

# DIVORCE, TAXES, ROYALTIES: A TEXT AND A COMMENTARY ON RUSSELL'S FINANCES *c.*1950

ANDREW G. BONE  
Bertrand Russell Research Centre  
Hamilton, ON, Canada L8S 4L6  
BONE@MCMASTER.CA

As he neared 80 Russell was more financially secure than he had been for decades. But to remain so he needed to maintain his prodigious output as a writer, broadcaster and lecturer (see *Papers* 26, forthcoming). Meanwhile, the breakdown of his third marriage threatened to undermine his much-improved financial position. The monetary concerns addressed in both the text prepared by Russell and the related commentary hint at a lifetime's scrupulous regard for his personal finances.

**T**he last dated entry in the pocket diary kept by Russell for decades was a note of his bank balance: £1,388.17.7 as of 1 September 1967. Abetted in later life by the accounting firms of Percy Popkin, then Anton Felton,<sup>1</sup> Russell was always a meticulous monitor and manager of his personal finances. When he came of age in 1893 Russell received a sizeable sum from his father's estate, and this inheritance was augmented the following year by a settlement trust established for him after he married Alys Pearsall Smith. Such largesse was in keeping with upper-class social convention, and Russell was certainly born into a rich and powerful aristocratic family—although not its wealthiest branch.<sup>2</sup> Although he possessed significant reserves of capital as a young man,

<sup>1</sup> Among the rich holdings of the recently acquired Russell Archives 4 are Felton's detailed accounts for the last five years of Russell's life.

<sup>2</sup> Nevertheless, Viscount Amberley's bequest to Russell (£20,000; see *Auto.* 1: 82) would today be roughly equivalent to £1.5 million (see [nationalarchives.gov.uk/currency-converter](http://nationalarchives.gov.uk/currency-converter)), while Lord John Russell's net worth, valued at £80,000 when he died in 1878, would now exceed £5 million. As a younger son of the 6th Duke of Bedford, however, Russell's grandfather possessed none of his family's extensive holdings in land (the most lucrative of which were in London's Covent Garden),

Russell never took his financial security for granted. He also came to regard it as a moral duty to support himself by earnings alone. As a result, he was often generous in the public and private disbursement of his unearned income.<sup>3</sup>

Although certainly watchful of his own money, Russell never accumulated it with that acquisitive bent he regarded as a dangerous and corrosive human impulse. “The worshipper of money can never achieve greatness as an artist or lover”, he wrote in 1916 (*PSR*, 78). The use of bespoke tailors and domestic servants hardly suggests an aversion to luxury, but Russell was a mainly inconspicuous consumer who kept most personal expenditure to essentials and endeavoured to use his private means for public ends. Hence his greater concern in old age, not with padding his estate, but funding the BRPF and IWCT.

The close attention he habitually paid to his income and capital was prudent if not crucial in those (many) comparatively lean years when future earnings appeared uncertain. Russell never had the leeway to forego the life of a professional writer and was often plagued by associated financial anxieties—although only in wartime America in 1942 was he threatened by ruin. In Brixton Prison, for example, he worried constantly about employment prospects after his release, persuading Gilbert Murray and other academic friends to organize a fellowship (by private subscription) to support his philosophical work and safeguard him from a possible call-up for military service.<sup>4</sup> The experimental school he and his second wife started at Beacon Hill in 1927 proved to be a constant drain on the couple’s finances, which was only partially offset by Russell’s lucrative lecture touring of the United States. Yet even that source of income dried up in the decade of depression that followed, along with the handsome remuneration he received for some years as a syndicated columnist for the Hearst Press.

From the mid-1930s Russell tried without success to re-establish himself in

aside from an Irish estate bequeathed to the Russells by the (childless) 3rd Earl Ludlow and inherited by Lord John after the death of his brother, the 7th Duke, in 1861—when he also obtained the peerage to which Russell himself acceded as the 3rd Earl in 1931. After Russell’s divorce from Alys in 1921, his marriage trust was worth about £10,000 (or £290,000 today). See RAI 710.055238 for a listing of securities in the fund, and the *Collected Letters*, [russell-letters.mcmaster.ca/brixton-letter-102](http://russell-letters.mcmaster.ca/brixton-letter-102) (n. 12), for discussion of Victorian marriage settlement practice.

<sup>3</sup> For example, he was a benefactor of the fledgling London School of Economics in the 1890s. He also gifted the Whiteheads several thousand pounds while he was collaborating with Alfred on *Principia Mathematica*, and during World War I he signed over to a cash-strapped T. S. Eliot some £3,000 of debentures in a British engineering firm. This last gesture was as much political as charitable, for Russell balked on pacifist grounds at profiting from the war work in which this company (Plenty & Son of Newbury) was engaged. Eliot eventually (in 1927) transferred these securities back to Russell. See *CLBR*, [russell-letters.mcmaster.ca/brixton-letter-19](http://russell-letters.mcmaster.ca/brixton-letter-19) (n. 6).

<sup>4</sup> *CLBR*, [russell-letters.mcmaster.ca/general-annotation/59](http://russell-letters.mcmaster.ca/general-annotation/59).

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British academic life, and continuing financial stringency accounts for his acceptance in 1938 of a one-year visiting professorship at the University of Chicago. But Russell's income insecurity was only heightened by this move across the Atlantic with his third wife and their year-old son. Early in 1940 (unwisely in retrospect), he resigned a position at UCLA only to have his forthcoming appointment at CCNY judicially blocked amidst a firestorm of moral outrage at the placement of such a "scandalous" figure on the municipal payroll. Handed a financial lifeline by Albert C. Barnes, Russell lost it two years later when in December 1942 he was unceremoniously dismissed from his lectureship at the businessman-philanthropist's foundation.

Russell's financial affairs touch on numerous aspects of his private, professional and political lives—the collapse of three marriages, for example, provision for his children,<sup>5</sup> fluctuating authorial fortunes, an intermittent academic career, establishment of the BRPF, and even the sale of his archives to McMaster University. These and other episodes with a bearing on Russell's finances have been well covered in the major biographies and other secondary sources. The Russell Archives also contain a wealth of pertinent information. For example, much of his extensive legal correspondence, with J. J. Withers & Co. and Coward, Chance & Co., is concerned with money. But Russell's chequered financial health has never been charted systematically.<sup>6</sup> Alas, no such ambitious undertaking will be attempted here. The objective is simply to introduce a detailed statement by Russell about the breakdown of his marriage to Patricia ("Peter", née Spence) and to situate this intriguing document (RA2 710.106144) in the slightly broader context of Russell's finances at the mid-century mark—when, portents of catastrophe notwithstanding, they had transitioned permanently from parlous to plentiful.

The untitled and undated statement was dispatched to Peter Blake (né Blach), a German-born Philadelphia architect whom Russell befriended while working at the Barnes Foundation. Blake was a trusted contact because, with Russell's blessing, he remained in Peter's confidence. After Blake promised in reply to type extra copies of this "long and detailed letter" (22 Nov. 1949), it was circulated to Freda Utley and possibly other American friends of Russell, as well as his daughter. (No manuscript survives.) Greatly resenting Peter's imputation to him of hard bargaining, Russell challenged this by disclosing financial particulars from an offer to her. The other impression he strove to correct was that he had rekindled his dormant romance with Colette—an

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<sup>5</sup> In 1950 this extended to the housing of John Russell and his family at 41 Queen's Rd., Richmond. See TURCON, "41 Queen's Road, Richmond" (2018).

<sup>6</sup> Although K. Blackwell spoke on the topic at the annual meeting of the Bertrand Russell Society at Drew University in 2011. The author has benefited from his notes for that talk: "You Need Not Suppose I Do Not Try to Get Money".

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effect achieved by some gratuitously unkind remarks about his former lover. Yet Peter's misapprehension was not unwarranted. Colette stayed at the Russells' Welsh home during the winter of 1948–49 (with Peter's blessing initially) while she contemplated a permanent return to Britain from Sweden. She and Russell spent time alone in North Wales, but he had no intention of resurrecting their once passionate affair—although he *had* done so the previous year in Stockholm. Furthermore, his personal life was complicated by entanglements with Nalle Kielland, whom he had known since Beacon Hill, and Irina Wragge-Morley, wife of a Cambridge scientist.

As intimated in the statement, the final collapse of Russell's turbulent third marriage occurred during the couple's ill-fated Sicilian vacation of April 1949, which ended in circumstances as much farcical as tragic.<sup>7</sup> After Peter's abrupt return to London, it was immediately apparent that the rift was irreparable. According to a retrospective appraisal made by Russell in the mid-1950s (and dictated to his fourth wife), the relationship had soured long before then, with moments of real happiness, always rare, becoming "fewer and fewer".<sup>8</sup> His emotional life was "exceedingly painful throughout the years in America and after our return to England", he further testified in a passage of autobiography intended for publication but which never appeared in print (RA1 210.007052–F8). Determined to protect Conrad from the suffering inflicted on his two older children by the bitterness of his break from Dora, Russell had soldiered on, "although this became year by year more difficult." He admitted to feeling "an immense release" when Peter "decided that she wanted no more of me", thereby ending the marriage, he added rather self-servingly, "without responsibility on my part" (*ibid.*). Ronald Clark has also speculated that, with the "the ghost of his divorce from Dora still lurking in the background, he shrank from entering that financial swamp a third time" (Clark, p. 505). But this was precisely where he was heading. Moreover, the opening of the statement circulated by Blake and reproduced in full below, implies that disagreements over money were much more than incidental to the estrangement from Peter:

*The trouble started with a suggestion of mine that the royalties on Authority and the Individual should go to John. As, in that case, they would have paid no surtax and very little income tax, the gain to him would have been great and the cost to me infinitesimal, and as he has three young children to support, his need of money is urgent. But Peter said she had done half the work, and was not willing John should get the money. So I dropped that plan, and said I would make it up to John in my will. (When we were poor, I made a will leaving everything to Peter, which would have put her about on a level with John and Kate. Now, such a will*

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<sup>7</sup> See CLARK, pp. 506–7, MOOREHEAD, pp. 488–90, and MONK, pp. 308–9.

<sup>8</sup> "Private Memoirs" ("samizdat" copy, not consulted in RA).

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would make her rich while leaving them poor.) At this she burst out, saying I no longer loved her, and if I left anything at all to my children she would starve when I died. For three days she wept and did not speak to me. So I ostensibly gave way, and decided to do what I thought necessary secretly out of income, leaving my will unchanged. But relations remained very strained.

Then came a more serious matter, concerning Colette and our cottage in Wales (which I gave to Peter). Colette is a lady with whom I had an important love-affair, lasting from 1916 to 1920. From 1920 to 1930 I did not see her, but since 1930 we have been good friends. She is now middle-aged, very fat, nearly stone deaf, and without any traces of her former beauty. Peter has always known all about her, and had never shown any sign of jealousy; indeed, why should she? Peter lent her our cottage in Wales, and Colette lived in it without any domestic help. Peter kept telling me she must give up the cottage, because domestic help was so difficult to get; she gave me to understand that she wanted to let it. I came down on business for a day or two, and finding Colette quite content without help, I suggested to her that perhaps it would suit both her and Peter if she rented the cottage. But when I broached this scheme to Peter, she said I was plotting to live there with Colette. Colette is somewhat excessive in expression, and has always continued to write to me affectionately. This suddenly infuriated Peter. We were in Sicily; she went home in a fury, leaving Conrad and me. She wrote to Colette, rudely ordering her out of the house in Wales at a moment's notice. Colette lost her temper, and wrote a very injudicious letter to me, addressed to Dorset House.<sup>9</sup>

I was still in Sicily with Conrad. Peter opened Colette's letter to me, kept it, telegraphed furiously to Sicily, Conrad got the telegram. When Conrad and I came home, Peter read Colette's letter to Conrad. Peter and Conrad both demanded that I should promise never to speak or write to Colette again; I refused. Peter's mother, who was staying with Peter, had her meals in her bedroom so as not to have to speak to me; the maid, Lena, refused to come while I was in the house. After two days I left.

Conrad wrote to say he would have nothing further to do with me unless I broke with Colette or she apologized. I got a semi-apology out of her, and Conrad, after calling in John as arbitrator, reluctantly accepted it. (I have not seen Colette since the breach.) As the summer went on, Conrad grew normal and friendly. He had been badly upset, his work suffered and his handwriting became like that of a lunatic; but all this gradually improved while he was with me. Now it is coming back.

It is now agreed that we are to live apart, though Peter refuses legal separation. The question of money has proved very difficult. She does not realize her position, and is passionately anxious, if possible, to prevent John and Kate from ever getting any money from me, alive or dead. She has thought she could blackmail me by

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<sup>9</sup> [The Russells' London flat, no. 18, at Gloucester Place, where Peter remained until June 1951, with the lease paid for by Russell.]

threats of divorce proceedings, but her evidence against me is quite inadequate, whereas I have good evidence of many adulteries on her part. At last her lawyer has made her see this, and she is now acquiescing, but telling Conrad and everybody that, for Conrad's sake and to avoid scandal, she is submitting to beggary. If she accepts my offer, her assets will be as follows:

1. Part royalties on three of my books.<sup>10</sup> This brings her at present about £2,000 a year, but will soon diminish.
2. The cottage in Wales,<sup>11</sup> furnished, which I have offered to rent at £200 a year.
3. The interest on £10,000 for her lifetime—this sum to be in a trust, to be divided equally among my children when she dies.
4. While she and I both live, £800 a year if my income (gross) exceeds £4,000; £600 a year if my gross income is between £4,000 and £3,000; £400 a year if my income is between £3,000 and £2,000; and £300 a year if my income is less than £2,000.
5. The furniture at Dorset House.

I undertake to pay all Conrad's expenses of every kind (he also has a trust of £3,000). She will thus have at present about £3,300 a year. At no time (short of public disasters) can she be really poor.

Yet these and other terms of the proposed settlement (except for the royalty-sharing) were never binding—partly because (for purposes of tax relief) Russell's acceptance of them was conditional upon Inland Revenue acknowledging that he and Peter were living apart. And such an affirmation was unlikely to be forthcoming absent a Deed of Separation to which Peter was adamantly opposed.<sup>12</sup> Thus an informal *modus vivendi*, with Russell still paying maintenance, persisted until the financial basis of the couple's separation was finalized by Deed of Covenant signed on 1 May 1951 (copy in RA3 Rec. Acq.

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<sup>10</sup> [The books in question were *Power, A History of Western Philosophy*, on which Peter was entitled to one-third of royalties, and *Authority and the Individual*, on which she collected half. She also received half the (modest) royalties on *The Amberley Papers*.]

<sup>11</sup> [Ownership of this property ("Penralltgoch") bought in 1946 had already been transferred to Peter to avoid payment of estate duties in anticipation of his predeceasing her. This stratagem was ill-judged because Russell tried to repurchase the cottage after the outbreak and threatened widening of the Korean War. The international crisis persuaded him that a rural retreat might offer a modicum of safety for the younger inhabitants of his new London home (see note 5 above, *Papers* 26: lxi, and TURCON, "A Trio of British Homes and a Refuge" [2018]).]

<sup>12</sup> On 17 December 1949 the department informed Percy Popkin, Russell's accountant, that Peter *would* be considered a *feme sole* as of 20 April 1949, but this determination was not a simple solution to Russell's tax problems (see p. 174 below).

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1,343). But these interim arrangements were neither easily brokered nor maintained. Peter's dissatisfaction was vividly displayed after Russell's first instalment of rent on "the cottage in Wales" was slightly delayed. Petulantly dispatching two telegrams to Russell, she demanded instant redress, or that her husband "leave cottage for other tenant who will pay." At the behest of his angry client, Russell's solicitor forcefully reminded Peter's counsel that she had received more than £900 in royalties less than a week before and that "there is no question of her being short of money" (Louis Tylor to Henry Gisborne, 9 Nov. 1949). This assertion echoed the statement's final sentence and seems reasonable—even allowing for Russell's desire to present his offer in a generous light. And it was made before the Deed of Covenant assigned £10,000 for the benefit of Peter and Conrad alone.

The Deed also substituted a guaranteed maintenance of £700 per annum for the sliding scale favoured by Russell in point 4 above. The substantial lump sum (about £300,000 today) superseded trust provisions made for *all* Russell's children. Peter never warmed to that plan and secured the removal of a stipulation that her annuity would cease if she remarried. She also wanted to draw on the capital in the likely event of Russell dying before she did.<sup>13</sup> Russell may have quietly abandoned this scheme because John and Kate were unlikely to have collected any trust income for decades, after Peter was guaranteed the interest "for her lifetime" (see point 3 above). (John Russell predeceased his step-mother by seventeen years.) The size and disposition of the payment to Peter explains Russell's autobiographical aside about giving "£10,000 of my Nobel Prize cheque for a little more than a £11,000 to my third wife" (*Auto.* 3: 71). (The same passage mentions the alimony he was still obliged to pay Dora: £275 per annum in 1950.) The Deed also prepared the ground for divorce proceedings by stating that Peter had been deserted by her husband, although a decree absolute was not issued until August 1952.

Disputes with Peter over money were triggered, somewhat ironically, by a marked improvement in her husband's financial standing. This transformation can be traced to the otherwise stringent years of enforced American exile, which ended after Russell was awarded US\$20,000 in damages from his suit of the Barnes Foundation. This favourable ruling was followed by publication of the best-selling *A History of Western Philosophy* (1945). The book was in press when Russell sailed for England in 1944 to take up a fellowship at Trinity College, Cambridge, which he held for the next five years. In the post-war era Russell also became one of the most recognizable voices on the BBC. Quite apart from the extra income from regular broadcast work, his ubiquity on the radio contributed (or so he believed) to an "astonishing and gratifying" revival of interest in his Allen & Unwin back catalogue (to Sir Stanley Unwin,

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<sup>13</sup> See Tylor's annotated draft Terms of Settlement (30 Aug. 1949, RA2 760.101134).

8 Apr. 1950). That Russell's "respectable" years were also banner ones for him financially meant that a third divorce could perhaps be endured without anticipation of future penury—a measure of assurance conspicuously absent in the 1930s, when the breach with Dora occurred in the depths of an economic depression that took a serious toll on his earnings (see p. 168 above).

But the end of another marriage certainly put Russell's finances under stress, which increased with the discovery that he owed more than £8,000 in income tax and surtax arrears—"nearly my total capital", he complained to his American literary agent, Julie Medlock (7 July 1951). He had been aware of a looming problem but still found his accountant's estimate of its scale "somewhat disquieting" (to Popkin, 3 July 1951). Some of these liabilities<sup>14</sup> related to the assessment as his income of royalties paid to Peter. She had complained to the tax authorities that these were not professional earnings and, moreover, that she had received no such payment at all for the fiscal year preceding their separation in April 1949.<sup>15</sup> Regarding the former contention, an exasperated Russell rather desperately referred his accountant to evidence to the contrary in the acknowledgements of two of the books concerned (23 Dec. 1950). Peter's entitlements were also specified in the Allen & Unwin contracts and later acknowledged by her testimony in the divorce proceedings, which assisted Russell's legal wrangling with the tax inspectorate over these royalties. In his "Private Memoirs" he would caustically observe how Peter suddenly veered from habitually overstating the extent of her authorial assistance to claiming "that she had never helped me at all."

This saga dragged on even after Russell was required by the Deed of Covenant to pay all taxes on income received by Peter up to April 1950. Indeed, the dispute continued long after the marriage formally ended—until July 1954, when (after a successful appeal) he was refunded almost £500 in surtax paid for the fiscal years 1948–49 and 1949–50. By withholding payments pending a definitive ruling on all his liabilities, he had accumulated additional arrears, and his obligations exceeded £11,000 by mid-1953. At this point he paid off most of the outstanding amount from the sale of various assets, repayment of a decades-old mortgage to Bedales School, and his "considerable current balance" (to Popkin, 20 May 1953).

However irritated he was by paying tax on Peter's earnings, the chief cause of Russell's difficulties with Inland Revenue lay in his continuing, indeed rising, success as an author, and his subjection to an avowedly redistributionist fiscal regimen—introduced by the post-war Labour Government—of which he wholeheartedly approved.<sup>16</sup> Before publication of *Human Knowledge* in

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<sup>14</sup> See "Note as to Financial Affairs" [1951], RA2 751.100027.

<sup>15</sup> See J. E. G. Gleeson (H. M. Inspector of Taxes) to Popkin, 10 Jan. 1951.

<sup>16</sup> See, e.g., "Greater Democracy is Socialism's Purpose", *The Argus*, Melbourne, 2



1948, Russell entertained hope that it would attract at least part of the wider readership of his *History of Western Philosophy*, which remained a reliable source of income well into the 1950s. This aspiration was not fulfilled, but *Authority and the Individual* (1949) sold well worldwide after these Reith Lectures appeared in book form. Notwithstanding the title of *Unpopular Essays* (1950), this compendium of provocative but accessible political and philosophical writings became one of Russell's most successful books.<sup>17</sup> His pocket diaries record remittances of £4,782.3.4 from Allen & Unwin for 1950–51 and another £4,293.18 the next fiscal year. His total earnings from Simon & Schuster were eminently respectable, if not quite so impressive: £1,336.14.3 for 1950–51, followed by payments of £781.8.1 in August 1951 and £591.10.4 in April 1952 (the currency conversions are Russell's).

These consistently impressive royalties on book sales were boosted by fees from his many and varied journalistic and BBC assignments. If one also includes in this partial accounting the returns from his last three lecture tours (of Australia in 1950 and the United States later the same year and again in 1951), it is clear that Russell was flourishing as an author, broadcaster and lecturer like never before. In the *Autobiography* he placed this new-found security alongside his Order of Merit and Nobel Prize. Although buoyed by the increased income and formal honours, the unwonted respectability left him “slightly uneasy, fearing that this might mean the onset of blind orthodoxy. I have always held that no one can be respectable without being wicked, but so blunted was my moral sense that I could not see in what way I had sinned” (*Auto.* 3: 31). The respectability faded but the financial well-being, which both reflected and contributed to it, survived the long years of political protest and controversy that soon followed.

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Aug. 1951; *Papers* 26: 81.

<sup>17</sup> Although Russell allocated the royalties on this work to his son John.

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