817</td>
</tr>
<tr>
<td>1807</td>
<td>26,228,198</td>
</tr>
<tr>
<td>1808</td>
<td>124,017,535</td>
</tr>
<tr>
<td>1809</td>
<td>143,361,514</td>
</tr>
<tr>
<td>1822</td>
<td>351,244,048</td>
</tr>
</tbody>
</table>

During this same period revenue remained, with the exception of 1809, almost stationary while expenditures continued to increase. Table 2 shows the relation of revenue to expenditure for the years 1806-09.

**TABLE II**

RELATION OF REVENUE TO EXPENDITURE, 1806-1809

<table>
<thead>
<tr>
<th>Date</th>
<th>Revenue (roubles)</th>
<th>Expenditure (roubles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1806</td>
<td>100,000,000</td>
<td>122,000,000</td>
</tr>
<tr>
<td>1807</td>
<td>121,000,000</td>
<td>171,000,000</td>
</tr>
<tr>
<td>1808</td>
<td>111,500,000</td>
<td>240,000,000</td>
</tr>
<tr>
<td>1809</td>
<td>195,000,000</td>
<td>278,000,000</td>
</tr>
</tbody>
</table>

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10 Ibid., p. 15.
This disastrous policy of deficit spending was accompanied by the devaluation of the rouble. Writing to Napoleon on April 5 (n. s. April 17), 1808, Caulaincourt said that the rouble, which had been valued at 39 sous courant de Hollande some months after the Peace of Amiens was now worth only 20 sous.\textsuperscript{12} This low rate of exchange was due, of course, to the difference which existed during this period between the silver rouble and the paper one. One could obtain for the silver rouble either 100 copecks in silver or 1.25 roubles in paper (125 copecks) shortly after the Peace of Amiens (March 25, 1802), and in April, 1808, one could obtain 1.8 paper roubles (180 copecks in paper) for one silver rouble.\textsuperscript{13} The decline in the Russian exchange rate—a loss which amounted to 72 per cent by 1810—is always given as evidence of the stagnation of trade.\textsuperscript{14} It was not just the stagnation of trade which brought about the devaluation of the rouble.

Heckscher has been one of the few who has shown that the unfavorable balance of trade in Russia after Tilsit was but one factor in the devaluation of the currency.\textsuperscript{15} Another was that payments for war materials and army maintenance abroad were made in bullion. The necessity of sending

\textsuperscript{12} Sbornik, LXXXVIII, p. 636.

\textsuperscript{13} Loc. cit.

\textsuperscript{14} "From the moment that the Russian landowners were prohibited from selling their agricultural raw materials to England they no longer had English gold to pay for Parisian goods; after Tilsit, the value of the Russian rouble fell off 8\% per cent." Eugene Tarlé, Bonaparte (New York: Knight Publications, 1937), p. 246. See also Mahan, \textit{Influence of Sea Power}, II, 336.

\textsuperscript{15} Heckscher, \textit{The Continental System}, p. 317.
gold and silver coin to armies which were not stationed on Russian
territory hastened the depreciation of paper. Furthermore, taxes were
being paid in paper, while this bullion was being sent abroad.

But the greatest devaluing influence was the government's attempt
to save itself by resorting to the printing press. The ever growing annual
deficit was covered by new issues of paper currency the issuance of which,
was, according to Caulaincourt, "the best guarded secret in the nation." In
the period from 1807 to 1810 the number of paper bills in circulation
swelled from 382 to 580 million roubles. In 1806 the paper rouble was
still worth 78 copecks silver; in 1807, 5½ to 67 copecks; 1808, 4¾ copecks;
and by 1810 it had fallen to 25 copecks.

Stagnation of trade was evident in other areas of the economy of the
country. The precipitant decline in the prices of Russia's principle raw
materials continued downward as these goods piled up in port warehouses.
In his report to Napoleon of April 5, Caulaincourt explained, in terms
of price reduction, the very real problem created by accumulating raw
materials. Using November 1803 as the base month (an exchange rate of
33 sou at Holland weight per rouble), he explained that crude iron had
dropped from 2.5 roubles per unit weight in 1803 to 2.25 roubles in March
1808 (the exchange rate being 20 sou at Holland weight per rouble). Grade
one iron had dropped from 1.9 roubles to 1.4 roubles during the same period,
and grade two iron from 1.7 to 1.3 roubles per unit weight. In like

16 Beazley, op. cit., p. 360.
17 Sobornik, LXXXVIII, 636.
18 Valentin Gitermann, Geschichte Russlands (Zurich; Druck, Unionsdruckerei
Bern, 1945), II, 345.
19 Loc. cit.; see also Mazour, op. cit., p. 15; Beazley, op. cit., p. 360.
manner hemp prices had dropped at about the same rate: the best quality net hemp, which had been priced at 48 roubles per unit weight in 1803, was now worth only 45.25 roubles; second class hemp from 43 roubles to 40.5 roubles; and short strand hemp from 38 roubles to 33. Tallow, which was accumulating at a rapid rate, was suffering a proportionate diminution in price; white tallow, from 58 roubles to 50.5 roubles; yellow tallow, 59 roubles to 47.5; and fats for saponification, from 54 to 46.5 roubles. The downward trend in the price of exportable raw materials continued at approximately this same rate during the remainder of 1808.

Nor do these figures tell the whole story; for while the price of exportable produce dropped during 1808, inflationary prices were demanded for imported goods. Already on November 6 (November 18), 1807, Baron de Lesseps was writing to Champagny about the problems of the increasing prices of imported goods. During the years 1806-08, the price of a pound of Martinique coffee rose from 22 roubles 2½ copecks to 70 roubles 3½ copecks, and sugar from 20 roubles 18 copecks per pound to 45 roubles 7¼ copecks per pound.

It must be noted, however, that the masses were not as greatly affected by these prices as the landed proprietors were. Moujiks had never consumed Martinique coffee and sugar, and the complaints were raised by the vocal elements of Russian society—nobles, landed gentry and a few merchants.

An examination of the effects of the Continental System on specific industries will illustrate more definitely the problems faced by the Russian

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20 Sbornik, LXXXVIII, 637.
23 Ibid.
landed gentry. The trade in timber is a particularly revealing case. Russian nobles before 1808 depended on the sale of native timber to British merchants for their safest source of income. Since this timber was cut and sized into planks and masts, a considerable body of Russian laborers was also dependent on the industry. The final breach with England, which started a literal log jam of accumulating fir masts, cut off the lucrative source of income which the nobles enjoyed and threw many serfs and hired employees out of work. The enforcement of the embargo ukase in this area of commerce was further strengthened by a ukase of June 5 (n. s. June 17), 1808 which was aimed specifically at cutting off England's naval supplies.  

A glance at Table 3 will indicate the rigidity with which the Czar maintained this embargo during 1808-1809. Not until 1814 did the Russian timber trade begin to recover its pre-Tilsit vigor. England, interestingly, did not suffer too much from this loss of Russian naval stores, for in 1806 and 1807 she was getting less than 30 per cent of her naval supplies from Russia—the remainder being imported from Sweden and Norway.  

It is evident, therefore, that England was not dependent entirely on Russia for her naval supplies, but Russia most certainly was dependent on England's purchase of those supplies.

The landed proprietors were further alarmed by the similar effect the blockade was having on grain exports. Though grain was not Russia's major export in 1807, it did represent a considerable source of revenue in the 

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25 *British Sessional Papers, 1820*, XII, 161-64.
### TABLE III

BRITISH ACCOUNT OF TIMBER IMPORTED FROM RUSSIA DURING THE YEARS 1800-1814

<table>
<thead>
<tr>
<th>From Whence Imported</th>
<th>Years</th>
<th>Quantities Imported into Great Britain</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loads</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1800</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1802</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1804</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1806</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1807</td>
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<tr>
<td></td>
<td></td>
<td>1808</td>
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<td></td>
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<td>1809</td>
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<tr>
<td></td>
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<td>1810</td>
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<tr>
<td></td>
<td></td>
<td>1811</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1812</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1814</td>
</tr>
</tbody>
</table>

\[26\] British Sessional Papers, 1820, XII, 164.
favorable balance of trade before Tilsit. The following figures demonstrate the efficiency of the blockade from 1806 to 1810. Russia's grain export trade did not recover until 1816.

**TABLE IV**

**RUSSIA'S GRAIN EXPORTS, 1801-1820** 27

<table>
<thead>
<tr>
<th>Date</th>
<th>Export of Wheat in Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1801-1805</td>
<td>174,558</td>
</tr>
<tr>
<td>1806-1810</td>
<td>27,000</td>
</tr>
<tr>
<td>1811-1815</td>
<td>83,000</td>
</tr>
<tr>
<td>1816-1820</td>
<td>233,000</td>
</tr>
</tbody>
</table>

The iron producers suffered especially during this period, but the catastrophic depression in mining interests was due to the greed of the owners as well as to the blockade. During the two years 1807-1808 the owners—there were very few, since the industry was highly concentrated—refused to sell their ore, hoping, by this action, to maintain the excessive prices to which the English merchants had driven this commodity before Tilsit. Expecting a quick collapse of the Tilsit accord, these owners held on to their ore and looked forward to a resumption of trade with England. They became deeply indebted to the St. Petersburg bank, and when the bank discontinued advances on the ore and demanded a forced sale, these owners were ruined. 28


In view of the overwhelming disadvantages of the Continental System as applied in Russia, what did the French do to help their northern ally in her commercial plight?

The French were not blind to the problems faced by the Russian gentry. Baron de Lesseps told Champagny that it should be the first principle of French negotiations to find some means of filling the loss of revenue caused by Russia's break with England. In the same letter of November 6 (November 18), 1807, Lesseps said that this was France's most opportune moment, for, with the price of Russian produce diminishing daily and the devaluation of the currency continuing at a rapid rate, the French should buy Russian goods at this point. "Procuring these hemp, iron and timber in great quantities, even at the risk of having to leave them in storage in Russian warehouses and being unable to transport them to French ports before peace has re-established maritime communications, shall fill, it seems to me, the double object which we hope to gain by these negotiations."29 For, Lesseps continued, we shall offer the Russians the revenue of which they believe themselves deprived and we shall give them new proof of our confidence in the alliance. Lesseps felt that this policy also was advantageous because it would provide France with a reserve of naval supplies.30

Champagny's reply of November 25 (n. s. December 7), expressed in a few words the policy which the French government was to follow on the issue of reciprocal commerce until December, 1810. French and Russian commercial relations are void, but they must be reborn, thought Champagny.

29Sbornik, LXXXVIII, 313.

30Ibid., p. 314.
The political alliance of Tilsit must be fortified by an alliance of reciprocal commercial interests, but French commerce, discouraged by many reverses, will dedicate itself with timidity to any new speculation in remote countries. French merchants may be encouraged to invest in Russia by government accommodations and compensations, reasoned Champagny, "but it is not possible, by indiscreet demands, to ask it [the French government] to bear almost the entire expense of this commerce, from which only speculators would realize the profit."\(^{32}\)

Napoleon was aware of the problems created by the stagnation of Russian trade even before Lesseps' letters were received and he was anxious, at first, to help his new ally. In his instructions to Caulaincourt of November 12, 1807, Napoleon ordered the ambassador to offer Alexander a proposition whereby the French government should buy, during the course of the winter or spring, several million francs worth of mast wood and other naval provisions for its store.\(^{33}\)

Unfortunately for the Franco-Russian accord this timber was never purchased by the French government. French merchants, moreover, refused to risk capital investments in Russia at this time. French manufacturers, with their long tradition of protectionism discouraged the importation of any Russian factory goods, and the government was not willing to subsidize its ally's industries or raw material enterprises.

The only comfort that any Russian found in viewing the whole system objectively was that the English market was suffering under pressure of

\(^{31}\) Sbornik, LXXXVIII, 341.

\(^{32}\) Ibid., p. 342.

\(^{33}\) Vandal, op. cit., Vol. I, Appendix II, p. 33. See also Heckscher, op. cit., p. 315.
the system. British manufacturers were embarrassed by the accumulation of unsalable sugar and coffee. In 1808 sixty thousand tons of coffee lay in London warehouses, unsalable at sixpence per pound. The British were forced to pay inflationary prices for raw materials which they had formerly purchased from Russia—hemp, which in 1802 was worth 32 pounds per ton, was worth 118 pounds per ton in 1809.34

All of this was little comfort to the Russian proprietor whose prosperity, it has been shown, demanded the easy export of his enormous produce in timber, grain and hemp. Nor were Russian landowners soothed by conquests in Finland for private interests weighed considerably heavier than "territorial expansion in the fruitless North.35 Caulaincourt reported on April 11 (n. s. April 23), 1808, that the opposition of the landed proprietors to the French alliance was greater than ever, and that this group attributed entirely the news of Charles IV's abdication and the fall of the prince of the peace, Godoy, to popular anti-French sentiment in Madrid.36

More and more these landed proprietors, joined now by a growing bourgeoisie of liberal tendencies, began to feel that there were no advantages to be derived from following Alexander's internationalistic policy. These nationalists were concerned with obtaining a favorable balance of trade again; to them the Continental Blockade was a horror, and many in the army declared they would not shed their blood to undermine the national prosperity.37

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34Mahan, op. cit., II, 329.
35Tarle, Napoleon, p. 218
36Sbornik, LXXVIII, 644-45.
37Sloane, Life of Napoleon, III, 98.
CHAPTER IV

SOME POSITIVE EFFECTS OF THE CONTINENTAL SYSTEM

The Treaty of Tilsit had a few positive effects on the economy of Russia. The elimination of England, one of the most serious competitors in the Russian market, artificially stimulated the home industry upon which Russia was compelled to depend.¹ When, under pressure of the gentry, the government finally authorized the importation of English-made articles practically free of duty after 1811, these new manufactories protested and demanded high protective tariffs.² The development of new Russian industry, the expansion of old industries, and the rise of a bourgeois, urban class were positive features of the Continental System.

Certain specific industries were favorably affected by the Continental System. One of these was the cotton textile industry. Russia began to import large quantities of American cotton during the period 1804-1814. The amount imported rose from 204 tons in 1809, to 3,787 tons in 1811.³ Though much of this was smuggled to European markets and fairs, as will be shown in chapter five, a considerable amount was used in newly developing textile industries. In 1804 there were 200 cotton mills in Russia, most of them small, employing between them 6,100 workers, and having an aggregate output of 5,000,000 roubles; by 1814 there were 423 mills in Russia which employed 39,000 workers and were producing an aggregate of 30,000,000 roubles of cotton goods.⁴ Table 5 substantiates this general

¹Mazour, *The First Russian Revolution*, p. 12
³Ibid., p. 111.
⁴Ibid.
trend in terms of the Moscow Province if, of course, the years of the
great conflagration and the years of actual fighting in that province
are discounted.

Even the feudal woolen industry was expanding during this period.
Still essentially a feudal landlord manufacturing concern there were,
in 1804, one hundred and fifty-five wool-cloth manufactories in Russia
employing 90 per cent serf labor.⁵ These manufacturing enterprises of
the landlords worked on contracts from the government, producing cheap
woolen cloth used for military purposes. Even in an atmosphere of serf-
dom these "factories," with their technical backwardness and low produc-
tivity, enjoyed considerable prosperity until the government again insti-
tuted a free trade policy after 1816.

Professor Lyashchenko suggests that along with this feudal woolen
industry there was developing a new type of woolen factory under the
direction of the merchant class. These newer enterprises employed a
larger percentage of hired labor and, because of their greater efficiency,
they gradually replaced the "nobility" enterprises, there being only
4 per cent of the latter type remaining in 1850.⁶

Wealthy landlords, responding to the increased continental demands
for sugar, began to develop the beet variety. Though beet sugar mills
were in their infancy in 1811, it is safe to assume that their growth
had been accelerated by the difficulty of procuring colonial sugar under
the Continental System and the subsequent increase in demand for the
commodity. Predtechensky even attributes the phenomenal increase in the
number of Vodka distilleries to the increased continental demand for a cheap
liquor after 1807.

⁵Lyashchenko, National Economy of Russia, p. 332.
⁶Lyashchenko, op. cit., p. 333
Table V 7
The number of factories and mills in Moscow province from 1804 to 1815

<table>
<thead>
<tr>
<th>Type of Factory</th>
<th>1804</th>
<th>1805</th>
<th>1806</th>
<th>1807</th>
<th>1808</th>
<th>1809</th>
<th>1810</th>
<th>1811</th>
<th>1812</th>
<th>1813</th>
<th>1814</th>
<th>1815</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plain Cloth</td>
<td>23</td>
<td>24</td>
<td>27</td>
<td>32</td>
<td>43</td>
<td>45</td>
<td>38</td>
<td>—</td>
<td>12</td>
<td>39</td>
<td>35</td>
<td>41</td>
</tr>
<tr>
<td>Silk</td>
<td>254</td>
<td>260</td>
<td>216</td>
<td>212</td>
<td>152</td>
<td>154</td>
<td>155</td>
<td>—</td>
<td>86</td>
<td>165</td>
<td>140</td>
<td>153</td>
</tr>
<tr>
<td>Leather</td>
<td>74</td>
<td>74</td>
<td>56</td>
<td>56</td>
<td>62</td>
<td>63</td>
<td>64</td>
<td>—</td>
<td>89</td>
<td>76</td>
<td>70</td>
<td>66</td>
</tr>
<tr>
<td>Linen, Chintz, Paper Products</td>
<td>40</td>
<td>53</td>
<td>77</td>
<td>73</td>
<td>71</td>
<td>71</td>
<td>72</td>
<td>—</td>
<td>29</td>
<td>112</td>
<td>117</td>
<td>129</td>
</tr>
<tr>
<td>Writing Paper</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>—</td>
<td>3</td>
<td>11</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Other</td>
<td>72</td>
<td>59</td>
<td>115</td>
<td>129</td>
<td>125</td>
<td>128</td>
<td>130</td>
<td>—</td>
<td>47</td>
<td>209</td>
<td>250</td>
<td>292</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>471</td>
<td>470</td>
<td>499</td>
<td>510</td>
<td>459</td>
<td>467</td>
<td>467</td>
<td>511*</td>
<td>266</td>
<td>612</td>
<td>630</td>
<td>695</td>
</tr>
</tbody>
</table>

*Account for this year shows common number of factories and mills in Moscow alone, not counting the province.

7 Pretechensky, loc. cit., p. 918.
Statistical evidence is almost the only primary source material on this particular phase of the influence of the Continental System on Russian economy. Certain hindsight is required in interpreting these "figures," for other primary sources are not available to the historian. Diplomats, courtiers, and officials of the 1807-11 period could see only the immediate negative effects of the blockade on Russia's agrarian economy, but they were unaware of the gradual changes which the system was producing.

There were exceptions to this rule among some of the diplomats of that period. For, it was Caulaincourt who, though seldom optimistic about the effects of the System on Russia, caught the spirit of one of the blockade's most beneficial effects—the strengthening of the urban middle class. Writing to Napoleon on April 5 (n. s. April 17), 1808, he explained, "that the petty shopkeepers and Russian merchants have profited exceedingly in these last years. Several have acquired fortunes which will enable them to endure the situation." The years 1807-1811 permitted the gradual growth of a middle class, a class of protectionists which was a still, small voice in the clamor of landed proprietors demanding free trade.

The development of Russia's foreign trade was not permanently altered by the Continental System. Russia, as supplier of agricultural raw materials, did lose a considerable amount of her trade during the years 1806-1808 (see Table 6), but in the general increase in her over all foreign trade this was but an incident. The gradual increase in her exportation of raw materials continued at the same modest ratio for the next fifty years.

8*Spornik, LXXXVIII, 638.*
TABLE VI
THE OVERALL GROWTH OF RUSSIA'S FOREIGN TRADE, 1801-25

<table>
<thead>
<tr>
<th>Years</th>
<th>Exports (Yearly averages in thousands of roubles)</th>
<th>Imports</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>1801-1805</td>
<td>75,108</td>
<td>52,765</td>
<td>127,873</td>
</tr>
<tr>
<td>1806-1808</td>
<td>43,169</td>
<td>31,812</td>
<td>74,988</td>
</tr>
<tr>
<td>1812-1815</td>
<td>61,986</td>
<td>39,106</td>
<td>101,092</td>
</tr>
<tr>
<td>1816-1820</td>
<td>91,712</td>
<td>70,049</td>
<td>161,761</td>
</tr>
<tr>
<td>1821-1825</td>
<td>81,375</td>
<td>72,250</td>
<td>153,622</td>
</tr>
</tbody>
</table>

It was, then, during this period that wealthy landlords were forced to turn their attention to new sources of income and new industries. Foreign workmen were called into Russia for technical advice and some industrial progress was made.

And how did these new industries affect the masses? Mazour suggests that the artificial stimulus provided industry by the Continental System was a major factor leading to the Decemberist revolt of 1825, for industrial expansion increased the demands for social reform. This thesis, interesting as it is, goes beyond the confines of this study. The political and economic solution of 1811, the protective tariff of December 31, 1810, and Alexander's reply to Napoleon's Continental System were the solutions expected by the die-hard agrarian nobility which still ruled the Russian state. There is very little evidence of demands for social reform among the slowly emerging middle class of 1811, and even less among the small city proletariat. The beneficial effects of the Continental System which we have just examined were not ample justification, according to the landed gentry, for continuing to abide by the terms of Tilsit.

9Nechkina, Russia in the Nineteenth Century, p. 5.
10Mazour, op. cit., p. 12.
CHAPTER V

RUSSIA'S POLITICAL ANSWER TO NAPOLEON'S ECONOMIC DEMANDS

The weakest spots of Napoleon's Continental System were (1) the Czar's unwillingness to be bound by the license system and (2) his refusal to close Russian ports to neutral shipping in 1810. Alexander had never pledged himself to the policy of excluding neutrals and it is natural that he closed his eyes to the vast quantities of British colonial goods which were imported under neutral flags. It was on this very issue that Napoleon's difficulties with agrarian Russia developed. Napoleon was not too concerned with cutting off England from her supply of foodstuffs or raw materials, but he did fear that exports to England from the agrarian countries would give rise to the importation of English factory products and colonial goods.¹

As early as March 15, 1809, Napoleon had inaugurated the license trade system which partially served to remove some of the difficulties which prevented the exchange of commodities.² A license was a permission which removed a trade prohibition in particular cases; "the license practice of the Napoleonic wars was for the most part not so much a system, as an aggregation of individual permissions to carry on a traffic forbidden by the existing laws of the authority granting them."³ By the end of 1808 the whole drift of the Continental System was toward trade by exceptions. Both Britain and France resorted to the arbitrary use of licenses, the former

¹Heckscher, The Continental System, p. 261

²March 15 was the date on which Comte de Champnol Cretet, Minister of Interior, suggested to Napoleon the clerical provisions for the effective execution of the license system. Melvin, Napoleon's Navigation System, pp. 86-7.

depending on her armed cruisers for their enforcement and latter to her control of continental customs ports.

By establishing this license system, Napoleon admitted the limitations of his Continental System. He tried, in vain, to explain that the licenses were actually extensions of the restrictive system; "that France was unloading her surplus products upon England, while refusing to receive aught but species in return, and that in consequence the exchange was going more and more against Great Britain." Czar Alexander was not convinced. Furthermore, he was wearying of his commitments to France and tiring of the opposition of his subjects. From this period, Alexander only filled the letter of his bargain, by refusing admission to acknowledged British ships.

News of the new license system—designed to favor exportation of French grain, wine, and dried fruit—reached Russia shortly after the first fifteen licenses had been assigned to Prussia, Denmark, Hamburg, and Lubeck. Russians were anxious to enjoy some of the benefits of this new policy. On December 31, 1809, Champagny transmitted to Napoleon a request from the Russian ambassador that Lubinski, Russian-consul at Paris, be allowed to bring a cargo of sea island cotton into a French port. Though Champagny realized the importation of this commodity was illegal, he was very reluctant to refuse the Russian ambassador’s request and urged that the proposal be carefully considered. Shortly thereafter another request, this time from French residents of St. Peters burg, was submitted to the French consul general in which the petitioners asked to be allowed to participate in the

\[4\] Ibid., p. 329.

\[5\] Melvin, op. cit., p. 139.
new license trade of which they had heard. On February 28, Champagny referred the consul's request to Comte de Montalivet, the new Minister of Interior, who replied "that since licenses were designed to favor the export of French agricultural products, the only chance for Frenchmen at St. Petersburg to share in the trade was by arranging with some French house for them to send to France a ship which would export French goods and bring back a cargo from Russia."  

The news of Napoleon's new license system gave the Russian government an excellent opportunity to retort to the French complaints of Russia's lax adhesion to the Continental System. Napoleon made his reply in a letter to Champagny of February 6, 1810, in which he instructed his Foreign Minister to explain to Caulaincourt "that I give licenses for the exportation of wine and wheat, which is useful for my state, but none at all for the importation of colonial goods." Napoleon further explained, "I do not afterwards dwell upon how the English get these licenses, but that England needing the wheat naturally lets the vessels enter and leave... and that I shall cease to give licenses as soon as I learn that the English exact payment of fees."  

According to one historian this letter has a significance which has not been appreciated, for indirectly it conceded the chief Russian contention, namely, the necessity of an outlet for her vast supply of raw products.

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6 Ibid.  
7 Ibid., p. 140  
9 Ibid.  
10 Melvin, op. cit., p. 141.
It is evident that Napoleon was still anxious to remove the difficulties between the two allies, for, in addition to this letter which conceded the Russian contention, he was endeavoring to negotiate a treaty with Alexander, geared especially to finding a solution to the Polish situation.\textsuperscript{11} Though he was unwilling to guarantee that "The kingdom of Poland shall never be re-established," he was willing to concede several points.\textsuperscript{12}

Meanwhile Russia was beginning to recover from the stagnation of trade caused by the Tilsit agreement, partly because of the development of small internal industries, but primarily because she was able to adapt herself to the role of Europe's greatest smuggler. Access to Russian ports was the breach in the blockade through which a flood of colonial products was soon to pour into Europe. By the middle of 1809, the English contraband was being smuggled into Russia under American, Swedish or other neutral flags. Russia became the principal canal of commerce for colonial products on the continent. Transported from America and the British colonies to England and from England to Sweden on English vessels, then from Sweden to Russia on American or Swedish vessels, sacks of sugar, bales of cotton and coffee were smuggled on Russian carts through the German frontier to the fairs of Leipzig and Dresden.\textsuperscript{13} While Napoleon was absorbed in a doubtful contest with Austria in 1809, the North Sea trade went on almost as it had in peace time. Russia was realizing a source of revenue from the importation of this "neutral" trade in a time of little export trade; in fact, the customs-dues levied on foreign goods passing through Russian ports were the only means of rectifying the exchange.\textsuperscript{14} Alexander was certainly not prepared to stop this trade.

\textsuperscript{11}Correspondance de Napoléon, Vol XX, pp. 149-52.
\textsuperscript{12}Ibid., p. 149
\textsuperscript{13}Walizewski, La Russie il y a cent ans, p. 297.
\textsuperscript{14}Mowat, Diplomacy of Napoleon, p. 246
The great increase of cotton imports in Russia during this period give ample evidence of her lucrative smuggling activities. Between 1809 and 1811, the mass of raw cotton imported into Russia rose from 625,112 to 9,368,839 pounds.\textsuperscript{15} Though it is true, as chapter 4 has indicated, that the Russia cotton textile factories increased in number after 1807, the tremendous increase in cotton imports cannot be accounted for in terms of the output of these factories. Table 7 reveals the tremendous increase in exports from the United States cleared for Russia during this period. Pitkin, examining these figures, says that considerable cotton was cleared for Russia (1810-1811), but much of it was destined for England.\textsuperscript{16} For it will be remembered that this was the period of the popularization of Arkwright's and Watt's discoveries of fifty years earlier; and the consumption of raw cotton in the mills of Lancashire rose during the five years (1805-1810) from fifty to one hundred million pounds. It is evident, then, that cotton cleared for Russia had four possible destinations: (1) the Lancashire mills and then into Russia as cotton yarn via "neutral" ships, (2) the continental textile mills via Russia's smuggling route, (3) the newly developing Russian manufactories, or (4) Britain's new colonial markets after conversion to cloth at the Lancashire mills.

During the years 1810 and 1811 considerable sugar and coffee were also exported to Russia from America.\textsuperscript{17} Most of this too was destined for European markets and fairs.

\textsuperscript{15} Walizewski, \textit{loc. cit.}


\textsuperscript{17} \textit{Loc. cit.} See also John Hildt, "Early Diplomatic Negotiations of the United States with Russia," \textit{John Hopkins University Studies in Historical and Political Science} (Baltimore: John Hopkins Press, 1908), XXIV, 53-54.
### Table VII

The value of United States foreign and domestic exports to Russia, from 1805 to 1820

<table>
<thead>
<tr>
<th>Years</th>
<th>Domestic</th>
<th>Foreign</th>
</tr>
</thead>
<tbody>
<tr>
<td>1805</td>
<td>12,044</td>
<td>59,328</td>
</tr>
<tr>
<td>1806</td>
<td>3,580</td>
<td>8,827</td>
</tr>
<tr>
<td>1807</td>
<td>78,850</td>
<td>366,367</td>
</tr>
<tr>
<td>1808</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1809</td>
<td>1,166,462</td>
<td>737,799</td>
</tr>
<tr>
<td>1810</td>
<td>1,048,760</td>
<td>2,926,936</td>
</tr>
<tr>
<td>1811</td>
<td>1,630,499</td>
<td>4,507,158</td>
</tr>
<tr>
<td>1812</td>
<td>156,980</td>
<td>1,586,617</td>
</tr>
<tr>
<td>1813</td>
<td>50,400</td>
<td>700</td>
</tr>
<tr>
<td>1814</td>
<td>460</td>
<td>—</td>
</tr>
<tr>
<td>1815</td>
<td>2,188,047</td>
<td>326,502</td>
</tr>
<tr>
<td>1816</td>
<td>181,101</td>
<td>525,783</td>
</tr>
<tr>
<td>1817</td>
<td>134,557</td>
<td>505,636</td>
</tr>
<tr>
<td>1818</td>
<td>87,138</td>
<td>353,381</td>
</tr>
<tr>
<td>1819</td>
<td>143,752</td>
<td>485,869</td>
</tr>
<tr>
<td>1820</td>
<td>159,851</td>
<td>1,222,470</td>
</tr>
</tbody>
</table>

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Pitkin, op. cit., p. 231
Napoleon, hoping to check the enormous artificial profits going into
the pockets of English and Russian smugglers, ordered an extensive search
of coastal towns and even inland centers of Europe. His victory over
Austria gave him time again to concentrate his activities against smuggling.
On August 5, 1810, Napoleon instituted the Trianon prohibitory tariff which
made legal trade in colonial products impossible regardless of their place
of origin. This decree remained, for the most part, a dead letter in
Russia. Letter after letter was sent to Champagny with instructions to
inform Caulaincourt that the Russian government was to seize this or that
vessel, and to close its ports to American and Portuguese vessels. Of
these many brief letters Champagny said, "they are wandering about like the
fragments of a scattered army."  

On September 5, 1810, fresh instructions were sent to Champagny along
with a project for a circular to accompany the transmission of the new
Trianon tariff. In the accompanying note Champagny was instructed to send
the tariff and circular to Mecklenburg, Prussia, Holstein, Denmark, Sweden,
Russia and all of the other Baltic states. The note contained a general
order for the establishment of consuls of commerce in all of these areas—
"être placés de manière à former une chaîne de sentinelles." The Czar
refused to adopt this tariff system and would not go beyond the terms
agreed on at Tilsit.

19Heckscher, op. cit., p. 225.

20These letters were all brief and terse. See especially Correspondance
de Napoléon, Vol. XXI, pp. 25, 36, 65, 68, 75-76.

21Heckscher, op. cit., p. 234.

22Correspondance de Napoléon, Vol XXI, p. 89.

23Ibid.
The relations between Napoleon and Alexander were particularly strained in the autumn of 1810 by Napoleon's demands that the Czar seize a nominally neutral convoy which, having lingered between Gottenburg and the Sound for several weeks because of strong easterly winds and because of political uncertainties, finally entered the Baltic in hopes of gaining admission to Russian, Swedish and Prussian ports. On October 24, Napoleon wrote to the Czar urgently requesting that the latter lay an embargo upon these six hundred ships. If Russia imposes an embargo, reasoned Napoleon, it will be the finishing stroke to England and will end the war at once. Napoleon concluded, "Il dépend de Votre Majesté d'avoir la paix ou de faire durer la guerre."  

The Czar did seize a good deal of the cargo, for a memorial sent by British merchants in 1816 valued the cargo confiscated by Russia from this one flotilla at 1,500,000 pounds. Though this amount represents less than one sixth of the original cargo and though he was accused of laxity in seizing the cargo, Alexander's explanation that some of the ships had returned and others had discharged at Gottenburg is essentially correct. On the whole, however, Alexander adamantly refused to confiscate nominally neutral vessels.

The institution of the Fontainebleau Decrees of October 18 and 25, 1810, was a severe blow to the delicate personal relationship which bound

26Rose, op. cit., p. 374.
27According to Heckscher, op. cit., p. 234, the cargo was valued at 9,000,000 pounds.
the two emperors. These decrees, sometimes called "burning" decrees, were
terroristic devices used, ostensibly, to end smuggling. More drastic than
the Trianon decree, they were aimed, in part, at the flourishing smuggling
trade in colonial merchandise and English goods entering Germany via Russia.
In a blunt letter of November 4, 1810, Napoleon asked Champagny to draw up
an answer to Caulaincourt which would be very sweet, very polite, but which
would contain "at least the facts which it is good that the Russians know." 28
Namely, that Russia had failed to deal frankly with France, that the appear-
ance at a recent fair at Leipzig of 700 Russian carts loaded with colonial
goods and English merchandise was ample proof of her duplicity and that
if further proof were necessary one only need cite Russia's reluctance to
confiscate a recent convoy which sailed into Russian waters under escort
of twenty English war ships and discharged their cargo in Russian ports.
Napoleon concluded with a gloomy prospect for neutral commerce: "...il
n'y a aujourd'hui aucun neutre, parce que les Anglais n'en veulent pas,
et que tout bâtiment qui n'est pas chargé pour leur compte, ils ne le laissent
pas passer." 29

While Napoleon watched with mounting anger Russia's growing lukewarm-
ness and her evasions of the Tilsit agreement, Alexander was re-evaluating
Russia's economic position. First, the customs dues levied on goods coming
into the Baltic ports was Russia's only means of rectifying the exchange
rate. Second, Russia's Tilsit obligation to re-establish commercial rela-
tions with France on the basis of the treaty of January 11, 1787, had
given French luxury imports preferential treatment, the purchase of which

29 Ibid., p. 253.
drew out of the empire vast quantities of metallic currency—currency which could no longer be replaced by silver procured in normal times through maritime exports.\textsuperscript{30} Third, an outlet for Russia's agrarian produce had not been provided by the French and no solution was in sight. Finally, the Continental System, since it contained no protectionist elements, did not offer the Russian imagination any compensation for the serious intervention that it caused.

Alexander, feeling that Russia's position could be improved by a more stringent protectionistic policy, suddenly revoked part of his Tilsit obligations by promulgating a prohibitory tariff directed against France. By the terms of the ukase of December 19 (n. s. December 31), 1810, the products introduced by land, that is to say, French, were restricted by prohibitive duties, and burning of these goods was authorized in cases of fraudulent entrance. The duties on wines, silks and velvet textiles were extremely high. Goods that entered by sea were given, in general, better treatment. According to Alexander this tariff policy was designed to facilitate commerce with America and other countries with whom Russia was not at war.\textsuperscript{31}

Alexander gave several reasons for the issuance of the December ukase. To Caulaincourt, who was recalled shortly because Napoleon felt that he was too sympathetic with Alexander's views, the Czar said the ukase was "a measure of purely internal order, a perfectly legal act; it was sort of a sumptuary law, designed to check the Russian nobility from ruining themselves by buying foreign luxury products."\textsuperscript{32}

\textsuperscript{30}Vandal, Napoleon and Alexandre, \textit{Ifr}, II, 529.
\textsuperscript{31}Tatistcheff, \textit{Alexandre Ifr et Napoleon}, p. 549.
\textsuperscript{32}Vandal, \textit{op. cit.}, III, 50.
Alexander tried to minimize the force of the ukase in his letters to Napoleon. In a letter defending his action, Alexander wrote on March 25, 1811, that one of the main objects of the tariff was:

... to restrict as far as possible importations by land as the most disadvantageous for our balance of commerce, introducing a quantity of very costly objects of luxury, for which we disbursed our coin, while our own exportation is so extremely hindered. Such are the quite simple reasons for the tariff-ukase. It is no more directed against France than against all Europe.33

Alexander's explanations did not appease Napoleon. The excessive tariffs on French goods were bad enough, coming as they did at a period of economic crisis in France, but that the Russian Government should burn French goods was preposterous. Napoleon said to Tchernycheff, the envoy who brought Alexander's letter of March 25, "Monsieur, comme je me sais répondre à un affront que par affront, j'ai donné l'ordre, dans tous les ports qui se trouvent en mon pouvoir, de bruler tous les bois, potasse, chanvre, fer (sic), enfin tout ce qui peut venir de Russie. Voila une charmante alliance, une amitié bien édifiante!"34

Count Charles de Nesselrode, in reporting the effect at Paris of the new tariff wrote, on February 4 (n. s. February 16), 1811, that it was considered a rapprochement with England, as an evident measure of hostility toward France. The French, said Nesselrode, have responded by an appeal to conscription. He warned Alexander to abandon the Turkish war, give up the idea of obtaining the Danubian provinces, and prepare to defend Russia against Napoleon. He reminded the Czar that the war had been inevitable for a long time—"ce n'est pas le tarif qui la provoquera, peut être pourrat-il l'accélérer."35

34Ibid., p. 557.
Though Napoleon sent letters throughout 1811 asking Alexander to modify his tariff policy, the lines of war were being drawn. Napoleon was now prepared to force Russia into a fuller participation in the Continental System; he replaced Champagny by Marat, who was better gifted to adapt himself to his master's hints, and Caulaincourt was replaced by Lauriston. On June 5, 1811, after his return to Paris, Caulaincourt had a seven hours' interview with Napoleon, during which he frankly told the Emperor that Russia's economic condition demanded consideration and that the Emperor himself had broken the blockade decrees by his licenses.\(^{36}\) When Caulaincourt suggested ways and means of adjusting the existing differences between the two monarchs, Napoleon changed the subject, indicating that he was still determined to force Russia into his crumbling Continental System.

CHAPTER VI
CONCLUSION

For all practical purposes the personal offensive and defensive alliance signed by Napoleon and Alexander at Tilsit came to an end on December 31, 1810. Both rulers arrived at this position gradually, for it was only gradually that they came to realize that the Tilsit agreement was not the lever by which they would achieve their respective goals. They respected the agreement only so long as they could see some possibility of its usefulness. Napoleon needed Russia's sincere participation in the Continental System in order to bring England to her knees; Alexander hoped to gain the integral Danubian principalities and, at least, the promise that Poland would never be re-established. The marriage issue was of secondary importance, and even the Oldenburg problem served only as the legitimate "justification" for hostilities.

As the possibility of achieving these personal goals dimmed the fidelity of the two rulers to the agreement diminished proportionately. While Alexander admitted neutrals which carried freight from England and while he closed his eyes to the flourishing smuggling trade on the border, Napoleon was inciting the Poles and selling licenses which, though they swelled his fiscal receipts, violated the very system he was trying to enforce. Thus when the Tilsit lever seemed no longer useful in obtaining their respective goals, Napoleon consulted his own interests and Alexander bent to the offended interests of his subjects.

It has been the primary purpose of this paper to demonstrate the influence of the Continental System on Russian economy and the reasons for
its failure in that country. Ample evidence has been presented to show the disruptive elements of the system. It destroyed Russia's favorable balance of trade with England and destroyed her maritime export trade in raw materials without substituting adequate outlets elsewhere. The Continental System, in its Tilsit configuration, permitted an influx of French luxury goods under an antiquated commercial agreement of 1787, but it did not open French markets to Russian agrarian products. In its second phase the Continental System even tried to prohibit the adjustments Russian commerce had begun to make in the form of smuggling and trade with "neutrals."

True, a few petty Russian merchants profited by the exclusion of English goods, and a few industries were nurtured into existence by the embargo on English manufactures; but to Russia's predominantly feudal society which depended on the export of its produce, such bourgeois advantages seemed meager indeed. The appeals of outraged nobles with their unsalable timber, wheat and hemp weighed more heavily on the Czar's heart than the advice of a few first guild merchants in Moscow or St. Petersburg.

In the broader pattern of historical interpretation the historian may well ask--without fear of being labelled an economic determinist--if the failure of the Continental System does not demonstrate once again the incompatibility of political anity and economic hostility? Failing to take England by invasion, Napoleon concentrated his principle efforts against her commerce for which purpose he found it necessary to maintain the association of Europe. Since Russia could not cooperate voluntarily in this economic struggle against her chief source of revenue, was it not "inevitable" that she was drawn into war with Napoleon?
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