

of Trade and once to the Ministry of Foreign Affairs, to spend ten whole days on the matter, and only after such frequent efforts could he finally obtain his money. He also had problems getting the money in Paris from the current Partnership for Russian Linen (RALO) account in the Guarantee Trust in the USA. To London he brought checks for the total amount of 18,500 pounds. He had submitted them to the City Midland Bank, but the bank covered only the sum of 3,500 pounds.<sup>25</sup> Nevertheless, he was not fully disheartened, and not only did he obtain the money on the basis of the financial documents in the banks of Paris and London, but he also started opening his own banks there.

By early August, using the help of the stockbroker K. Kharchevskii (who had helped M. Riabushinskii in 1910 purchase the bust of Victor Hugo by Rodin), or one of his relatives,<sup>26</sup> he opened in Paris the Banque des Pays du Sud with a starting capital of 1,000,000 francs. The office was rented on the third floor in a house on the corner of Boulevard des Italiens and Rue des Italiens for 50,000 francs for a period of 12 years. On 23 July/5 August there was a general meeting of the shareholders, chaired by I.P. Anisimov. The meeting was purely formal. The shareholders chose three proxies, I.P. Anisimov, Kharchevskii, and V.N. Onoprienko. The board of directors included Mikhail Riabushinskii, N.V. Grudistov, and Kharchevskii. The whole staff of the bank included a Russian secretary and a French accountant.<sup>27</sup> The starting capital of the bank was later increased to 4,000,000 francs. The main shareholders were Mikhail Riabushinskii himself, and the enterprises belonging to the Riabushinskiis, such as the Moscow Bank, Partnership for Russian Linen (RALO), and the Rusanov's Partnership of the Belomor Timber Enterprises. Substantial amounts of capital stock were purchased by N.I. Kharchevskii, N.V. Grudistov, and G.A. Izvol'skii, the only son of the Russian ambassador in Paris, who was married to a rich owner of extensive sugar plantations in Cuba.<sup>28</sup> Following this, Mikhail Riabushinskii opened the Western Bank in London, initially with a starting capital of 10,000 pounds, later increased to 200,000 pounds. At this point, his Banque des Pays du Sud became one of the foreign shareholders of the Western Bank. Another stockholder was the American Interseas Corporation, an enterprise created by Mikhail Riabushinskii in New York.<sup>29</sup> This time he decided to look for a serious partner for Russian trade relations in the USA.

On the evening of 13/26 November 1919 Mikhail Riabushinskii arrived in New York, accompanied by R.A. Virkau and N.V. Grudistov. At the outset, he settled his money relations with the Guarantee Trust but the bank refused to start a joint enterprise with him. The negotiations with the Singer Company and the Mercantile Bank of the America were equally unsuccessful as the conditions offered by the latter were unacceptable to Riabushinskii. The negotiations with the Grace American International Corporation went more fruitfully. The company was a joint venture of the export-import company of W. Grace and Co. (total assets of 50 million dollars) and the American International Corporation, owned by the National City Bank of New York (with total assets reaching 100 million dollars).

These large American companies decided to unite their assets in working with

Russia and allotted one million dollars: one-third to W. Grace and Co., one-third to the American International Corporation, and one-sixth from Fredrick Holb Corporation. The final sixth came from a graduate entrepreneur and former partner, now became a vice-president, A. Stone, the president of the American International Corporation. A welcoming reception for Mikhail Riabushinskii was held in New York along with the famous American businessmen N.V. Grudistov, A.V. Ber, and G.A. Izvol'skii.

Having consulted with the American International Corporation, Mikhail Riabushinskii started an industrial enterprise in New York with a starting capital of 1,000,000 francs. The main shareholders were again other Riabushinskiis. The enterprises taken by the Partnership for Russian Linen contributed by the Banque des Pays du Sud. Presently in New York, he was performing the duties of secretary and treasurer of the American Interseas Corporation, specifically for purchasing, leasing, and operating the American Interseas Shipping Corporation. The principal stock holders were the American Interseas Corporation and the network of companies in England. The development of trade relations with England after the Civil War the Riabushinskiis pursued. Nevertheless, they succeeded in bringing skins from Arkhangel'sk to England, and they purchased goods for 500,000 francs, and an oil tanker and shipped 1,300 tons of oil for a second shipment with 2,000 tons.

Remarkably, in his letters Mikhail Riabushinskii discussed the political and military situation in Europe and the local situation. As he wrote in 1919, "political and economic conditions would evolve in the near future in three countries—England, France, and the United States. For one or another of the states, war is now so weak economically that it is impossible to carry an active financial policy. But we have transferred our work abroad.