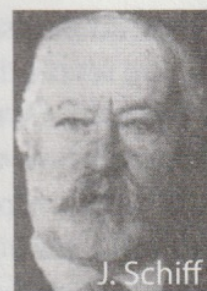


Schiff. What Schiff lacked in Crane's insider connections in Washington and St. Petersburg, he made up for in sheer determination, financial clout and the creation of America's early "Jewish Lobby." He directed this lobby towards a single goal: the ending of the inequality and persecution of Russia's Jews, and the ruination of the government that abused them.



J. Schiff

Schiff was born in Frankfurt-am-Main in 1847, one of four sons of Moses Jakob Schiff, a minor banker and broker affiliated with the Rothschilds. While by no means as rich or as well known as the latter, the Schiffs were an old Frankfurt family with roots going back to the 14th century. Through marriage, they were linked to other German-Jewish families such as the Adlers, Oppenheimers, and Wertheimers. These connections are not trivial. Generations of intermarriage and the creation of interlocking "cousinhoods" formed a *Mishpocha*, or extended family that connected people in ways not apparent to an outsider.

Continuing in the family business, young Jacob first came to the U.S. just after the Civil War and became a partner in the short-lived firm of Budge & Schiff. He became an American citizen in 1870, but returned to the newly-unified Reich the following year. In 1874, he came back to New York at the behest of Solomon Loeb, one of the founding partners of Kuhn, Loeb & Co, a mercantile enterprise that had morphed into an investment bank. Schiff's initial rise in the firm was mostly due to one, simple fact: he married Loeb's daughter. With Solomon Loeb's retirement in 1885, Schiff became the dominant force. Until his death in 1920, he guided Kuhn Loeb to great success using acumen, guts and, when necessary, an iron fist.

While he could be affable and hugely generous, Schiff's management style, in the office and at home, tended to the autocratic. Some saw him as "a disagreeable character who ceaselessly badgered members of his family" and pretty much everyone else.²³ Others called him "formidable."²⁴ While he avoided anything patently illegal in business, his ethics were "sometimes ambivalent."²⁵ Put another way, when he was determined to do something, he found a way to do it.

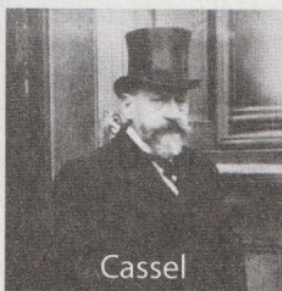
Schiff and his Kuhn Loeb partners "were instrumental in bringing European funds into the new enterprises on the American continent."²⁶ Schiff has been described as a member of a "small international fraternity" that included Max Warburg (Hamburg and Berlin), Ernest Cassel (London), Wertheim and Gumpertz (Amsterdam), Eduard Noetzlin (Paris), and

23 Milton Goldin, "Goldin on Cohen, 'Jacob A. [sic] Schiff: A Study in American Jewish Leadership,'" *H-Antisemitism* (Oct. 2000).

24. Priscilla Roberts "Jewish Bankers, Russia, and the Soviet Union, 1900-1940: The Case of Kuhn, Loeb and Company," *American Jewish Archives Journal*, Vol. 94, # 1-2 (1997), 12.

25. Goldin.

34 26. *Investment Banking through Four Generations* (1955), 17-18.



Franz Philippson (Brussels). Cassel's biographer Brian Connell, said these men "maintained between them an incredibly accurate network of economic, political and financial intelligence at the highest level."²⁷ Cassel, who professed great admiration for the lot, added that "the web of their communications quivered at the lightest touch." "They could withdraw support here, provide additional funds there," he added, and "move immense sums of money with lightning rapidity and secrecy from one corner of their financial empires and influence the political decisions of a score of countries."

It perhaps goes without saying that Schiff, Warburg, Cassel, et al, were not just international bankers but, by origin at least, international *Jewish* bankers. Thus, we seem to be getting perilously close to anti-Semitic conspiracy theories of world Jewish financial control. While Connell's description may (or may not) be exaggerated, his observations were made in the context of admiration, not condemnation, and the fact is that Schiff did, indeed, have connections to every one of these fellow financiers, most importantly, the Warburgs. These connections offered Schiff resources and reach that many of his competitors, even Mighty Morgan, could not equal. For our purposes, imagine how the ability to "move immense sums" with "rapidity and secrecy" could aid in the fostering and support of revolution in Russia – or anywhere else.

By 1901, Schiff had built Kuhn Loeb into the second largest investment bank in the United States, mostly by underwriting the expansion of America's railroads. "While essentially conservative," Schiff "often went in where others feared to tread."²⁸ Success made him "a member of Big Business's Our Crowd as well as of New York's German Jewry's Our Crowd."²⁹ It followed that like other members of the Wall Street elite he "exerted considerable political influence," which included reminding presidents of the "strategic importance of the Jewish vote."³⁰ He then "used his political connections and prestige to promote the interests of Judaism in the United States and overseas."³¹ Politically, Schiff long identified himself as a Progressive Republican, but he, just like Crane, went over to the Wilson camp in 1912 when the Democrat seemed more likely to support his private war on Russian autocracy. Still, Schiff's contribution to Wilson's war chest was less than a third of Crane's.³²

While most of Schiff's friends and collaborators were fellow businessmen, he was closely associated with the likes of Felix Adler, the reformist

27. Brian Connell, *Manifest Destiny: A Study in Five Profiles on the Rise and Influence of the Mountbatten Family* (1953), 60.

28. *Investment Banking*, 8.

29. Goldin.

30. Roberts, 15.

31. *Ibid.*, 11.

32. Owen, 59, n. 164.

and anti-capitalist founder of Ethical Culture, and he had a special soft spot for left-wing social worker Lillian Wald whose Henry Street Settlement House in the Lower East Side was a favorite gathering place for “radical intellectuals and activists.”³³ Wald is significant because she provided Schiff with a discreet entrée into Gotham’s vibrant subculture of political and cultural radicals.



Schiff made himself the uncrowned king of Jewish America, and he did so largely through the wide-spread and abundant use of philanthropy. He reportedly donated no less than 10% of his substantial income to charities, by no means exclusively Jewish. But in that sphere his fingers were in virtually everything. He was one of only two people who belonged to every major Jewish charity in New York City.³⁴ For instance, in 1909 alone Schiff bestowed \$400,000 on assorted “Hebrew charities.”³⁵ In 1906, he spearheaded the creation of the American Jewish Committee, and during WWI, he was a major force in the formation of the American Jewish Relief and Joint Distribution Committees which would aid the plight of Russian (and other) Jews before and after the Bolshevik Revolution. He was “among only a few rich and powerful men ever trusted and admired by nearly all of his coreligionists.”³⁶ And probably a little feared as well. It is certainly fair to say that “no Jewish leader today has anywhere near his influence.”³⁷

Schiff’s philanthropic impulse wasn’t unique. Conspicuous charity was a favorite pastime of America’s plutocratic elite, as men like Carnegie and Rockefeller attest. And it wasn’t altogether unselfish; behind it was a self-serving desire for adulation and influence.

Schiff’s zeal to aid his brethren in Russia is generally attributed to his deep religious convictions. Like most German Jews, he adhered to the “modernized” Reform branch of Judaism, but his personal faith has been described as “a strange mixture of orthodoxy and ritualistic liberalism he had concocted for himself.”³⁸ It wasn’t until around 1890 that Schiff started to take an interest in the conditions of Russia’s Jews. This probably was stimulated by the recent pogroms and the May Laws and other restrictions enacted in the Tsar’s domain. Another factor, doubtless, was

33. Michael Reisch and Janice Andrews, *The Road Not Taken: A History of Radical Social Work in the United States* (2002), 25.

34. “Jacob Schiff,” *Jewish Encyclopedia*, <http://www.jewishencyclopedia.com/articles/13266-schiff>.

35. *World Almanac and Fact Book*, 1909, 345. Of course, in the same year John D. Rockefeller lavished over \$13,000,000 on his favored charities and causes (*Ibid.*, 343).

36. Goldin.

37. *Ibid.*

38. Roberts, 13.

the mounting wave of immigrants this persecution brought to New York. Once begun, Schiff's anti-Tsarism more and more took on the flavor of a personal vendetta. He slammed the Russian Government as the "enemy of mankind."³⁹ Tsar Nicholas, a man he had never met, he condemned as "this most hated and inhuman of rulers."⁴⁰ In 1905, he even urged President Teddy Roosevelt to "employ military force against Russia."⁴¹ Nor was he above involving his beloved charities in the fight. In 1907 he committed the American Jewish Committee "to use all feasible means to alleviate the sufferings of East European Jewry."⁴²

Schiff was not Russian. He never set foot in the country, nor did he have any relations there. He did, however, carefully cultivate connections, mostly through the Jewish philanthropic nexus. Perhaps the most important of these was the "Grand Old Man" of Russian Jewry, Baron Horace (Goratsy) de Günzburg. Günzburg was the preeminent figure in Russia's Jewish elite, a kind of "Russian Schiff," who maintained a close connection to the Tsar's court. In November 1905, Schiff triumphantly displayed a telegram from Günzburg in which he begged Schiff's help in aiding the sufferers of the raging pogroms.⁴³



Usually ignored by those obsessing over Schiff's Jewishness was his *Germaness*. He retained strong familial, emotional and financial ties to the *Vaterland*. Two of his brothers, Ludwig and Phillip Schiff, were bankers in Germany with connections to the Kaiser's Court. The same went for Schiff's friend and key business partner Max Warburg, head of M.M. Warburg & Co., a friend of Kaiser Wilhelm and a financial mainstay of the future German war effort. As discussed below, Kuhn Loeb directly employed two more Warburg brothers, Felix and Paul. A *mishpocha* if there ever was one.

This raises the question of whether Schiff's animus against Tsarism, in effect an animus against Russia, was rooted as much in German political and financial interest as Jewish solidarity. Was this *quid pro quo* for the support Warburg and other German financiers lent him? Russia was an ally of France and Britain and a potential enemy of the Kaiser. By obstructing Russia's access to American capital, Schiff was not just serving his own interests, or Jews', but Germany's.

In early February 1904, Schiff invited, or summoned, Jewish leaders to his home. "Within seventy-two hours," he declared, war will break

39. *Investment Banking*, 18

40. Roberts, 19.

41. *Ibid.*, 15.

42. *Ibid.*

43. *The Menorah*, Vol. 39 (July-December 1905), 249.