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THE ROMANCE OF
THE ROTHSCHILDS



IGNATIUS BALLA

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BY
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THE ROMANCE OF THE ROTHSCHILD

I

THE RISE OF THE ROTHSCHILDS

THE Rothschilds, who have held in their hands for more than a century the threads of the financial life of the Old World, were described by Heine many decades ago as the first bankers in Europe. Even to-day there is not one of the more recent financial dynasties that can boast a wealth equal to that of the famous Jewish financiers. The mere mention of their name suggests the power of millions, and, to those who are ever ready to pay homage to wealth, these descendants of a petty hawker of the Frankfort ghetto seem to be the very personification of earthly riches.

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This fabulous success of the Rothschilds seems the more remarkable when we learn that the immediate founder of this powerful dynasty, the aged Maier Amschel, was, little over a hundred years ago, a small trader in the Jewish quarter of Frankfort, and cannot have had even a dream of the millions which his family afterwards amassed. He began his career as a modest shopkeeper; his sons became millionaires, his grandsons multimillionaires. Three generations sufficed to convert this obscure ghetto-family into the greatest financial power in the world. That fact is enough of itself to invest the origin of the Rothschild firm with the significance of an historical event, nor is the interest lessened when we realise the profound influence it has had on the fate of Europe and the whole political and social life of the west.

But the conscientious historian who would relate the almost legendary course of their story will find it useless to explore the dusty archives of States and finger the mouldering

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parchments of heraldic offices in search of earlier traces of the family. There are no documents carrying back the story of the Rothschilds to the Middle Ages. No ancestor of theirs ever sought the laurels of war on the battlefield, and certainly it is related of none that he joined a crusade to rescue the Holy Land from the heathen. We do not find the name of a Rothschild in the illuminated chronicles of the medieval monks, and we should vainly seek their arms in the gaily coloured lists of the ancient knights. No ancestral castle of theirs stands, like a falcon's nest, above the steep shores of the Rhine or the Danube, threatening the prosperous caravans of the plain. The few indications that we have go to show that the earlier members of the family were all peaceful tradesmen. The founder of the present house was certainly born at Frankfort on the Main, in the ghetto of which he inaugurated that struggle for life which was destined to have so brilliant an issue. It was a time when the Jewish inhabitants groaned under severe

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disabilities, yet the quick-witted and quiet-tempered Jew never abandoned his race and religion. He struggled against prejudice, and toiled for the welfare of his family; he strove to raise himself above the crowd and to place the future of his house on foundations of granite. "Work" was his knightly motto; and for the sake of his wife and children he worked assiduously from early morning until night, when the civic authorities fastened, with heavy chains and locks, the doors which confined Maier Amschel and his co-religionists in their narrow ghetto. He bore oppression in silence; he was one of the patient—one, indeed, of the most patient of the sons of Israel in the old Hansa city.

The patent of nobility of the Rothschild family and their diploma of barony are hardly a century old, yet the story of this hundred years is not the mere story of a banking house; it is, if we regard it aright, the history of Europe, the story of the debts and loans of its constituent States during a century. Nearly every civilised State in Europe figures in that

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calendar, on some more or less important occasion, for some comparatively large sum of money. What State was there in the nineteenth century that needed money to cover its debts and did not turn to the Rothschilds? Even when it did not have direct recourse to their coffers, it sought their powerful mediation. It was by means of State loans that the house attained its unique position as a financial autocracy and cosmopolitan power. As Ludwig Börne says, with his caustic humour: "The balance of power in Europe is maintained by the Jews. They find money for one country to-day, for another to-morrow, for all of them in turns, and they thus preserve the general peace."

The higher nobility of Germany and Austria-Hungary have done considerable business with the Frankfort and Vienna branches of the firm, and we find the name of many a prince and lord of the land in the old ledgers of the offices in the Frankfort ghetto. The following list of nobles to whom money was advanced by the Rothschilds during the sixth decade of the

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last century will give some idea of the extent of their operations¹—

	£
Prince Isenburg Birstein	92,000
„ Sayn-Wittgenstein-Berleburg	25,000
„ Waldburg-Zeil	15,000
Count Alexander Szlavnicza	55,000
Ritter von Riese	20,000
Prince Isenburg-Wächtersbach	24,500
„ Solms-Lich	25,000
„ Löwenstein-Wertheim	104,000
„ Löwenstein-Rosenberg	30,000
„ Victor Isenburg	12,000
Count Viczay	58,000
„ Szapàry	25,000
„ Leiningen-Westerberg	6,500
„ Niczky	28,000
„ Hunyady	41,500
„ Széchenyi	150,000
„ Henkel v. Donnersmark	94,000
„ Froberg	8,500
Prince Galantha Esterhazy	533,000
Baron von Greifenklau	10,000
Prince Schwartzberg	416,000
„ Waldburg-Wolfegg	66,000
„ Waldsee	30,000
Count Wartenberg	173,000
Prince Wied	87,000

The Rothschilds, however, never cared for loans to private individuals. “If there is question of a loan, let it be to a State,” was their motto. It would be extremely difficult to

¹ The German figures are expressed throughout in round English sums.—Trans.

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calculate how much profit they made by these loans to princes and States. They were never content in those days with the mere interest on the capital they advanced, but they also engaged in very extensive speculation on 'Change with the stock which a State issued on the strength of their operations. By this means the firm became a financial power of the first magnitude, and we may recognise one of the chief foundations of their success in the action of Maier Amschel when he sent his five sons to open banks in five important cities. The third son, Nathan, captured London and England, while his younger brother James ruled at Paris. The fourth son became the financial prince of Italy; the eldest of the brothers controlled the financial situation throughout Germany from his office at Frankfort; and the second son, Solomon, lived at Vienna and was regarded as the Cræsus of the dual monarchy.

Within the space of a hundred years the Rothschild family made a fortune amounting to more than four hundred million pounds sterling. Amongst the many contemporaries

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who endeavoured to penetrate the secret of this marvellous success was the distinguished diplomatist and friend of Prince Metternich, Friedrich von Gentz, who wrote as follows—

“The question how the Rothschild house could do all that it has done in so short a time has assuredly occupied the attention of many a business man and politician. Possibly, however, it is not so difficult to give an answer as is generally believed. Any one who disregards chance gains and realises that in all large operations success depends, not only on seizing and using the favourable moment, but still more on a strict adhesion to certain fundamental principles, will easily see that there were two maxims in particular of which this house never lost sight, and to which, apart from its shrewd conduct of business and taking advantage of favourable opportunities, it owes the greater part of its actual prosperity.

“The first of these principles was the determination of the five brothers to conduct the whole of their business in constant co-operation. That was the dying command of their

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father. If they have prospered, it is because they have been absolutely faithful to this rule. After the death of the father every offer, no matter whence it came, was discussed by them collectively; every operation of the least importance was carried out according to an agreed plan, and by their joint exertions, and they all shared equally in the profit. No matter how great the distance was between their centres—Frankfort, Vienna, London, Paris and Naples—it never interfered with their common understanding. In fact it had the additional advantage that each of them could be perfectly acquainted with the situation in his own part of Europe and assist more effectively in carrying out the business undertaken by the whole house.

“The other principle they kept in mind was, not to strain after an excessive profit in any operation, to impose definite limits on all they undertook, and, as far as human foresight and prudence could achieve it, leave nothing to chance. This maxim—*Servare modum finemque tenere* (‘Be moderate, and never

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lose sight of the goal')—is one of the chief secrets of their strength.

“There is no doubt that with the resources at their disposal they might have obtained a much greater advantage in one or other operation. But, even supposing that it would not have affected the security of their operations, they would in the end have made less profit than they did by distributing their forces over a large number of operations which occurred repeatedly and in varied conditions. That there should be no lack of such opportunities they were assured, not only by their wealth and credit, but by the confidence which they had inspired in all governments and large houses by the moderation of their charges, the punctuality of their deliverances, the simplicity and clearness of their plans, and the intelligent way in which they carried them out. The success which others sought in the field of commerce or of war by master-strokes, which often lead to defeat instead of victory, was attained by them through the happy application of the best principles of mercantile strategy:

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not by audacity, but by prudence and perseverance.

“The personal or moral character of the five brothers has had no slight influence on the success of their undertakings. It is not difficult to create a numerous party when one is powerful enough to enlist large numbers in one’s interest. But to bring into agreement the voices of all parties and win the regard of all, one needs, not only material resources, but also certain qualities of character which are not always associated with power and wealth. To do good to those about them, to refuse a helping hand to none in distress, to hasten to the relief of every one who sought it, no matter to what class he belonged, and to give a pleasant form to the most material services—these ways of attaining a sincere and deserved popularity have, as thousands can testify, been followed by all the members of the family, not out of calculation, but out of their natural humanity and benevolence. They have attained one thing that few favourites of fortune attain: they have won a host of friends without making

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a host of enemies. It might be said in all truth that they have paralysed the tongue of jealousy and malice. In such circumstances they needed no external distinctions to adorn a position that was already so distinguished in itself. Their merits, however, have been publicly recognised by several Courts.

“Besides various decorations which have been conferred on them, all the brothers were made Commercial Privy Councillors of the kingdom of Prussia in 1818 and Financial Councillors of the Hesse Court in 1815. His Majesty Francis of Austria gave them an hereditary title in 1815, and in 1822 he raised them to the position of Austrian barons. In addition the brother who settled at London was appointed Austrian Imperial Consul in 1820, and two years later Consul General; while the brother in charge of the Parisian house also was made Consul General in 1822.”

Thus does Gentz speak of the children of the Frankfort ghetto, but he is mistaken in regard to the distinctions conferred on them. It was not in 1815 that they received the title

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of nobility from the Austrian government; the elder brothers Anselm and Solomon were ennobled by a decree of September 25, 1816, and the younger brothers Karl and James on October 21st of the same year. It is strange to find that the third brother, Nathan, who already dominated the Exchange at London, was passed over in this nomination. When there was question of giving a title to the four brothers, they tried to design a coat of arms which would reflect their financial position and great success. They thought of combining the arms of Hesse, England and Austria, and adding a five-fingered hand as a symbol of their unity and cohesion. It was also intended to include a hound as a figure of fidelity and a stork as a symbol of piety and prosperity. However, the actual Rothschild arms, which was sanctioned by the Austrian Government on March 25, 1817, only contains a part of these things. Six years later—not seven, as Gentz says—on September 29, 1822, they were created barons: an imperial favour which was extended to Nathan also. On this occasion

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they adopted a fresh coat of arms, the motto of which consists of the three Latin words, "Concordia, Integritas, Industria" (Concord, Integrity, Industry).

The Rothschilds did not at this time owe their power to money only, as their fortune was not yet large enough to enable them to compete with and defeat bankers with a larger capital. To reach this stage they needed the quality which we find in Nathan, who obtained an unlimited control of the Exchange by colossal operations on it. In their efforts to obtain power we find not only the three qualities which are indicated in the above motto, but a very remarkable co-operation on the part of the five brothers, and a considerable faculty for grasping favourable opportunities at once and utilising them with great energy. Further, their fortune was not due merely to the State loans which they negotiated, but to their traffic on a large scale with every kind of stock on all the exchanges of the western hemisphere. In this way they obtained an insight into the economic and

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political conditions of every land, were enabled to make a shrewd calculation of the chances of war breaking out, and, according to the aspect of the political horizon, either to buy up or throw all their holdings on the market.

The man who is unfamiliar with financial matters will be inclined to suppose that in their operations the Rothschilds spun a particularly complicated net of plans and needed very elaborate arrangements. He will imagine that this machinery, working in all directions and turning everything into money by means of its secret structure, could only be created by the intense speculative power of particularly gifted men like the Rothschild brothers. The facts are otherwise, however, and if we withdraw the veil from the action, not only of the Rothschilds, but the financial world generally, any one can understand how much speculation on 'Change has contributed to the accumulation of the enormous fortune of the house. An example will show this more clearly. The founders of the business negotiated with a certain State a loan of so many millions, con-

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sisting of shares of a hundred florins each. The shares were handed over to them at 96 florins, and they sold them at 130. This gave them a clear profit of 34 per cent. They had at their command many means of increasing the interest of the public in the new loan and confidence in themselves. Whenever they regarded a stock as good, there was quite a struggle to secure it. Everybody wanted to invest in it, so as to secure a better return on his capital. Other business men would have been satisfied with the above-mentioned profit which the Rothschilds secured at one stroke. They thought otherwise; they bought and sold the stock over and over again, according as they rose or fell in value. In this way they drew enormous sums into their coffers.

It is said that in order to depreciate the price of the stock, they floated a new loan shortly after the first; they had decided on this in concluding the first arrangement, but the general public had no suspicion of it. Then, when the new issue brought down the value of the preceding one, they entered the market as buyers.

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They bought their own stock for less than they had sold it for, and in the continual rise and fall, which they controlled with masterly skill, they won an enormous profit. The five cities—London, Vienna, Paris, Frankfort and Naples—were an excellent theatre for observing the ebb and flow of the financial tide and deploying the speculative power of the Rothschilds. Naturally, they reaped their best harvests at times of grave disturbance, especially during war. In such cases the secret of their success was to learn the coming events before all others; and this was not a work of chance, but the outcome of their distinguished connections and the fine organisation of their business.

As they knew well that a rise, even for a few minutes, may be of the greatest importance on the Exchange and lead to immense gains and losses, they were always very careful to enter into the closest possible relation to the decisive factors. They therefore succeeded in drawing into their sphere of interest distinguished politicians and men of high social standing, so that they could learn important events before

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others. That was a very considerable aid, especially at a time when the postal service was imperfect and there was no telegraph or telephone. They attached the greatest importance to receiving information from high sources, and for this end they made influential acquaintances at the courts of the chief ruling families. In this, as in their willingness to make sacrifices, they showed a quite remarkable knowledge of men. We cannot regard that either as a merit or a defect; it merely shows the great power of adaptation that circumstances had engendered in them. The high officials whom they pressed into the service of their plans were, for the sake of their families, quite ready to turn their confidential knowledge into coin. It was quite in keeping with the moral notions of the time. If the Rothschilds had not made use of such means, their rivals would have done so. Public opinion was indifferent to such things. What people thought of them at the time may be seen in the case of Gentz, who quietly and with the greatest complacency notes in his diary the

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sums that he received from the Rothschilds for such services. They were shrewd enough to know that in financial matters we have not to deal with supernatural beings, but mortals, whose god is gold.

They thought no sacrifice too great to attain this end. Immense sums were paid for information, but they brought a considerable interest. Secretaries of State, ministers, ambassadors, and the most intimate servants of princes vied with each other to give the Rothschilds the first news; the outbreak of the July Revolution at Paris, for instance, in the year 1830, was learned by Baron Nathan Rothschild before anybody else in England, and it was he who informed the English Government. At Vienna their chief informant was Baron Gentz; he never speculated on the Exchange himself, but he "won" considerable sums, which the Rothschilds did not grudge because he enabled them to make vastly larger sums. Baron Solomon deplors the death of Gentz in the following words in a private letter to his brother James at Paris—

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“He was a friend indeed; I shall never have another like him. He has cost me large sums of money—no one would believe how much—for he merely wrote on a piece of paper what he wanted, and he had it at once; but since his disappearance I begin to see how much we have lost, and I would give three times as much if I could bring him to life again.”

By the organisation of State loans, shrewd moves on the Exchange, and their excellent supplies of information, the children of the ghetto at length attained the position of which a writer of the time said: “There is only one Power in Europe, and that is Rothschild; his satellites are a dozen other bankers, his soldiers are all decent merchants and workers, his sword is speculation. Rothschild is a result that was bound to come; if it were not Rothschild, it would be another. He is, however, by no means a chance result, but an inevitable outcome of the State principles which have ruled Europe since 1813. Rothschild needed the State in order to become Rothschild, and the

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States of Europe needed a Rothschild. Now that he has become what he is he needs the State no longer; the State needs him."

A writer in the *Augsburger Allgemeine Zeitung* says: "The remarkable position of the Rothschild family is one of the most extraordinary phenomena of our eventful age. In the sixteenth century, when German commerce was still in its infancy, the Fuggers succeeded in securing wealth and fame and the title of count by the great services they rendered and loans they made to the Emperor Maximilian. The only other instance of this kind in history is that of the Rothschilds. Their contemporaries—the Barings, Hopes, Torlonias, and Aguados—have also, it is true, made colossal fortunes by their business, and even negotiated loans with many governments, but they never succeeded, as the Rothschilds did, in raising themselves to a higher political sphere. While the circumstances of the time were favourable to them, we must recognise that they turned them to advantage with rare ability, and so attained the remarkable position as leading financial

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power which enables them to exert so powerful an influence.

“In the course of twenty-eight years the house of the Rothschilds has, in the many loans which it has made to England, Austria, France, Prussia, Russia, Naples, Denmark, Belgium, and most of the princes of the German Confederation, paid hundreds of millions to these States, with remarkable promptitude, and often at a time of grave political crisis, and has in this way proved the strength of its resources. Yet all who had a share in these transactions saw their speculations always crowned with success, and the general confidence in the Rothschilds was unlimited.

“When, in recent years, the speculative spirit turned to industrial concerns, and railways became a need of the continent, they again took the initiative and put themselves at the head of the movement. The Versailles Railway on the right bank of the Seine is their creation, and in Austria they gave the first impetus to undertakings of this nature by con-

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structing the great Northern Railway; wherever a really national work was to be undertaken one could rely on the co-operation of their capital.

“But in order to appreciate properly the higher point of view of the Rothschild house we must distinguish several periods in its development. The first began in the year 1815 and lasted about ten years; in this period the foundations of their vast fortune were laid. Then came the lamentable year 1825. Excessive speculations of all kinds led to a fearful reaction in business. Hundreds of well-known business-men got into difficulties or failed. The Rothschilds, however, were not merely uninjured; they lent the aid of their great resources and unlimited credit on all sides, and it is well known that at that time their supplies of silver and gold put the Bank of England in a position to meet its obligations. The business world already knew the wealth of the Rothschilds, but it was only during this brief and unsettled period of their career that their power was fully developed. From that time they had a considerable political importance,

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and no Government undertook any large financial operation without their assistance. In their third period, which extends to the year 1830, their repute and influence as the leading financial power continued to rise. Then the July Revolution suddenly broke out and shook European credit to its foundations, and with that begins the fourth and most brilliant stage of their financial activity.

“Large numbers of banking houses were destroyed by the lightning of the political storm, while the Rothschilds not only sustained the tempest, but offered the aid of their great resources to the new French Government, which seemed to them a security for the maintenance of law and order. The incalculable sums which they put at the disposal of the Powers in that critical period and the fine diplomatic tact they displayed in the most delicate situations won for them the unreserved confidence of the various cabinets. The Rothschilds at that time did more for the maintenance of peace than the world suspected.

“The question naturally occurs, how they

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found it possible to keep their position and influence in France under so many different governments? But the answer is not difficult. They belong to no political party; they are friends of the country, of law, and of peace, and as such they could offer their great financial influence just as easily under the heterogeneous ministries of Decaze, Villèle, Martignac, or Polignac, as under the government of Louis Philippe.

“The unquestioned power that the Rothschilds have over commerce in general is equally just in its foundation and beneficent. Their motto is, ‘Peace and the Development of Industry’—and these alone promote the welfare of nations. The age of illusions is over; nations have long been convinced that their efforts to maintain peace do far more for their material interests than the sanguinary clash of political theories. A wealthy people is a powerful people, and will not suffer any arbitrary oppression.

“History will quote the firm of the Rothschilds as a remarkable example of the attain-

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ment of enormous wealth and far-reaching political influence by a shrewd spirit of speculation, perseverance, and fraternal unity, aided by fortune and wit.”

The prophecy of this philosophical journalist of the *Augsburger Allgemeine Zeitung* has been fulfilled. The career of the Rothschilds is a typical example for millions of people, and, though it is not every one who can attain such success, these people will look back with admiration on old Maier Amschel, and many generations will learn a lesson from his life as long as the triumph of the human mind compels attention. Indeed, apart from the romantic element in their story, the Rothschilds are entitled to great consideration from the fact that they have saved large numbers of firms from ruin. They thus became the Cæsars of the world of finance. This is not a mere phrase or an exaggeration. Other bankers were, in fact, only their vassals; they might, as they willed, raise them or destroy them, but they chose to support and strengthen them as long as they did not interfere with the operations of the Rothschilds.

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Since the year 1840, which brought a tempest upon the economic life of the European States, the business transactions of the Rothschilds have found an additional channel. They turned to the increasing branches of industry—railways, mines, ironworks, etc.—and founded banks, and thus found a means of making fresh and hitherto unexploited wealth. They retained their dominant position in the financial world, as the magical power of their name was enhanced. They were now the unquestionable masters, not only of the Exchange, but of trade and commerce. Numbers of prosperous banks and industries sprang up at their command, and they became owners of mines, mills, factories, and estates in every part of the world.

The actual power of the Rothschilds cannot be compared with that of the five brothers in earlier days, though their fortune is larger than ever. This is due, however, not to a depreciation of ability in their descendants, but to a change of circumstances. The financial position of the various States in Europe has so immeasurably improved during the last hundred years that they no longer need an

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intermediary in contracting loans. Rival banks have also done their share in bringing to a close the supremacy of the Rothschilds. But, if their autocracy in the money-world is ended, their vast fortune remains, and surpasses that of any of the American millionaires. Neither Rockefeller, nor Carnegie, nor Astor, nor any other Transatlantic prince of finance, has a capital equal to that of the Rothschilds. It is estimated at more than four hundred million sterling, and it increases daily. It would be bound to increase even if they never engaged in another transaction, as, invested at an interest of not more than four per cent., their capital would yield more than £16,000,000 yearly, or more than £45,000 a day.

The mind almost reels in considering these colossal sums. Baron Albert of Vienna was guilty of no exaggeration when he said: "The house of the Rothschilds is so rich that it cannot do bad business." And this enormous fortune has been amassed by one family in the course of a single century.

II

THE FOUNDER OF THE HOUSE

THE founder of the great Rothschild dynasty was a poor tradesman, born at Frankfurt on the Main at the beginning of the eighteenth century. His origin and ancestry cannot be traced with any confidence. We know only that he belonged to the Jewish nation, which, as Heine says, "came from Egypt, the land of crocodiles and priests, and brought with it, besides its skin-diseases and the stolen gold and silver vessels, a positive religion or church, a structure of dogmas to be believed and ceremonies to be performed, the prototype of later State-religions. Then began the plague of proselytism and religious compulsion, and all the horrors that have cost the human race so much blood and so many tears. This nation, with its primitive evils, has long been damned, and has suffered the torments

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of the damned for centuries. What a land Egypt was! Its products have defied time. Its pyramids are indestructible, its mummies as incorruptible as ever; and just as indestructible is that mummy of a people which wanders over the earth, swathed in its ancient documents, a petrified piece of history, a spectre that maintains itself by money-changing and the sale of old clothes."

At that time the Jews were more hardly treated in Frankfort than in any other German town. In the fourteenth century the fathers of the city had confined them in a "Jews' street," which was closed with chains every night. They also passed a law that not more than two Jewish couples were to marry every year, so concerned were they at the extraordinary industry, endurance, and increasing range of the children of the ghetto. For centuries the followers of Moses vegetated in this narrow street, and no one could have dreamed that from it a man would issue who would lay the foundation of the greatest financial power in the world.

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For five centuries the Frankfort Jews struggled against their oppressors, and at last the hour of deliverance struck. With a stroke of the pen Napoleon lifted the yoke from their shoulders, and opened the other streets of the city to them. As soon as the French army had left the city, however, the citizens again took from them their liberty, and compelled the Jews to purchase it later at the price of about £40,000.

The ancestor of the Rothschilds, Amschel Moses, lived in Jew Street, in an overcrowded house. History tells us nothing further about him, and the most industrious research has discovered little more than that he was a Jewish hawker. The year of his birth cannot be determined, and even the origin of the name Rothschild is obscure. According to some it was derived from some town or other, as many Jewish families in Germany took their name from a place—either their birth-place or the last place in which their fathers lived—and were distinguished in this way from the other Jews in their new home. The Oppenheimers,

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Wieners, Pragers, Hamburgers, Frankfurters, and Berliners—all Jewish families—owe their names to this custom.

According to others Rothschild comes from the Danish, and is taken from the place-name Roeskilde; but this is inconsistent with the fact that Amschel Moses had no surname. It is certain that he was a poor hawker, and it seems that he first dealt in curiosities and all sorts of things, in very distressing circumstances, in the city of Hanover, and that he took the wanderer's staff in his hand when he found that he could make no headway. In his search for another dwelling he reached Frankfurt, settled in Jew Street, and put a red shield¹ over the door of his house. The houses had no numbers at that time, and some kind of sign was put over the door to distinguish the house and its inhabitants. Some of the shields bore the figure of a bear, a cock, a stag, a pike, or some other living thing. When the animal-

¹ In German "rothes schild," hence, it is suggested, the name Roth-schild (pronounced Röt-sheelt, not Röths-child, in our preposterous English way).—Trans.

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inanimate things, and painted a ship, a castle, a sickle, a star, or a bouquet on the board, for the purpose of identification. When a house was mentioned, it was customary to name the figure on its shield, which was enough to distinguish it. It is very probable that the name Rothschild arose in this simple way.

In this house with the red shield, then, Maier Amschel, later the founder of the financial dynasty, saw the light. When he bought the house in 1780, it already had a number—69. The shield had in the meantime been painted green, but it remained “red [roth]” in the memory of the people, and so Maier Amschel was called Rothschild. His father, who had not succeeded in rising out of the class of trading Jews, had died on October 6, 1754. Maier Amschel, the eldest son of Amschel Moses, was born in the year 1743, and was therefore only in his twelfth year when his father died.

Very little is known about his childhood; hardly more than about the early years of any other child of the ghetto. Who gave any

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thought to a boy of the "Street"? He was no different as yet from the others, and the Frankfort ghetto cannot possibly have dreamed that one of its children would become lord of war and peace, which depend so much on finance.

Maier Amschel was not at first destined for commercial life. His father sent the boy to the famous Talmud-school at Fürth, but died soon afterwards. The boy would gladly have continued his theological studies, out of respect for the wish of his father and in accord with his own inclination, but the means were wanting and he had to abandon that career. At Fürth, however, he had become interested in archeology, especially numismatics, and this not only enabled him to form excellent connections, but also to earn money. Returning from Fürth, he tried at first to maintain his father's business, but he does not seem to have succeeded. Relying on his young strength, he tied up his bundle and went to Hanover, where his father had unsuccessfully sought to make his fortune. There he took a humble position

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in the Oppenheimer bank, and soon won the confidence of his chief by his industry and modesty. Maier Amschel Rothschild worked for many years at his plain desk in the bank, and the master entrusted the former candidate for the position of rabbi with the conduct of various important concerns, which he managed so well that Oppenheimer at length took him into partnership.

He could now look forward confidently to a future free from care, but the ambitious youth from Frankfort had other ideas. It is possible that he already dreamed of a vast banking business, to be founded by himself or some one of his blood. He felt that he was called to something higher than life in the service of another, and was convinced that his ability would yield far more if he were independent and worked on his own responsibility. He left Hanover and returned to his native town, and began at once to put his idea into execution. At Frankfort, one of the most important commercial towns of Germany, the situation at that time was particularly favourable to the develop-

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ment of trade. The Frankfort markets were the most frequented in the country; buyers and sellers flocked to them from all parts, and more than 50,000 foreign traders put in an appearance at the fair-time.

Here began the real career of Maier Amschel Rothschild. His native town became the nucleus of his varied enterprises. His clear head for business and the punctuality and integrity with which he met his obligations soon attracted the interest of the wealthier traders, and it happened more than once that money-changers of Frankfort, Mayence, or Darmstadt sought the co-operation of the young and insignificant beginner. He responded to these advances with the utmost discretion and honesty; his repute spread farther and farther, he won greater confidence, his income increased, and it was not long before he was able to buy a house at Frankfort—in Jew Street, of course. He purchased the house with the green shield in which he had been cradled.

Here, in the house which saw the birth of the later Cæsars of the Rothschild dynasty, he

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applied his unbending will and power of endurance to the enlargement of his business. For a long time, indeed, he was unable to rise above the crowd of third-rate business-men. But from his earliest years he had cultivated a taste for old coins and medals, as his father had initiated him to the knowledge of these things and often entrusted him with the task of exchanging them. The boy was interested in the period, value, and beauty of the old coins, and his interest did not fade in the course of time, but led him to acquire a very extensive knowledge of coins. Owing to his studies at Fürth this knowledge was of a scientific character, and it at length brought him into contact with the Landgrave William IX of Hanau, afterwards Prince William I of Hesse. This connection enabled the indefatigable Jew to command a larger capital and increase his fortune. His reputation as a numismatist spread throughout the country and reached the ears of Baron Estorff, the confidential friend of the Landgrave of Hanau. He had known in Hanover of the extraordinary expertness of

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the young Jew, and he drew the attention of the Landgrave to Rothschild.

The way in which Maier Amschel Rothschild reached the Landgrave and the first impression that he made on this very wealthy noble gave a decided turn to his fortunes. General Baron Otto August Estorff, the intimate friend and adviser of the Landgrave, one day, during a dispute as to the origin of an old coin, mentioned the name of Rothschild, and said that it was extremely important to obtain his opinion on the matter, if not to do financial business with him. On this advice Maier Amschel was summoned to the Landgrave's palace, and found that noble deep in a game of chess, when he arrived. Rothschild, who was expected, had been admitted to the room by the servants, and, standing behind the Landgrave's chair, quietly watched the game. The Landgrave happened to turn round and notice the Jew waiting respectfully, and he asked—

“Do you play chess?”

“Yes; and if Your Highness will kindly

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make this move, the game will be decided in your favour in three moves."

It was, as a matter of fact, a master-stroke that Rothschild recommended, and the Landgrave won the game. When it was over, he entered into conversation with the insignificant little Jew, and, when Rothschild had gone, he said to Baron Estorff—

"General, that is certainly no fool you have brought to me."

"I trust Your Highness will be just as pleased with the other good qualities of Rothschild," said Baron Estorff.

"I hope so, if he is as honest as he is clever," was the reply.

That happened about the year 1785, in which the Landgrave acceded to the throne of his little kingdom. His business relations with Rothschild were for a time of no great consequence; the Jew merely obtained old coins and medals for the Landgrave and negotiated bills from London, which the Landgrave, like his father, received from the English Government for supplying soldiers. At that time

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every German prince had the right to maintain any army he pleased, and this unrestricted power led to a very selfish traffic in men. Landgrave Karl of Hesse had started this traffic in human flesh, and by means of it raised his fortune to more than a million sterling. His grandson Frederick II had followed the footsteps of his "wise" ancestor and made a good deal out of this profitable business. After his death William IX did not hesitate to maintain the traffic, and in the second year of his reign he contracted with England to supply 12,000 men. For this he received more than £80,000, which he added to the £2,500,000 which his "glorious" predecessor had got for selling his subjects to the North American colonies.

These immense sums, which made the young Landgrave and later Prince William one of the wealthiest monarchs of his time, were the direct occasion of the rise of the Rothschilds to the position, which they held for half a century, of the "sixth great Power in Europe." William IX wished to invest his money in the

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most profitable way, and kept quite a staff of agents for the purpose. Rothschild was one of this staff, and he found plenty of opportunities to prove his ability and show that he deserved the confidence granted him. His confidence was at that time the chief capital of the founder of the Rothschild dynasty, and William IX gave it him without reserve.

On the strength of this confidence Rothschild, in 1789, asked the prince, who had now been living at Cassel for four years as the successor of his father, to entrust him, like the Hanau bankers, with the sale of the English bills of exchange, reminding him of the many years he had served him. The Landgrave, however, was extremely prudent in money-matters; he was not satisfied with the personal impression which his agents made on him, but made exhaustive inquiries before he would grant such a request as that of Rothschild. From good authorities at Frankfort and Hanau he learned that Rothschild always had good credit with the Hanau brokers and thoroughly deserved it. He could secure the highest terms

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in exchange and was regarded as an industrious and honest man, so that, on business principles, one could safely grant him the credit he asked.

In consequence of this report Rothschild was granted a credit of eight hundred pounds sterling, and, as he served the Landgrave well, the credit was gradually enlarged until he surpassed all his rivals. He had still, nevertheless, the modest title of "court-agent," while the Jewish banker at Cassel, David Feiwel, was "upper court-agent." The members of the firm of Rüppel & Harnier, at Frankfort, alone had the rank of "court-bankers." Maier Amschel only became "upper court-agent" in 1801, his eldest sons, Anselm and Solomon, being at the same time appointed agents of the Ministry of War. The third son, Nathan, had already gone to England, and the youngest two, Karl and James, knew nothing as yet of rank and title, but enjoyed the golden age of care-free childhood. Maier Amschel had already a large family, and, when the lamp was lit at nights, he and his wife found ten children gathered about them.

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In the meantime, the financial transactions of the Landgrave had attained a much wider range, and his business with the English money had assumed entirely the form of a banking operation. The large vaults of the residence at Cassel always contained an immense quantity of coin, often more than £100,000, which might at any time be invested in profitable undertakings. Besides this, the Landgrave had large deposits in the banks of London and Amsterdam. At London the firm of Van Notten operated with the Landgrave's money, and in the course of twelve years they had more than £100,000 in the English Funds, besides a number of large and small loans to private individuals of all classes, from superior officials and officers to shoemakers and bakers. The Landgrave also granted loans to his fellow-princes, and Rothschild had a good deal to do with these financial negotiations.

William IX was regarded as one of the greatest capitalists of the time, so that any prince who needed money naturally turned to him. How these things were done is best seen

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in a negotiation with Denmark in the year 1784. The Danish court needed money, and instructed its confidential agent, named Wächter, to ask the Cassel court for a loan. William IX was then only heir to the throne, but the financial advisers who controlled the affairs of the old Landgrave refused to come to a decision until they heard the opinion of the prince. When Wächter heard this, he at once went to Hanau to see the heir to the throne. The latter was, like his father, not well disposed toward transactions with important ruling houses, on account of the bitter experience that the family had had in such matters. This the prince bluntly told the Danish agent, who used his utmost powers of persuasion to remove the resistance of the prince, and tried to convince him that there was not the least risk, but considerable advantage, in the loan, as it would put an influential ruling house under obligations to him and secure its most friendly consideration. All his eloquence was useless, and Wächter could make no headway until, following the court-custom of the time, he loaded the

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prince's children with valuable presents, and promised to repeat his generosity if the heir to the throne placed no obstacles in his way with the old Landgrave. That was enough. The Crown Prince at once gave his consent, saying that he would be pleased to see the Danish request granted. Pleased with his success, Wächter hastened to Cassel, but there found himself opposed by a whole regiment of generals, ministers and councillors. They formed the Landgrave's "Council of War," and would not allow the Danish agent to make any progress until he had "paid his footing" with each of them.

William IX did not care for direct negotiations; his interest had often to be aroused by a third person before he would do anything. His financial affairs were controlled by a directive council consisting of four members, who received a commission of one per cent. on every loan, besides the presents made to them. That suited them very well, and, as they received bribes and gifts in connection with every transaction, they would only enter into deals

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with speedy repayment, in order to add to their gains. This circumstance explains the reluctance of princes and higher nobles to enter into direct negotiations with the Hesse court; they always used an experienced agent, as the prince himself afterwards liked to do. Thus, as both parties felt that it was desirable to have an experienced intermediary whom they could always trust, a number of agents won the favour of William IX, and one of those who were found worthy of this favour was Maier Amschel Rothschild.

Rothschild did not owe this entirely to his merits. He would never have been recognised on that account at the court of William IX, where every one was grasping and corruptible, if he had not shrewdly appreciated the situation. He enlisted influential officials in his interest, and allowed the directive council to have its share in his profits, as the Landgrave would do nothing without this council. Gradually he succeeded so well that at length it was most profitable to the prince's advisers if all the best transactions were put into the hands

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of Rothschild; it was of advantage to him and to them.

As early as 1801 Rothschild received a loan of £14,000 from William IX at four per cent., but it was not until a year later that he secured a very important piece of business, when he changed £10,000 worth of four and a half per cent. Bavarian stock into bonds of the city of Frankfort at the same rate. In such matters he had a way of his own, as we find best in the Danish documents. The Danish Ministry of Finance, which up to 1780 placed its stock abroad, generally used Amsterdam for the purpose; afterwards it engaged the services very frequently of the great Frankfort bankers, the brothers Bethmann. In the year 1804 they were to sell the remainder of one of these Danish loans, but found it impossible to do so, partly on account of the political situation, and partly on account of the scarcity of money. At the end of October there was a chance of placing a few hundred thousand dollars, but at a loss of eight per cent. Meantime, however, a far better offer was made to Copenhagen by

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the Altona banker Lawaetz, whose resources were much greater than those of Bethmann Brothers. It was clear that the offer was made on behalf of a third person. Lawaetz did not deny this, but would on no account give the name of his client. As a matter of fact, it was the son of the Frankfort ghetto, Maier Amschel Rothschild. He was not, of course, using money of his own; William IX was behind him, and this was the real reason for the secrecy.

It was probably Rothschild who let the Danish court have £12,000 in 1802, but no one knew in Copenhagen whence the money came. Then Lawaetz offered twice that sum, observing that his client was a Frankfort man who did not wish the bankers of that city to know anything of the business, and therefore wanted the bonds sent direct to Cassel, where the money would be paid at once. Although Rothschild did not allow his name to appear in the matter, the fact that Cassel was to be the place of payment shows us the source of the money. When the business was finally settled, however, Lawaetz directed that the coupons should be

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sent to the upper court-agent Maier Amschel Rothschild, who would deliver the money. From this the Danish ministers could easily conclude who was the real agent.

Lawaetz had said, in making the offer: "The loaner is a very wealthy capitalist, and is very well disposed toward the Danish court; it might be possible to obtain larger sums on better terms." In point of fact, larger sums were afterwards advanced to Denmark in the same way, and by the year 1806 the loans amounted to nearly £250,000. The terms, however, were not easier, but much harder, on account of the general scarcity of money. The very menacing political conditions also added to the nervousness of the Hesse court, and a new Danish State-loan at the beginning of 1806 almost failed. On this occasion Rothschild himself went frequently to Hamburg and Mecklenburg; he took the money with him, and the negotiations were almost concluded when the Danish authorities declared that they could not accept the terms. Later, however, a loan of about £110,000 was negotiated with Lawaetz, and in

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this contract the name of Rothschild appeared openly for the first time as an agent of Cassel.

Shortly afterwards Bethmann Brothers made the Danish court a somewhat better offer of a loan of £41,000. They found themselves, however, unable to keep their promise and to meet other obligations; indeed, they had to ask the return of a small advance that they had made to Denmark in February of that year. That strengthened the reliance on Rothschild, with whom such things never happened, for he always kept his word to the letter, no matter how the political conditions affected the money-market. Once more he came to the assistance of Denmark, which had been put in a very difficult position by the failure of the Bethmanns, and let them have £40,000 or £50,000 through Lawaetz of Altona.

It was in the year 1806 that Rothschild's star began to shine with greater splendour. The Danish loans had considerably increased the capital of Maier Amschel, and, what was far more important, he enjoyed the unqualified and unwavering confidence of William IX. This

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was of the greatest consequence to Rothschild in that eventful age. William was compelled by the French invasion to fly from his country and entrust a large part of his wealth to Rothschild, who, in co-operation with his son Nathan at London, took care safely to invest the prince's wealth. It was not merely on account of the danger to his fortune that William IX fled before the French; the real reason was that he was opposed to all foreign politics and to the French in particular. It is true that in the sale of soldiers he was chiefly influenced by pecuniary considerations, yet he had contracted to let England have 12,000 men who, he knew, were to fight against the French in the pay of England. In this he had given another proof of his hatred of the French, a sentiment which he had expressed in the following words in the first years of Napoleon's reign: "I would rather be a Prussian general than a king by the grace of Napoleon."

The French were fully informed of William's sentiments, and he in turn knew what Napoleon intended to do to him. Hence, when the

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French took the field against Prussia and Russia, he dreaded the anger of the Corsican and fled from the country. At first he went to his elder brother at Schleswig, and soon afterwards, in 1808, began to live at Prague, where he was painfully surprised to learn that Napoleon had issued the following bulletin—

“The house of Hesse-Cassel has sold its subjects to England for many years, and the prince has made large sums of money by this means. This shameful avarice puts an end to his house. It has ceased to reign.”

The first care of William IX, when he fled from his residence in Hesse, had been to save the enormous store of money which he had acquired, partly by inheritance, partly in the “honest manner” we have described. As he had absolute confidence in Maier Amschel, he felt that he could not leave his treasure in safer hands, though he also entrusted large sums to other individuals. There are various and contradictory versions of the amount which he confided to the care of Rothschild. According to some, the amount which Rothschild is sup-
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posed to have buried in his garden at Frankfort was about a quarter of a million sterling. There is some mistake in this report, as at that time no Jew was allowed to own land in Frankfort or the surrounding country. Rothschild certainly had a house in Jew Street, but there was no room for a garden there. The "Street" was so narrow that the causeway for foot-passengers was only a few feet in width. It was quite impossible for a carriage to draw up before the house.

The treasures of William IX, which Rothschild preserved very loyally, might easily have proved dangerous to him. On January 28, 1806, Marshal Augereau besieged Frankfort, and, as the citizens were accused of receiving English goods and protecting dangerous English agents, the marshal imposed on the city a contribution of four million francs. The wealth of William IX and even the life of Rothschild were in grave danger during that period. If the French had learned where the dethroned prince had deposited his fortune, they would certainly not have hesitated to appropriate it,

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and Maier Amschel would have been severely punished for concealing it.

A reliable contemporary and eye-witness, the famous historian Schlosser, who lived in Frankfort at that time, writes as follows about the prince's wealth and the way in which Rothschild concealed it—

“All of us who then put our trust in Frankfort and Prussia and admired their manifesto were glad that, within a fortnight of the prince declaring himself neutral in the struggle against Napoleon, a punishment fell on him, and we only regretted that a sense of duty prevented us from telling the French that his ill-gotten gold was stored in Amschel Rothschild's cellar. It was hidden in Rothschild's wine-casks, as the decree of Napoleon had closed the Continent against England, and that country had ordered reprisals, so that nothing could be taken to England from German ports.”

The legend given in Schlosser's words does not square with the facts. Tradition is apt to give an interesting and often a fantastic turn to facts, and in this case it departs from the

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truth. It is a fact that, when William IX fled from his little realm, he entrusted part of his money to Rothschild. But although according to Schlosser and others Maier Amschel hid the whole of it in his garden and his wine-casks, we have documentary evidence that these stories are at variance with the historical truth. It is possible that Rothschild hid part of the money in his cellar, but he was far too shrewd a business-man to let such an enormous capital lie fallow, especially at a time when gold was so scarce, and money could be invested with the greatest security at a very high rate of interest. Hence, before the French troops barred the way, Rothschild sent as much as he could of the Landgrave's money, as speedily as possible, to his son Nathan in London.

"We had no time to lose," Nathan Rothschild afterwards said, "and my father sent the money to me in England. On one single occasion I received £600,000 from him by post, and I invested this so profitably that the prince afterwards sent me the whole of his stores of wine and linen."

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We thus learn from the words of Nathan, Maier Amschel's third son, that the prince entrusted to his Frankfort agent the enormous sum of £600,000. But it is further clear from Nathan's words that, owing to the breach of communication, his father did not succeed in sending the whole of the prince's money to London. It is certain, therefore, that the money confided to Maier Amschel amounted to more than £600,000. But the prince's fortune was much larger than this, not including precious stones. It is probable enough that the treasure which Maier Amschel hid in his cellar or garden consisted of these jewels, which could not be conveyed to London.

However that may be, the older Rothschild was fated never to restore this immense treasure to the hands of William IX. When William was at last free to return to his dominion, in the year 1813, Maier Amschel Rothschild had already passed to the realm of eternal peace.

The prince had, however, not to deplore the loss of his money; Maier Amschel's sons

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handed it over to him with considerable interest. The prince, who had almost regarded his treasure as lost, was the more surprised at this conduct, natural as it was, since he had not been accustomed to finding such honesty in his agents. The Rothschilds did not suffer for their honesty. The prince hastened to tell in every court in Europe how the Rothschild brothers had repaid with high interest the money he had entrusted to their father, and this won confidence for them, and laid the foundation of their financial greatness.

And the nearer they approached the courts of princes and saw their repute and capital grow, the more carefully they sought opportunities to find an outlet for their spirit of philanthropy. They had inherited this spirit from their father, who had always had quite a court of poor people about him. Maier Amschel had a way of his own of giving alms. As a devout Jew he believed that God is most pleased with those gifts for which the giver receives no thanks. He therefore went through the ghetto during the night, hurriedly thrust a

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few pieces into the hand of the first needy man he met, and disappeared before the man could mutter his thanks.

As Frankfort became the capital of the re-erected principality, the large-hearted prince granted the Jews the full rights of citizenship. Rothschild was appointed member of the Election Council as a recognition of his merits, but he had no opportunity to enjoy the dignity, as he died on September 19, 1812, in the seventieth year of his age.

When he felt that death was approaching, he gathered his five sons about him and exhorted them to work in union, and to discuss and carry out in common all their affairs. They must never abandon the religion of their fathers, and must ask the advice of their mother as long as she lived. And in order to preserve this unity in later generations, they must always choose wives in their own family.

The five Rothschild brothers and their children were loyal to their father. The youngest of them, James, the founder of the Paris firm, married his niece Betty, the daughter of his

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elder brother Solomon. They still follow this family tradition as far as possible.

The wealth of the Rothschilds has become proverbial. Every undertaking of importance was planned and carried out in common, and even now the three Rothschild firms—at Paris, London, and Vienna—co-operate in every large transaction. As long as the mother, the kindly and intelligent little Frau Gudula, lived, her sons came to her from every quarter—Naples, London, Paris, and Vienna—whenever there was an important family or business concern to be discussed. And there, by the mother's side, in the Jewish house with the green shield, scarcely twenty years after the father's death, decisions were reached which had a profound influence on States and their rulers. More than once the issue of peace or war depended on them. The prosperity or misery of whole countries was in their hands, and even at that time the children of the Frankfort ghetto removed ministers and governments.

The aged mother, who saw the influence of her sons increasing daily, rejoiced to see the

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power to which she had given birth. Once a Frankfort woman, not of the highest class of society, came to her to complain.

"War is breaking out," she moaned, "and they will take my only son, as I cannot pay the money to release him from military service."

The aged Gudula smilingly consoled the distressed mother with the words—

"Do not be afraid; there will not be war. . . . My sons will not provide the money for it."

This may seem at first sight to be a rather comical boast on the part of the old lady, yet it is an incontestable truth that money is needed for war, and that the Rothschilds meant "money." The star of the five sons of Gudula rose higher and higher, and the silver-haired mother of the Rothschilds, of whom Heine speaks with such feeling in reproducing a conversation with Börne, shared their greatness. The two German poets were walking one evening through Jew Street at Frankfort.

"Look here," said Börne, according to Heine, pointing to one of the houses; "in this little house lives the aged lady, the Lætitia,

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who gave birth to so many Napoleons of finance, the grandmother of all loans. In spite of the power of her royal sons she refuses to leave her humble dwelling in Jew Street, and she has decorated her windows with white curtains to-day on account of the great festival. The lamps, which she has lit with her own hands, shine cheerfully for the October 18 of the Jews, which is still celebrated after a lapse of two thousand years, while the Leipsic festival of October 18 is not yet fifteen years old, yet is almost forgotten; the Jews remember the time when Judas Maccabæus and his brothers fought for the deliverance of their country just as bravely as Frederick William, Alexander, and Francis did in our time. When the good woman looks at these lamps, her aged eyes fill with tears, and she sadly recalls the earlier days when Maier Amschel, her dear spouse, joined with her in the feast of lamps; when her sons were still boys, and placed small lamps on the ground, and jumped about them in childish glee, as is the custom in Israel. The older Rothschild, the founder of the ruling dynasty,

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was a good man, the very embodiment of piety and kindness. He had a gentle face, with a pointed beard, and a three-cornered hat on his head; his clothes were more than modest—almost poor. He went about Frankfort in this way, always surrounded by a crowd of poor folk, like a court, to whom he gave alms or good advice; whenever you met a crowd of beggars on the street with smiling faces, you knew that old Rothschild had just passed that way.”

The sons of the aged and kind-hearted Gudula were already barons, but still Jews. Their name then stood for absolute financial power, and her *salon* was filled with the choicest spirits and the *élite* of society. It gave the aged Frau Gudula great pleasure to see these proofs of unprecedented success, but it did not in the least alter the puritanically simple character of the white-haired little woman. Her sons gradually moved into the aristocratic quarters of Frankfort, Paris, and London, and became barons and consuls, but the aged Gudula would not leave the house in which her husband had died. There she was sheltered

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from the cares and agitations of the world, and there she trusted, in turn, to lay down her fine-featured head in her last slumber.

“The mother of the Rothschilds, the Hecuba of the European Cræsus family,” said a contemporary before her death, “might be nearly a hundred years old, but is so well preserved that she goes to the theatre nearly every night. There she sits, listening attentively, in the proscenium-box, with a guard in her hand to keep off the glare of the lamps, an ancient Hebrew cap, adorned with flowers, on her head, no hair visible, dressed in bright-coloured silk, with costly lace on her neck and breast. Of her sons, Anselm resembles her most. Both they and her daughters have the greatest respect for her. She still lives in Jew Street, in the same rooms in which, as the wife of a modest trader, she brought her sons into the world. She will never leave these high and sombre rooms, in the dampest and most unhealthy part of the town.”

“Here,” she used to say, “I have seen my sons grow rich and powerful, and I will leave

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them their prosperity, for they would certainly lose it if I were to give way to pride and quit my humble home."

Her motherly heart, inclined to superstition—what mother does not watch the fate of her children with superstitious fear?—saw the fortune of her children intimately connected with the modest house in Jew Street. The house and the street were so unhealthy that the sons repeatedly tried to induce their aged and dear and superstitious mother to leave it and take up her residence with one of themselves. But, with the characteristic obstinacy of an old lady, she would on no account consent. As she would not go to the sons, they came to her. Every night, when the day's work was over, they went to the mother's house in Jew Street, which was so narrow that their elegant carriages had to remain at the corner and they had, like their mother when she came home from the theatre, to walk to the house on foot.

Maier Amschel's widow enjoyed perfect health until her ninetieth year; it was only in her later years that she began to ail, and that

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was merely due to advancing age. Even when her frame threatened to relax in its service, her spirit maintained its freshness, so that, even when she was not well, she used to joke with her sons and the physician. She was not satisfied with the medicines sent to her, and told the physician.

“For heaven’s sake,” said the physician, perhaps a little piqued, “what do you want me to do? Unfortunately, neither I nor my drugs can restore your lost youth.”

“Dear doctor, you misunderstand me,” the invalid said, smiling quietly; “I want your drugs to make me older, not younger.”

And she lived to be four years older. In her ninety-fourth year she followed her spouse to the grave, closing her gentle and winning eyes for ever on May 7, 1849.

Her happy marriage with Maier Amschel, with whom she lived peacefully for forty-two years in the house of the green shield, issued in ten children, five sons and five daughters. The daughters—Charlotte, Isabella, Babette, Julie and Henriette—married into the Worms,

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Beyfuss, Sichel and Montefiore families. Of her sons James was the founder of the Parisian house, Charles of the Neapolitan, Nathan of the London, and Solomon of that at Vienna. The eldest, Anselm, continued the ancestral house of the Rothschilds at Frankfort.

The sons of the aged Maier Amschel Rothchild had become princes of finance in five great cities. And these five cities stand for the five kingdoms which fell under the rule of the children of the Frankfort ghetto, the sons of the man who wished to be a Jewish rabbi.

III

THE ENGLISH ROTHSCHILDS

It is unquestionable that Nathan, the third of the five brothers, was the most gifted intellectually. His splendid business instinct and the clear-headedness which enabled him to appreciate at once the full significance of any event of commercial life made him the chief worker in building up the greatness and prestige of the Rothschilds. He had hardly been two decades in London when he enjoyed the unlimited confidence of the British Government, on account of the great services he had rendered it, and he retained it during the fifty years of his active life. Nathan was the founder of the great London house, although he was not the first Rothschild to stretch an arm across the sea from Frankfort to England. Old Maier Amschel himself had done business with London. His first connection in London

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was the sale of bills in conjunction with the Van Notten firm; this became more important when the Prince of Hesse-Cassel began to use the Frankfort Jew as his agent and hand over to him the interest on the money deposited in the London bank, as well as the sums which were paid him for sending troops to North America on behalf of England. When the elder Rothschild had earned the entire confidence of the prince by his honest and profitable manipulation of the sums entrusted to him, he prevailed upon him to appoint his third son Nathan, who had meantime gone to London, his agent in that city.

Maier Amschel had been very far-seeing in choosing London out of all the cities of Europe for a filial establishment, and in the course of time it far surpassed in importance all the other houses, even that at Paris and the ancestral house at Frankfort. The financial situation in England and the ever-increasing range of its commerce had much to do with this. The choice of London proved to be a most fortunate stroke, justified from



THE ROTHSCHILD OFFICES,
St. Swithin's Lane, London, E.C.
(House on the left with ornamental hanging sign.)

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every point of view. But it also gained in importance from the fact that the elder Rothschild selected his son Nathan for the post, for in Nathan the business ability of the Rothschilds reached its highest development.

It was the year 1798 when Nathan Rothschild came to England and, at first, occupied himself with the purchase of Manchester goods in his father's name. This experience was very useful to him, as it made him familiar with financial conditions in England and the chief factors of English trade and commerce. Afterwards large sums from the capital of the Prince of Hesse were put at his disposal, and he invested them so intelligently that his working capital began to assume extraordinary dimensions. He soon extended the range of his operations over the entire Continent, and began to make his influence felt everywhere in commercial life. In this way the Rothschild house began to show promise of becoming a world-power. Nowhere in Europe had there hitherto been financial operations on a scale equal to that on which young Nathan Roths-

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child worked. This does not apply, of course, to the commencement of his career, as he only began to emerge out of obscurity when, at the outbreak of the Spanish war, he undertook the payment of the English army in Spain. From that time his relations with the Bank of England and the Exchange increased, and it was not long before he occupied a dominant position on the Exchange.

After the death of Maier Amschel the lion's share of the activity of the Rothschilds fell to Nathan, and we have ample and reliable proof how he accomplished his task, and with what marvellous good fortune his efforts were crowned. The evidence does not come from his own pen, it is true, but it is just as trustworthy as if it did. In a conversation which he had with Sir Thomas Fowell Buxton in 1834, when he was already an irresistible power on the Exchange, he told his guest the most interesting episodes of his stormy past. Buxton, who was then conducting an ardent crusade against slavery, and was destined to play a great part in abolishing it, was a guest

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in the house of the London financier, the uncrowned king of the money market, and Nathan described his early successes with the freshness of a man who was not spoiled by his later victories and looked back with satisfaction on the past.

“There was not room for us all in Frankfurt,” he said. “I dealt in English goods. One great trader came there, who had the market all to himself. He was quite the great man, and did us a favour if he sold us goods. Somehow I offended him, and he refused to show me his patterns. This was on a Tuesday. I said to my father: ‘I will go to England.’ I could speak nothing but German. On the Thursday I started. The nearer I got to England, the cheaper the goods were. As soon as I got to Manchester I laid out all my money, things were so cheap, and I made a good profit. I soon found out there were three profits—the raw material, the dyeing, and the manufacturing. I said to the manufacturer: ‘I will supply you with material and dye, and you supply me manufactured goods.’ So I got

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three profits instead of one, and I could sell goods cheaper than anybody. In a short time I made my £20,000 into £60,000. My success all turned on one maxim. I said: 'I can do what another man can, and I am a match for the man with the patterns and all the rest of them.' I had another advantage. I am an off-hand man; I made a bargain at once."

This beginning of Nathan Rothschild's mercantile career in England must be fixed somewhere about the year 1800, when a number of German merchants went to live at Manchester. Nathan, however, soon decided to leave the north for London, where he felt that he would have better opportunities. We cannot determine the exact year of his settling in London; it was probably 1806, when he received a large sum of money from the Hesse Court, and married Hannah, the daughter of Barnett Cohen Levi. He had considerable difficulty in securing her hand, as, at the time when he courted her, he was still a comparatively small trader, and Barnett Cohen,

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who was wealthy, strongly opposed the engagement, so that at his first request Maier Amschel's third son ran some risk of being put out of the door. He was, however, a resolute and tenacious man, and nothing could turn him aside from his purpose. Barnett Cohen meantime learned the extraordinary ability of his would-be son-in-law, and saw that he would have a brilliant career. He was not deceived, as a great future awaited Rothschild in London, where Van Notten had hitherto been the exclusive agent of the Hesse Court, but was shortly afterwards displaced by the twenty-eight-year-old son of Maier Amschel.

“When I settled in London,” Nathan Rothschild continued, “the East India Company had eight hundred thousand pounds' worth of gold to sell. I went to the sale and bought it all. I knew the Duke of Wellington must have it; I had bought a great many of his bills at a discount. The Government sent for me and said that they must have it. When they had got it, they did not know how to get it to Portugal. I undertook all that, and sent it

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through France. It was the best business that I have ever done."

This transaction, on which Nathan Rothschild looked back with so much satisfaction, must have taken place after the year 1808. At that time the Duke of Wellington had to contend against the greatest calamities in regard to money. Everything had to be paid for in cash, and it was only with considerable loss that he could convert into cash the bills sent from the Treasury. This made the British Government anxious to send the money in coin to the seat of war, but, on account of the continental blockade and the constant fear of being captured by the French, the consignments were in great danger. The Government were not a little obliged when Nathan Rothschild yielded to them the East India Company's gold, but he did them a far greater service in undertaking to send it out at his own expense and risk. He had his reward, but it was a bold and masterly undertaking, involving four different operations: the purchase of Wellington's bills, the finding of the gold, the

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sale of it, and the transport of the gold to Portugal. The fourfold profit richly rewarded Rothschild for the risk he had run. His fundamental principle came into play just as in his purchase of Manchester goods; the difference was that in one case he was dealing with manufactured goods and in the other with extremely delicate State business.

It goes without saying that he only decided to undertake these matters after mature reflection. He bought Wellington's bills because they were cheap; probably he got them directly from the agents, a discounting company that had the name of "Cab," and consisted of a Maltese, a Sicilian, and a Spanish group of bankers. This company exploited the difficult position of the British Government in the most shameless way. The most difficult part of Rothschild's bargain was to convey the gold through hostile territory to Portugal. He succeeded in an extraordinary degree, but here we are without details. We can, however, form some idea of it from a transaction of the year 1813, when England again wanted to send coin

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to Wellington. On this occasion Rothschild worked out a plan which he submitted to the Chancellor of the Exchequer, Vansittart, through the chief clerk Herries. At that time the name of Nathan Rothschild was not well known in English official circles, but the plan was so excellently worked out that it was adopted, on condition of the utmost secrecy. Rothschild then went to Holland or Germany, and his agents everywhere, even in Paris, changed a considerable sum of gold into smaller French money, which was exported by these confidential agents without being noticed. These quantities of French money were then conveyed by Rothschild, in various consignments and by different routes, so quickly to Wellington's quarters that he was able to press on victoriously and pay for everything in cash, while the allies who were advancing from the east had the greatest difficulties to overcome in regard to money. Herries, in his secret report, warmly praised Rothschild's zeal and ability, and especially commented on his discretion, as no one had the least knowledge of the affairs

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on the Exchange. In this way the Government was able through him to secure the bills that had gone to the Netherlands and Frankfort to the extent of £700,000 without lowering the English rate of exchange. He, Herries, was convinced that if this had been done only to the extent of £100,000 through an official of the Treasury or a continental agent, it would have caused a sensation and a serious fall of the rate on the Exchange.

From this time onward the British Government entrusted Nathan Rothschild with all its larger financial operations, so that his business began to assume an even more imposing character. First he bought on their behalf two hundred thousand pounds' worth of bills at Paris, which were needed to cover the cost of the journey of Louis XVIII and his coronation. It was soon perceived on the Exchange what excellent sources of information Rothschild had in political and financial matters, and the more imaginative members surrounded him with quite a halo of legends. As a matter of fact, the way in which he received information

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was not without romance. Amongst other things he had a very efficient postal service of carrier-pigeons, and these kept him in constant touch with Paris and Frankfort. Then he gave a strict order to the captains of vessels that had business relations with him to send him the latest news from all parts, and he rewarded them generously.

In this way it once happened that a captain brought him a copy of a Dutch journal announcing some great victory of the English troops. Rothschild at once went to the Treasury and informed Lord Liverpool, without telling the source of his information. They laughed at his "good news," as a defeat of the English had been communicated the day before; but the accuracy of his information was proved a few days afterwards, and his reputation was enhanced.

The Rothschilds rendered great service to all the European Powers, especially England, during the "hundred days." When it was known that Napoleon had returned, Herries at once turned to Rothschild to provide gold.

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Acting on the maxim that "necessity knows no law," Rothschild did not scruple to mint French money without first involving himself in lengthy diplomatic correspondence with Louis XVIII for permission. There was no time for reflection. Prussia had to contend with such grave financial difficulties that Blücher was compelled, at Namur on May 16, to clear the bills he had on London on his own responsibility, with great loss, as Wellington had done in the same circumstances. The financial minister, Bülow, had gone to London in the middle of April to press for an advance of at least £100,000, but Herries was on the Continent, and nothing could be done without him. Returning from Brussels to London at the end of April, he at once paid £200,000 through Rothschild, to the very agreeable astonishment of Bülow, who described the act as a service of the greatest moment, and warmly pressed Greuhm, the agent of Prussia, to keep on good terms with Herries. As it was now known at Berlin that Nathan Rothschild had a good deal to do with English

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affairs, Bülow told Greuhm to take advantage of his influence on the cabinet. The child of the Frankfort ghetto had now made such prodigious strides that even the powerful Prussian minister had to reckon with him.

Berlin came into direct relations with the Rothschilds for the first time when Solomon personally conveyed the £200,000 to the Prussian capital. Bülow gratefully recognised the conduct of the brothers, and, when more money was needed and he was compelled to address himself to the Rothschilds, Solomon at once, without waiting to consult his brother Nathan, let him have £150,000. In the end Solomon did so much for them that he was awarded the title of Commercial Councillor by Prussia.

To what extent English money circulated at that time, and what part the Rothschilds played in the business, we learn from two extensive reports made by Herries in 1816 and 1822. According to the details which he gives, the Rothschilds paid nearly £18,000,000 on the Continent from the spring of 1814 onward, and

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on much better terms than they had had before. It was no less a merit on their part that they paid out these enormous sums without lowering the value of English securities, and thus saved the kingdom at least half a million sterling.

“It is possible,” said Herries, “that I should have been unable to make these payments on the Continent without the assistance of Rothschild and his brothers. They deserve the highest praise for the efforts they made in the public service, and the profit they made thereby was made honestly and openly.”

It is beyond question that Nathan Rothschild rendered incalculable service to England and Prussia during the “hundred days.” But these “hundred days,” in particular, the day of the downfall of Napoleon at Waterloo, brought the sons of the Frankfort ghetto a colossal profit, whereas a few weeks earlier they were faced with the prospect of enormous losses. Bonaparte’s unexpected return from Elba had entirely upset Nathan Rothschild’s financial plans, and at one moment it seemed as if his house, which many even then regarded as

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indestructible, would hardly be able to survive this sudden turn in the politics of Europe. His whole fortune was at stake. He is said to have hastened anxiously to the Continent, to join the English army and follow in its footsteps. When at last it prepared for a decisive battle at the southern boundary of the forest of Soigne, Nathan Rothschild, who had hitherto shrunk from the sight of blood, could no longer control his impatience. He would not remain in the rear of the troops, but hurried feverishly to the field and followed with his own eyes from some higher ground, with anxious heart and beating temples, his nerves strained almost to the pitch of insanity, the great struggle for the mastery of Europe.

In this terrible battle the fate of Napoleon's hundred-days' empire was sealed for ever. And before the defeated Emperor ordered the last desperate attack, in order, at whatever loss, to break the enemy's line and force it to retreat by his guards, Nathan Rothschild turned his back on the field of battle; he had seen enough to convince him that Napoleon had

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fallen. The sight of the dead and the wounded horrified him no longer. Before his eyes was the battlefield of the Exchange, and he hastened into action.

His heart overflowing with joy, he galloped wildly to Brussels, where, without losing an instant, he hired a carriage at an exorbitant charge and raced to Ostend as fast as the horses could go, in order to sail at once for England. He reached Ostend safely, but it then seemed as if all his exertions were thrown away; a fearful storm raged over the sea, and there was not a sailor to be found who would risk his life in such weather.

Rothschild, who lived in perpetual fear of attempts on his life, did not shrink before this danger. He was certainly no hero, but at the present moment he feared nothing. He offered 500, 800, and at last 1000 francs to any man who would take him through the storm to England. No one would do it. He was about to abandon the enterprise when a courageous sailor came forward and said that he would take the London Cræsus across if he paid 2000

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francs in cash to his wife beforehand. If they both went down, the widow at least would have something.

Nathan gladly paid the required sum, and, when he at length set foot on English soil, made a further generous payment to the brave skipper. He was half dead when he reached the English coast, but he could not rest a moment, and hurried on from Dover to London by express post. The next morning he was in his usual place at the Exchange, leaning against a column. His face was extraordinarily pale; he was completely exhausted, and stood with weary eyes and failing knees. He looked like a man broken in body and soul, as if he had aged ten years in a single night.

The hall of the Exchange was seething with excitement, like a hive of bees. The stock-brokers, usually so cold-blooded, walked about restlessly, speaking little to each other, every man shuddering in body and soul as if in presence of some dread unknown. Dismal news passed from mouth to mouth. In a low tone they discussed the defeat of Blücher, and

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it was whispered that Napoleon's heavy guard had beaten Wellington's army. Rumours that they had no means of checking sufficed at such a time to make them lose their heads altogether, and the state of things was made worse by the lamentable spectacle that Nathan Rothschild presented. He leaned against his column like a man who was condemned to death and seemed hardly able to stand on his feet: the placid, cold-blooded Cæsar, who had never before lost his balance in the most furious storms of the financial world.

What they had regarded as idle rumour seemed now to take the shape of undeniable truth, for the countenance of Nathan Rothschild told more than the vague whispers of the crowd. A fear, amounting to panic, broke on the entire Exchange like a flash of lightning: the passionate and irreconcilable enemy of England was once more free, and no one could now restrain him if he chose to fall on Europe again as the scourge of God.

The fear fell on the city like a devastating cyclone. The news increased in volume and

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terror, and filled men with alarm. A wild panic ensued. The rate of exchange fell from minute to minute until it reached its lowest point, and, when it was seen that both Rothschild and his agents offered securities for sale in large quantities, even flung them on the market, nothing could arrest the disaster. It was as if a mania had seized the crowd; in a few minutes the strongest banks began to waver, and the value of the most solid securities sank alarmingly, as if they were the images of false gods which the disillusioned faithful, thirsting for vengeance, cast from their pedestals and trod under foot.

Meantime the deathly-pale man at the column laughed in his sleeve. While sympathetic souls expressed their concern for Nathan Rothschild, whose great firm, it was thought, must now sink into the dust, destroyed by its colossal losses, he was quietly buying up all the securities offered by means of secret agents whom no one knew.

The next day came the news that Blücher had won at Ligny and Wellington at Waterloo.

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Rothschild himself told it, with radiant countenance, at the opening of the Exchange, the rate advanced rapidly and reached an unprecedented height. In a single day he had gained nearly a million sterling. It was these events which gave rise to the saying: "The allies won the battle of Waterloo, but it was really Rothschild who won." The great storm in the financial world had subsided, and Rothschild emerged from the catastrophe more powerful than ever. If the whole story is true it is doubtful if so romantic and stirring an adventure could be repeated in the modern financial world, with all its means of communication; in any case, it would need a Nathan Rothschild.

It was impossible to restore financial relations to a healthy condition at once after the battle of Waterloo. National economies could not recover quickly from the fearful strain that the war had put on them, and they were again obliged to borrow; that is to say, to enter a field in which Nathan Rothschild's genius displayed its fullest power, and in which he almost played the part of providence. This

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struggle for millions, demanding, as it did, a great fighting power, an incredible coolness, and a firm self-control, offered a wonderful spectacle to the observer. Here there were no regiments of dragoons galloping into action, no firing of guns, no body-guard to fling on the foe; there were merely two antagonists confronting each other—the State on the one side, and a single individual, Nathan Rothschild, on the other. They had been in friendly relations, yet they entered into a struggle, because victory meant a considerable material gain to the winner.

In Prussia the measures adopted by the Chancellor Hardenberg and the Minister of Finance Bülow required a great deal of money, and, as this was not to be had in the country, they had to seek it abroad. Barandon, the commercial representative at London, recommended the Prussian Government in November 1817 to place the loan at London. In his opinion Nathan Rothschild was the best man for the purpose, as he could command success everywhere owing to his universal credit.

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Barandon at once received orders to negotiate with him for a loan of £1,250,000, but Rothschild preferred a State loan of at least £2,500,000. In this he gave the first indication that he liked big operations; he had confidence in his own strength and resources.

They settled the general conditions, according to which they adopted the rate of the five per cent. French stock—namely, 70 per cent. But as the plans of France, Austria, and Russia in regard to new State loans were afterwards published and spoiled the market, Barandon could only take into consideration, in his draft of January 13, 1818, an issue at the rate of 60 per cent., as he informed Hardenberg. The envoy Humboldt said the same, though he found the terms exorbitant and thought that the matter should not be decided until some attempt was made to obtain better terms. Humboldt wrote as follows—

“If the loan is to be placed here I think that it can only be done through Rothschild, otherwise some other equally large house would have to be enlisted in our interest, which would

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be difficult. Rothschild is now certainly the most enterprising financier. He is very well acquainted, through his brothers, with the position of the Prussian State, and he is on their account anxious to serve our court; it would not be easy to induce another house here to be equally obliging. The banker Rothschild is also a reliable man; the present Government does a good deal of business with him, and he is, as far as I know him, very honest and intelligent."

The envoy says in the same letter that Rothschild wishes to undertake the entire loan himself, and desires in future that the Prussian agent shall not intervene in the matter, as he has certain objections to him.

The new terms caused quite a storm of excitement at Berlin. However, Hardenberg and Rother, the director of the Treasury (which was distinct from the Ministry of Finance), determined, in opposition to the prevailing view, to place the loan abroad, and Rother went to Amsterdam for the purpose. There the Government refused to consent, as it feared

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that there would be some difficulty if it needed a loan itself. Prussia was, therefore, thrown back upon the Rothschilds, and Rother went to Coblenz, where Solomon Rothschild was at the time. Here again he failed, and the Berlin bankers—probably impelled by the Government—at last stirred themselves and offered their services. They were prepared to manage a loan of £1,900,000, and it began to look as if they could dispense with the English Rothschild. That induced him to offer a rate of 65 per cent. and raise the amount of the loan to £3,800,000. A sharp struggle followed, and public opinion in Prussia was on the side of the Berlin bankers. The Government, however, decided to accept the English offer, as it recognised the doubtful value of the Berlin scheme, and so Rother proceeded to London in March 1818 with instructions from Hardenberg to conclude the loan if he could get a nominal rate of 70 per cent.

Nathan Rothschild and Rother and Barandon discussed the subject for five whole days, from ten in the morning until six in the even-



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ing, and then again uninterruptedly from ten at night until two in the morning. How exacting the work was may be gathered from the fact that Rother had not time to draw up official reports and had to be content with notes in pencil. Although he was pressed from Berlin to conclude as speedily as possible, he had opened the negotiations with a declaration that he could not accept the terms offered and must ask for better. Rothschild said that in many respects he was anxious to meet them, and that he would agree to an average rate of 65 per cent.; farther than that he would not go, as even the French funds stood no higher. As the parties could not come to an agreement, Rothschild asked Rother to make a counter-offer in writing, and Rother did so the next morning. In his draft he assumed a rate of issue varying between 75, 78, and 80 per cent. Rothschild pointed out that this was impossible, and said that he must retire from the affair if Rother persisted in his claims.

Rother had foreseen this and had put the rate so high in order to draw a good offer from

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Rothschild; otherwise he was disposed to let the matter drop. Now new plans and proposals were discussed until at last Nathan Rothschild agreed to undertake the loan at 70 per cent., if he were guaranteed a commission of four per cent. To this Rother would not consent, and after a great deal of fatiguing discussion they came to terms: with a commission of four per cent., £2,500,000 should be issued at 70 per cent., £1,250,000 at 72½, and £1,250,000 at 75. When he returned home, however, and tested the figures Rother found that the State would not quite receive 70 per cent., and so the next morning he wrote as follows to Solomon Rothschild, who was in London helping his brother with the negotiations—

“You know me, and know that I keep my word in all things. You will therefore believe me when I say that, whether we do business or not, I am pleased to be in London and to have made the acquaintance of your brother, for whose mind and character I have the greatest admiration.”

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He adds that it is impossible for him to accept the business on the basis of the suggested rate, and goes on to say of his plenipotentiary powers—

“I will show you these when we meet, not as Herr von Rothschild but as my friend; until then the Rothschilds can do nothing in the matter.”

To this clever letter Solomon Rothschild sent the following reply—

“Your Excellency’s very pleasant letter has been delivered to me, and I have put its contents before my brother. We agree to do nothing until we have the pleasure of seeing you. No action shall be taken hastily, as here there is nothing but friendship and candour, and you must and shall have proof that we speak, not merely with the lips, but from the heart, when we say that we are your sincere and devoted friends. In haste,

“ROTHSCHILD BROTHERS.”

Immediately afterwards Rother informed his

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Government from London that the negotiations had taken a favourable turn—

“The present Rothschild is a very estimable man and has an enormous influence on the whole business world here in London. It is often said, and is almost true, that he dictates the rate on the Exchange. His position as a banker is very strong. . . .”

On March 31, about three o'clock in the morning, just as the day was dawning, the business was concluded. Nathan Rothschild agreed to an issue at 70, $72\frac{1}{2}$ and 75 per cent., and abandoned his claim of commission, so that the average rate was 72 per cent. That very day he shipped a million silver *thaler* [£125,000] to Rother at Hamburg, and promised to send an equal sum at once to Hamburg in bills. It was a splendid proof of his confidence in the Prussian statesman and his extraordinary dispatch in business. It also throws a light on the reserve of money which the Rothschilds always had, seeing that they were in a position to put a million *thaler* on board the moment they came to an agreement.

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The money had scarcely reached a Prussian port when the indefatigable Rothschild plunged into new business. The dislike of the English for foreign loans put no slight difficulties in the way of his far-reaching activity. He had gradually to accustom them to the idea and make them see the immense importance of this class of business, until at last London, which had hitherto been merely the largest money-centre in Europe, became the emporium of the markets of the world and began to play the part that Amsterdam had filled in the eighteenth century. Strictly speaking, Nathan Rothschild was the first banker to negotiate loans in the modern form.

In all these operations he was singularly fortunate. No State with which he did business ever failed; in cases where one of them was behindhand in covering the coupons he always had money enough at his disposal to let the creditors have their interest out of his own coffers. As this enabled States to pay punctually always, men began to credit Nathan Rothschild with a wonderful foresight and to

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entertain that unreserved confidence which gave a stamp of infallibility to all his undertakings.

He extended his transactions to all branches of stockbroking, buying or selling according to circumstances. Where he found State securities which no one had hitherto dreamed of buying he bought them, as he knew from experience that he could dispose of them at a profit when once they had passed into his hands. He not only advanced money to States, but induced them to exchange one sort of stock for another, the percentage of which was less burdensome to them. Here again he was the first to frame large plans of reduction.

He did not, of course, succeed equally in all his loans to States; sometimes he sustained losses which would have ruined other banking firms. These unpleasant experiences, however, only made him more prudent, and he often rejected an offer without a word of explanation when he thought it was not sound enough. He refused, for instance, every invitation from Spain or from the American

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republics which had formerly been under Spanish rule.

He was careful to avoid all unsound business, and especially refrained from taking shares in any of the limited companies of a questionable character which were then formed in large numbers. That does not mean to say, however, that he had no share in the floating of companies. It stands to his credit, for instance, to have brought into existence the "Alliance Marine Assurance Company." Marine insurance was at that time entirely in the hands of private individuals; they had, it is true, combined in a large association under the name of "Lloyd," but did not form a limited-liability company, as this was not permitted by the laws at that time. Nathan Rothschild used the whole of his influence to get the restriction removed; in order, it was said, to put a relative of his named Gompertz at the head of the concern. There may have been some truth in this, although there were many other ways in which he could have found a good position for his relative. The chief point

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in his mind was that Gompertz was an excellent mathematician, and he regarded this as a guarantee of the prosperity of the company. He went to work very energetically to realise his plan. He turned to the Government, which was disposed to alter the law relating to limited companies, and a good deal of intrigue took place at the House of Commons, where Lloyd's attempted to oppose Rothschild, but they were defeated by his intimate friend Buxton. Even in the Upper House he found a warm supporter of his plan in Lord Liverpool, the Premier, and in the end he won.

This victory confirmed the belief in his irresistible power in England. In point of fact, his influence was not confined to the European market, but extended to America, where, on one occasion, he saved the Brazilian Empire. It had in 1824 contracted a loan of £3,200,000 sterling with the London firm, Wilson & Co., but the terms were so difficult that the Brazilian plenipotentiaries would not assume responsibility for it. On this account the London house refused to send any more money after the first

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million. This put Brazil in a very critical situation. Nathan Rothschild then undertook to pay the remaining £2,200,000, although Brazil was in so insecure a position that it was soon compelled to discontinue the payment of the interest. Nathan Rothschild was, however, not the man to desert one to whom he had lent a saving hand; he wished to protect it from calamities. He therefore, in the year 1829, sent a further £800,000 to Brazil, on condition that the overdue interest was paid. It was not an overwhelming sum, but it sufficed to enable the Brazilians to put their financial affairs in order.

The quality that exhibits a certain greatness in Nathan Rothschild was the unwavering fidelity with which he clung to a system, in spite of changes in the political situation which would have compelled most bankers and financiers to withdraw their capital. The most astounding developments in the politics of Europe never diverted him from his purpose; it almost seemed as if catastrophes were his proper element.

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Yet, in spite of the large and cosmopolitan business of the Rothschild house, none of the brothers neglected smaller transactions. They felt that in building a palace limestone was needed as well as marble. The sale and purchase of securities of all sorts on a small scale were most conscientiously attended to and the business of exchange was most carefully maintained; in fact, the smaller details of banking received all the attention that is needed for a concern to prosper. The discounting-business assumed enormous proportions, and, although it did not bring in such large profits as loans, it had the advantage of a steady income and of not being exposed to the effects of sudden events and incalculable chances. Nathan Rothschild did not hesitate for a moment to accept bills from any part of the world, whether they were from Moscow, Rome, Bombay, or New York. He had a curious power of telling at first sight if a signature was forged, even if he had seen the genuine signature only once. His memory was so good that, in spite of the mountain of offers, plans, and requests that

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always awaited him on his return from the Exchange, he could dictate the prices to his secretaries and clerks quite accurately without having taken any note of them.

In describing his character we should notice the confidence with which he handled securities which other bankers had rejected. Many a merchant in such cases was assisted by him, and he never suffered any material loss in this way; which shows at once the justice of his principle and the unwillingness of men to abuse his confidence. He had no intention of giving alms, but knew that money and credit can restore the small trader to his position, and he was pleased to give the opportunity to small traders. There was a strong dose of humanity in his business-ideas.

In October 1816 the Emperor of Austria, at the suggestion of the financial minister at the time, Count Stadion, rewarded the merits of the Rothschild brothers with a diploma of nobility. Curiously enough, Nathan, who had been the soul of the negotiations in regard to the English subsidies, was not included in this

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honour, but in 1822 he and the other brothers received the title of baron. He never made public use of this title or wore the decorations which he received from nearly every ruler in Europe. He remained a simple Rothschild; in spite of its modesty, he found the name imposing enough, since it compelled admiration throughout the civilised world. His operations were known to have always the character of immensity, as Carl Gutzkow justly says in a fine paragraph—

“Nathan Rothschild fitly represents the calmness and power of the city of London. He approaches his undertakings with the hand of a giant. Everything in him is gigantic. Not long ago one of my friends said of him: ‘When this man goes hunting, the beast must be at least an elephant.’”

The banking-house of Nathan Rothschild had indeed reached a stage of greatness and power that had never been attained by any other business-house on earth. Even his brothers could not compete with him, and the Bank of England often relied on his assistance

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and good-will. This happened particularly in the fateful year 1825, at the time of the financial crisis, when not only did the most solid firms waver and the weaker fell like houses of cards, but this splendid institution, the pride of the English people, the impregnable Bastille of the money-trade, was nearly compelled to suspend payment. It is impossible to estimate the extent of the calamity which this would have entailed—how many thousands of lives would have been ruined and what the consequences would have been for the whole future of the English financial world, if Nathan Rothschild had not appeared on the scene as an angel of deliverance. There was something of the genius, something titanic, about him. The rapidity with which he summed up a situation and utilised the opportunity or came to the assistance of those in danger, was one of the leading features of his character. According to Sir Thomas Fowell Buxton not only rapid decision was one of the chief elements in Rothschild's business capacity, but there was also something that savoured

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of superstition, as Buxton proceeds to illustrate—

“Another maxim, on which he seemed to place great reliance, was never to have anything to do with an unlucky place or an unlucky man. ‘I have seen,’ said he, ‘many very clever men who had not shoes to their feet. I never act with them. Their advice sounds very well, but fate is against them. They cannot get on themselves; if they cannot do good to themselves, how can they do good to me?’”

The same authority tells us another trait of Rothschild’s character in these words—

“One of his guests once said to Rothschild: ‘I hope your children are not too fond of money and business, to the exclusion of more important things. I am sure you would not wish that.’ Rothschild answered: ‘I am sure I should wish that. I wish them to give mind, and soul, and heart, and body, and everything to business; that is the way to be happy. It requires a great deal of boldness, and a great deal of caution, to make a great fortune; and, when you have got it, it requires ten times as

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much wit to keep it. If I were to listen to all the projects proposed to me, I should ruin myself very soon. Stick to one business, young man,' said he to Edward; 'stick to your brewery, and you may be the great brewer of London. Be a brewer, and a banker, and a merchant, and a manufacturer, and you will soon be in the *Gazette*.'"

This conversation shows the cast of mind of Nathan Rothschild, of which a contemporary says—

"Here is the key to the character of Nathan Rothschild. His ambition was directed to the carrying out of well-conceived financial operations, to money-making, if you want to express it in those terms; but the emphasis must be on the word 'making.' Money and the things that money buys had little value in themselves for him. He had little feeling for what every Englishman looks forward to securing when he has money enough—for 'comfort,' in the widest sense of the word. His ambition was to attain his object in business more speedily and effectively than others, to strive for it with

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all his might. When he had attained his object, the thing lost its attractions for him, and his restless mind turned to others."

As a matter of fact, the pursuit of any aim, whether it be in art, politics, or business, demands above all things a concentration of one's forces on a single point; concentration is the characteristic of genius. The Rothschilds concentrated all their powers on money-making, and this was always the mainspring of action in the whole dynasty. Bismarck, who knew the character of the Rothschilds, noticed this, and said in 1879—

"I have known a good many members of this house. What strikes one in all of them is the hunt for money. That, however, is due to the fact that each of them is always anxious to leave to each of his children as much as he himself inherited, and that is nonsense."

The unceasing struggle for money left Nathan Rothschild no time to live his own life. His time, thoughts, and feelings were devoted exclusively to his profession. To a friend who asked him in joke how much time

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he had for music, he replied, jingling the money in his pocket: "That is the musical instrument on which I play best." His motto was, "Business." He took the greatest precautions to guard the secrecy with which he surrounded his operations. He went to work with such stealthiness that his sales and purchases were often misunderstood by his colleagues, and this sometimes exposed them to no inconsiderable risk. To attempt to follow his example was very bold, as his transactions were carried out with so much ability and craft that no one attempted a second time to imitate him.

At that time he lived some distance from the city, at Stamford Hill, where he had his offices. One day, late in the evening, a wealthy and well-known stockbroker named Lucas noticed that his carriage was waiting for him in front of the house. Lucas, who would very much like to find out Rothschild's plans, suspected something; he said to himself that there must be some serious reason for driving out at that late hour. He ordered his own carriage at

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once, and watched if Rothschild really left the house. After a time he saw Rothschild, accompanied by two friends, and heard him call to the coachman before he joined them in the carriage—

“Drive to the city!”

Lucas had now no doubt that there was question of some business of importance. He jumped into his carriage and followed Rothschild, who made at a gallop for New Court, his town residence. A few moments later Lucas, apparently drunk, staggered through the doorway, and, in spite of the protests of the servants, entered Rothschild's study, where he fell to the ground like a heavy sack. Rothschild and his friends, not a little disturbed by this unexpected visit, sprang upon the apparently unconscious man, lifted him on to the couch, sprinkled him with cold water and perfume, and rubbed his limbs to bring the blood back to them. It was all in vain; and, as the conversation which had been interrupted by the appearance of Lucas was extremely important, and the quiet and regular breathing of the man seemed to show

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that he had fallen into a healthy sleep, they continued the discussion. It was a matter of great urgency, as important news had come from Spain and provided an opening for some good business, if they could buy up certain stock at once without attracting attention. They drew up a plan of campaign and went their various ways, intending to enter upon the business on the following morning. They did not, of course, forget the sick man, and Rothschild told the servants to take him home as soon as he recovered.

There was no need to do this. As soon as Rothschild had gone, Lucas left the house, in spite of the clamour of the servants, though he still seemed to be very weak, and his gait was uncertain and staggering. He had, of course, no idea of returning home; he hurried to his office, and made arrangements to snatch up the stock in question before Rothschild could get them. He completely succeeded, and made an enormous profit. It was the last time that Rothschild sprinkled Lucas's forehead with perfume.

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But how many sleepless nights the prince of London finance must have sacrificed to Mammon! In spite of all the earthly goods at his command, he was by no means a happy man. Sir Thomas Buxton, who often visited him in his splendidly furnished house, once said to him, "You must be a very happy man; how could any one be otherwise than happy in such a house as this?"

"I happy!" Rothschild exclaimed, his voice poignant with sadness. "How could I be when, worn out with the day's work, I go to dinner and find letters saying, 'If you do not send me £500, I will blow your brains out.' I get letters like that every hour."

Threatening letters reached him from every part of the world and embittered his life; they made him nervous, and threw him into a kind of terror that bordered on insanity. In his later years he never went to bed without putting a loaded pistol under his pillow. He lived in hourly dread of attempts on his life, and saw a would-be assassin in every stranger. It often put him in a most unpleasant situation.

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One peculiar experience was with two men who came to visit him. Rothschild greeted them with a slight inclination of the head, which the visitors met with a profound bow, without any of them saying a single word. Instead of speaking they felt nervously in their pockets, as if to extract something. Rothschild became as pale as death. On that very morning he had received a number of threatening letters, and he thought that his visitors were assassins. His face was tense, and he swiftly seized a large book and flung it at the men. With desperate energy he laid hold of everything within reach and threw it at them, shouting for help at the top of his voice. His servants rushed in, and it was found that the visitors were small bankers who had been struck dumb in presence of the great prince of finance. The feeling that they were actually face to face with Nathan Rothschild, on whom their fate depended, had so overcome them that they were not only unable to speak, but could not find the letter of introduction to him which they had in their pockets.

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Even in the exercise of philanthropy Nathan Rothschild betrayed some nervousness; he was troubled by the thought that people would make a bad use of his gifts. It was so, as a matter of fact. It was in vain that he gave freely and generously. It was all too little for the world, which spoke of him as miserly, and this unjust verdict disturbed the harmony of his nature. There were people who laughed at him, and said that he hated beneficence so much that he preferred sleepless nights from his utter detestation of "beneficent" sleep.

A number of these mocking aphorisms on Rothschild survive, and it is quite possible that his works of charity did not always spring from an intimate feeling of sympathy with the suffering, as he once said, somewhat cynically, to his friend Buxton—

"Sometimes, to amuse myself, I give a beggar a guinea. He thinks I have made a mistake, and, for fear I should find it out, off he runs as hard as he can. I advise you to give a beggar a guinea sometimes; it is very amusing."

It is difficult to say whether there was not

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more pose than virtue in this attitude. It is a fact, at all events, that he was always in a hurry to get such matters over. Hence, when a deputation of philanthropic people visited him, and started to make a lengthy and solemn appeal to his heart, he promptly interrupted the speaker, without any intention of hurting his feelings, and cried to his secretary, "Make out a cheque."

This impatience was quite intelligible, and people did not take it amiss. There were thousands of plans in his mind, and he ought not to lose sight of them. How was it possible for him to entertain the innumerable fantastic schemes to which many of his co-religionists thought that he ought to devote his fortune? It was no light matter in the circumstances to listen patiently, with the amiable features of a philanthropist, to all their tirades, as if the great financier had nothing else to do but meet the requirements of every one who approached him. It is quite true that Nathan was not of so generous a nature as his father had been; and in consequence of this he did not take the

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same pleasure in acts of charity as his father had done.

Sometimes Nathan Rothschild was in such a hurry that he failed to recognise the character of his visitor. It happened, for instance, one day that he handed half-a-crown to a poor Jew who stood before his desk in silence.

"What!" said the Jew. "Don't you recognise me? I am Mayer Jeremias."

"I don't remember you," Nathan murmured nervously.

The aged Jew became very grave at this, and muttered to himself, "He doesn't know me, he doesn't know me, poor man. In three days he will be dead."

He went away, and the financier, greatly alarmed at the curse, hastily called his secretary, saying to himself, "I was to die in three days, did he say?"

"Did you see that man?" he asked the clerk when he came.

"Yes."

"Call him back at once! Bring him here immediately!"

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In ten minutes the elderly Jew was again in Rothschild's room.

"You said," Rothschild exclaimed to him, "that I should die within three days. Why did you say that? I did not send you away empty-handed."

"No," answered the aged Jew quietly; "you gave me half-a-crown."

"Well?"

"But you did not recognise me, and so I cannot talk to you. Yet we were once on a footing of equality. I was a friend of yours at Manchester. You went to London; I went to ruin; and you do not know me, now that I am a poor man. You have forgotten the poor man who was once your friend. . . ."

"And was it simply for that you said I should die within three days?"

"Yes and no. When I was reduced to beggary, I went to America. There I became a muleteer, domestic servant, labourer, and at one time nurse in a hospital."

"Well?" Rothschild interrupted impatiently.

"And in that hospital I noticed something.

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When a patient failed to recognise his friends and relatives, the doctor used to say: 'That man will be dead within three days.' Well, you did not recognise me, your old friend, and so I repeated those words. I did not mean them for a curse."

Nathan Rothschild laughed when he heard the explanation. He again became the friend of Mayer Jeremias; he placed him in his office, and Jeremias became one of his best agents.

In the course of business Nathan had, as a rule, a wonderful control of his nerves; in fact, he was complete master of his organism, though his nerves were profoundly affected by the enormous amount of work he imposed on them. Once, when he was ill in bed, and an operation had to be performed by the famous surgeon Liston, he bore it without a murmur. After the operation Rothschild said to Liston—

"Now, I suppose, you expect me to pay you for the pain you have given me? There you are mistaken. I will pay you nothing—but ask you to accept this little memento."

With these words he handed the surgeon a

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night-cap. Liston knew the peculiarities of his patient, quietly accepted the cap, and put it in his pocket. As he was engaged the whole day going from one patient to another, he forgot the singular gift of the Cræsus of London. It was not until he returned home in the evening that he remembered it, and he then took out the cap in order to put it on his desk as a reminder of the eccentric millionaire. As he handled it, however, he heard a rustling sound, and, when he examined it, he found in it a bank-note for £1000. Rothschild used to love jokes of this kind, which turned to the profit of his victim.

He rarely made witty remarks. His humour was rather of a sarcastic or ironical nature, and was only vented, as a rule, when his self-esteem was hurt. He never used the title of baron, which he had received from the Austrian Emperor, because he considered the name Rothschild superior to all distinctions. But when others boasted of their rank or spoke of their ancient lineage, his pride stirred and he shot his barbs pitilessly at his opponent. The Duke of Montmorency, who descended from

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a very ancient stock of nobles, once said to him that his family had borne the title of "first baron of France" since the fourteenth century, and were therefore the first Christian barons. Rothschild's eye kindled, and he replied—

"We are quits then. You are the first Christian baron in France, and I am the first Jewish baron in England."

His pride in his success was sometimes expressed in a way that was painful to others. The Bank of England, which he had saved from bankruptcy in the financial crisis of 1825, once hurt his feelings very severely. He is said to have sent to it for payment a bill for a large amount which he had received from his brother Anselm. But the Bank of England refused to pay on the ground that it only cashed its own notes, not those of private individuals.

"So—private individuals!" exclaimed Rothschild angrily. "I will let them see what kind of private individuals the Rothschilds are."

He took a heavy revenge, if we may believe a story which has been frequently told. The best weapon in the hand of a Rothschild is

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money, and he ordered his agents to secure as many Bank of England notes as they possibly could. For three weeks they continued to collect them, then, when the Bank opened one morning, Nathan Rothschild stood at the counter. He took a five-pound note from his swollen purse, and asked the chief cashier, with freezing politeness, to give him gold for it. It was given with equal politeness, the cashier restraining his astonishment that the great financier should waste his time in such trifles. Nathan Rothschild carefully examined each sovereign and put it in a leather sack. Then he calmly produced a second five-pound note, and repeated his action a second, third, fourth, fifth, and tenth time, in every detail. He continued to change notes until the hour of closing, and in a single day had lessened the gold-reserve of the Bank by £210,000. While Nathan himself "operated" at the chief counter, nine of his clerks were busy changing paper into gold at the other counters.

Everybody now understood the manœuvre, and laughed at the original means that Roths-

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child had adopted to punish the Bank; they saw that he was in a position to restrict the circulation of gold, and the great institution was quite powerless to resist him. The whole city—except the directors of the Bank—was amused. If the directors were at first disposed to laugh, they soon changed their mind, for Nathan Rothschild was at his post again the next morning, with his band of clerks, ready to continue changing notes. The manager hurriedly went to him and asked why he was annoying the Bank in this way. He smiled grimly, and said—

“You said that you were not prepared to change my bills. It seems that you have no confidence in them. Well, if you entertain a doubt about me, I am free to entertain one about you. I am determined to demand gold for every one of your notes. I began yesterday, and I give you notice that I shall keep your cashier busy changing notes for at least two months.”

Two months! If Rothschild persisted in his work for that length of time, he would take

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at least eleven million pounds out of the Bank's gold-reserve. That would not do at all. A meeting of the directors was called at once, and it was decided to send an apology to Nathan Rothschild, together with an assurance that the Bank of England would always be pleased to cash his bills, whatever kind they were.

These petty, but not insignificant, episodes show us the character of the London financier. He was often misjudged by his contemporaries, as we see in the following candid description, which shows the impression that he gave on the Exchange.

“There is a rigidity and tension in his features that would make you fancy, if you did not see that it was not so, that some one was pinching him behind, and that he was either afraid or ashamed to say so. Eyes are usually denominated the windows of the soul; but here you would conclude that the windows are false ones, or that there was no soul to look out of them. There comes not one pencil of light from the interior, neither is there one scintilla-

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tion of that which comes from without reflected in any direction. The whole puts you in mind of a skin to let, and you wonder why it stands upright without at least something in it. By-and-by another figure comes up to it. It then steps two paces aside, and the most inquisitive glance that you ever saw, and a glance more inquisitive than you would ever have thought of, is drawn out of the erstwhile fixed and leaden eye, as if one were drawing a sword from its scabbard. The visiting figure, which has the appearance of coming by accident, and not by design, stops but a second or two, in the course of which looks are exchanged which, though you cannot translate, you feel must be of most important meaning. After these the eyes are sheathed up again, and the figure resumes its stony posture. During the morning numbers of visitors come, all of whom meet with a similar reception and vanish in a similar manner; and, last of all, the figure itself vanishes, leaving you utterly at a loss as to what can be its nature and functions."

And one day the mysterious figure dis-

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appeared for ever from the Exchange. Nathan died in his fifty-ninth year, leaving behind four sons and three daughters.

He had married the eldest daughter to Anselm, the son of his eldest brother Solomon, of Vienna, in order to knit more closely the bonds of the family as old Maier Amschel had bade them. He would also have been pleased to see his eldest son Lionel marry within the family, but he did not live to see it. He loved London, but his heart was also drawn to his native city, Frankfort, which he visited as often as he could. In the spring of 1836 he once more went there, perhaps to refresh the memories of his youth, perhaps to die there. There were also family reasons for the journey; Lionel was to marry Charlotte, the daughter of Karl Rothschild of Naples, at Frankfort. When Nathan reached Frankfort, however, his illness increased, and he was destined never again to see London, the theatre of his struggles and victories. Travers, the famous English physician, was hastily summoned to his bedside, but it was too late to save him. He died on

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July 28, at Frankfort, the first really great Cræsus of modern times. His pigeon-post took the news of his death to England in the words : " Il est mort."

He was buried at London, in accordance with his last instructions. His funeral was attended by the Lord Mayor and Sheriffs, many of the English nobility, and the Russian, Prussian, Austrian, Portuguese and Neapolitan ambassadors. He was laid to rest in the cemetery at Duke's Place, belonging to the German synagogue.

Thus the London house of the Rothschilds lost its founder, but the mighty organism could not interrupt the course of its life; it needed only a new controller. Nathan left four sons. The youngest, Maier, was only eighteen years old; the third, Nathaniel, had already attained his majority; Antony was twenty-six, and the eldest, Lionel, in his twenty-eighth year. As the latter had considerable business ability, and had taken part in the management of the firm during the lifetime of his father, and was acquainted with the whole network of their

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connections, he took over the reins. Being a man of large views, he initiated very extensive operations, and introduced new ideas into the politics of business. As he had a great talent for organisation and an immense faculty for work, he never needed the assistance of his brothers. He worked and struggled to get further millions, while his brothers could peacefully follow their inclinations and distractions.

Antony and Maier were fond of sport. They were both members of the London Jockey Club and were much esteemed in that circle. The Rothschild colours won many a victory on the turf through their efforts; once they won two prizes in one race. As far as the business was concerned, they remained in the background, as the energetic Lionel could not endure a companion in his labours. He lived beyond the biblical span of life, and, even after the death of his brothers, continued to work with uninterrupted vigour.

The third-youngest brother, Nathaniel, had certain physical defects which prevented him

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from taking any part in the business. He was paralytic, and lost his sight in his later years. He migrated to Paris, where, in spite of his malady, he followed the course of events with the keenest interest. Ill and unfortunate as he was, condemned for life to a chair, he paid the closest attention, not only to political events, but to science, art, and the social life of Paris. He was a collector of pictures; his blindness prevented him from appreciating them, but he bought them in order to give support to the artists and stimulate them to fresh efforts. He had the subject, the design, and the colouring of each picture explained to him, and when any one expressed his surprise that he was interested in things which he could not see, he answered in his gentle way—

“Oh, eyes are not at all so necessary for seeing. Words can paint just as well as the brush, and a man often sees better with the eye of the spirit than with the bodily eye.”

In spite of his misfortunes and his incurable illness—a French poet once described him as “Job on a money-bag”—he led a very peaceful

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life, and was never heard to make a complaint. He bore his hard fate quietly, and found some alleviation of his sufferings in helping others.

While the blind brother thus enjoyed the spiritual beauties of pictures, and Maier and Antony followed their enthusiasm for horses, Lionel worked and increased the Rothschild millions. Nathan had educated his sons very carefully, and Lionel had studied at Göttingen University, and only entered the business when his studies were completed. He took up the work of his father with all the fresh energy of youth, and always retained a deep respect for the older man. He in turn was convinced of the importance and advantage of State-loans, and under his direction the London house conducted no less than eighteen operations of this character; in these transactions nearly £200,000,000 passed through his hands to various governments in Europe and America. To this enormous sum must be added £4,000,000 which Lionel advanced to the British Government in the year 1875, when it took over the Suez Canal shares from the Khedive Ismail.

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In spite of his exacting business activity, Lionel Rothschild devoted a great deal more time than his father had done to social life, in which he might justly have claimed a high position. In the year 1847 he was elected to represent the City in Parliament. It was some time, however, before he could carry out the mandate entrusted to him, as the political condition in England and his creed prevented him. At that time members of Parliament had to take an oath which included a profession of belief in "the true Christian faith." Lionel Rothschild, being an orthodox Jew, refused to swear on the Gospels, and asked them to substitute the Old Testament. As he was not allowed to do this, he relinquished the seat; he was, however, elected again two years later and had to confront the same obstacle, but at last, in the year 1858, the form of the oath was changed. He was elected a fourth time by the City, and was now able to enter Parliament. Besides this dignity he received the title of Consul-General of the Austro-Hungarian monarchy, which his father had had. His

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family occupied an important position in the social life of London and was on very good terms with the English nobility. The Prince of Wales, afterwards Edward VII, was on very friendly terms with the grandson of the candidate for the rabbinate at Frankfort.

Baron Lionel had five children—two daughters and three sons. The daughters, Leonora and Eveline, married members of their own family; the first became the wife of Alphonse Maier, of Paris, and the second of Ferdinand Rothschild, of Vienna. His son Nathan was married to Emma, daughter of Baron Charles de Rothschild of Frankfort, and Leopold took to wife the daughter of the banker Perugia, of Trieste. Alfred remained a bachelor.

Baron Lionel had a much better balanced nature than that of his father. He had not merely some sense of humour, but was himself a witty and brilliant man, though his sayings were usually connected with business life. He remained at the head of the London house for

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nearly half-a-century, and died on June 5, 1879, in his seventy-first year, leaving the throne of the financial dynasty in England to his eldest son Nathan. At that time the fortune of the London Rothschilds is said to have amounted to more than a hundred million sterling.

Nathan, the second of that name, was even more fortunate than his father in regard to titles; he is an hereditary baronet and a peer since 1885. Just as his father, Lionel, was the first Jewish member of the British Parliament, Nathan was the first Jew to enter the House of Lords, and he has much the same character for business as his grandfather. He gives the closest attention to it; the whole City looks to him for hints, and he manages his agents with the same ability as his great predecessor who laid the foundation of the house. A number of agents come to his desk early in the morning to receive his instructions, and it is said that no one goes near him of whom he has not asked a question or to whom he has not some instruction to give. However im-

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portant the business may be, he never gives any one more time than is necessary. Swithin's Lane is not a place for long conversations, as a rule. Nathan had disliked such things, and his example is followed by his grandson, and by Lord Rothschild's brothers, Leopold and Alfred, who share the work with him in order that the vast machinery may not be a moment idle. In the middle of the lofty room in which the brothers Rothschild work together there are two desks, with a third at one side. At the central desk sits an elderly gentleman with piercing eye and short white beard : that is Lord Rothschild. Opposite him is his younger brother Leopold, who is nearly sixty-eight years old, and just as active as his seventy-two-year-old brother. At the side desk sits Alfred, who is interested in science and art as well as in commercial matters.

Here, in Swithin's Lane, is still the cradle of State-loans. The financial position of many a State still depends on the London house of the Rothschilds. Here the great campaigns are worked out, and from this lofty chamber



LORD ROTHSCHILD.

From a Photo by Elliott & Fry.

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are directed operations which are felt all over the globe.

On the wall of the modest gabled house in a narrow street, which represents the residence of the Rothschilds, one may still see the old sign of the firm, which the founder of the London branch had nailed there—

“N. M. ROTHSCHILD & SONS.”

It is as if the Frankfort ancestor still kept watch, to see that his three descendants at the three desks in the lofty room did their duty in turn.

IV

BARON JAMES ROTHSCHILD

THE founder of the great financial dynasty, the aged Maier Amschel Rothschild, still lived in the narrow Jew Street of the Frankfort ghetto when the youngest of his five sons set out to earn his fortune. The young Rothschilds had not to set out on their travels as Jewish youths so often did at that time, or as the older Amschel had done, when, literally, he walked, staff in hand and wallet on his back, to Hanover. The sons had no need to face the world on foot; there were coaches at their disposal, and they did not leave the paternal house to seek a modest living somewhere or other, but with a definite goal before their eyes. They were to establish more or less independent filial banks of the Frankfort parent-house in the great capitals of Europe. The white-haired Maier Amschel, in the Frankfort Jew

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Street, had divided Europe amongst his sons, and the sons went forth to occupy their thrones and consolidate their power. The eldest, Nathan, won success and fame at London, where he augmented the fortune of the Rothschilds day by day. The third son, Karl Rothschild, had the great task of regulating the finances of the Pope in distant Italy. Solomon, the second son, pitched his tent at Vienna, and became the master of the Exchange in that imperial city. The eldest son, Anselm, received his father's heritage, the control of the parent-house at Frankfort; and the subjugation of Paris was entrusted to the youngest of the Rothschilds, James.

James Rothschild had an easier task at Paris than his father had had at Frankfort. When the Benjamin of the family reached the metropolis of France the name of Rothschild, for which Maier Amschel had won respect throughout Europe, was a sufficient letter of recommendation. There was already in the name the magic ring, the soft melody, of gold. It already stood for money, financial power,

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colossal wealth, mountains and rivers of gold. The money of which it was the symbol was not the buried treasure of a Darius, but the money that works, struggles, and increases, the money that sheds blessings and has an influence wherever it appears, the money that promotes the prosperity of commercial and economic life.

It was in the year 1812 that James, the youngest son of Maier Amschel, settled at Paris. The metropolis of France was as much under the influence of the Rothschilds as any other city, but James, who was still very young, did not embark on any large enterprises. His first work was to study the place in which he trusted to do great things. He must first learn the surroundings and the people with whom he would have to deal; like a general finding out the weaknesses of his opponents.

At first James Rothschild, who was barely twenty years old, was merely the agent of his brother Nathan at London; he had to work very quietly, doing his share in the payment of the English subsidies to the allies. As long as Napoleon remained in power the Roths-

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childs could not openly undertake any operations of importance in France. Nathan, the head of the London house, who was the brain of the family and had a great influence on his brothers, wished to be convinced of the serious interest of his younger brother in business before he set him to do important work. In the year 1817 he felt that the time had come, and, together with James, he founded the Paris firm under the name of "Rothschild Frères."

The new Parisian banking-house was not long content with small transactions. James knew from the conduct of his father and brothers that small business was not the business of the Rothschilds. It was not necessary for him to do the laborious work of laying the foundations of the firm, as other bankers needed to do, in order to secure credit and capital for large transactions. He entered the Parisian arena of financial struggle with a complete material equipment for his work, and regarded the negotiation of State-loans as the chief branch of business for his house. That was the field in which his father and brothers

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had won their greatest successes, and he in turn would try his fortune in it. He therefore concentrated his forces on State-loans and the Exchange, and looked to them for his greatest successes. He anxiously awaited a favourable opportunity, and prepared with great care for his first campaign, so that he might prove his business ability on the Exchange and win repute and authority at once in the markets of the world for the young Parisian firm.

His opportunity came in the year 1824. In that year the French minister of finance, the Marquis Villèle, put forward a project of converting an older five per cent. State-loan into a three per cent. The conversion took place at the beginning of May 1825 with the co-operation of James Rothschild, after long financial struggles; it took the form of a thirty-million francs *rente*, that is to say, on the basis of a capital of a thousand million francs. Another five per cent. French loan, amounting to 47,727,000 francs, was at the same time converted into a three per cent. In order to be in a position to carry out this change the Roths-

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child house was permitted by the Government to issue certificates "to bearer," which the director of the Treasury attested in the name of the Rothschild house. In this, therefore, it acted as creditor of the Treasury; this was the first State-loan which the still youthful James negotiated.

This loan was soon followed by another. This was the four per cent. loan which the French Government needed in 1828 for military purposes and for the support of the Greeks in their war against the Turks. It amounted to eighty million francs, and was knocked down to the Rothschilds, who were the highest bidders, at the rate of 102·7½.

James Rothschild was then, and had been since 1822, Consul-General of the Austro-Hungarian monarchy, and in the same year he became a baron together with his brothers. In his sentiments he remained just as conservative as his brothers, as the house owed its prosperity precisely to its conservatism, but Baron James departed from the family tradition in external matters. He was now something more than a

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son of the Frankfort ghetto; he was a baron, and lived accordingly. His handsome palace, in the Renaissance style, at number 40 in the Rue Lafitte, was known as "the Versailles of the absolute monarch of the financial world," and Baron James surpassed the wealthiest members of the higher French nobility in display. His money was, of course, the basis of his power, and everybody in France at the time did reverence to it—except the Prince of Orleans.

Even in the royal family the Prince of Orleans was the only one who refused to bow to the new financial potentate, who dimmed the splendour of the old French nobles, and to whom every *salon* of distinction, except his, was open. By the year 1841 the Parisian Rothschild enjoyed a recognised power, yet he could not succeed in getting admission to the brilliant festivities with which the Prince of Orleans entertained the higher nobility at Chantilly. In the eyes of the prince Baron James was, in spite of his title, no more than a Jewish *parvenu*, who, in his opinion, had no

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business to be found in the festive gatherings of French nobles.

When the prince died there was not a single *salon* in the highest society of Paris that did not willingly open its doors to the "great baron of finance"; even the conservative Prince Nemours sometimes received Baron James at his table. James had obtained a firm foothold at Paris, and was a power with which everybody had to reckon.

Prince Metternich, in a confidential letter to the Austrian ambassador at Paris, Count Apponyi, described the power of the Rothschilds in the following words: "The house of the Rothschilds plays a much more important part in France than any foreign Government, except, perhaps, the English. There are very natural reasons for this, though I do not think them good, and still less regard them as morally satisfactory; in France money is the mainspring. People count quite openly on corruption, practically the most important element of the modern representative system."

Baron James did not scruple to make use of

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corruption in France; he gave bribes and bought people, as was then the custom in France. It was not his fault, but that of France, where bribes had been given long before the time of James Rothschild. He merely adapted himself to the prevailing customs, and increased his power by giving bribes.

His power is well illustrated by a remark of Heinrich Heine, who often mentions James Rothschild in his account of events in France at the time—

“The king will not pay the pension of the Prince Nemours, for the very good reason that he has not the money to pay. His civil list is loaded with appalling sums; according to what a banker told me yesterday, his debts amount to more than twenty million francs. On account of this scarcity of money Rothschild is treated with the greatest consideration by the French court. A few centuries ago the King of France would simply have had his teeth pulled out in order to compel him to advance money. But the naïve ethic of the Middle

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Ages was swept away by the storms of the Revolution, and Rothschild, as a baron and knight of the Order of Isabella, can take a quiet walk in the Tuileries whenever he likes, without the least fear of losing a tooth to the king, in spite of his want of money."

In many passages of his writings Heine gives us a characteristic portrait of Baron James. At one place he says—

"The outbreak of war, which is inevitable, has been deferred for the present. Short-sighted politicians, who have recourse only to palliatives, are satisfied and hope for days of untroubled peace. Our financiers, especially, are very optimistic. Even the greatest of them seems to entertain the illusion, but not at all times. M. de Rothschild, who has been unwell for some time, is quite recovered and looks well. The men who read the signs of the times on the Exchange and make a study of the baron's physiognomy assure us that the swallows of peace nest in his smiles, that all concern about war has disappeared from his countenance, that there is no lightning in his

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eyes, and that, therefore, the thunder of the guns, which threatened the world, is not going to break on us. He breathes peace. It is true that the last time I had the honour of waiting on the baron he was radiant with pleasant feeling, and his rosy mood almost broke into poetry; as I said once before, when the baron is in a good mood he tries to give expression to his overflowing humour in verse. I thought he was on this occasion particularly successful in his verse; he could not, however, find a word to rhyme with 'Constantinople,' and scratched his head, as all poets do when they cannot find a rhyme. As I am a bit of a poet myself, I ventured to observe to the baron that possibly a Russian 'sable' [zobel] would rhyme with Constantinople. This did not please him, however. He declared that England would never forgive him, and it might lead to a European war, which would cost the world much blood and tears, and cost him a good deal of money.

"M. de Rothschild is, in point of fact, the best political barometer—I will not say

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'weather-frog,' as the word is not quite respectful. One must have respect for this man, if it be only on account of the respect which he imposes on most people. I like best to visit him in his office at the bank, where, as a philosopher, I can observe how people—not only God's people, but all others—bow and scrape before him. It is a contortion of the spine which the finest acrobat would find it difficult to imitate. I saw men double up as if they had touched a Voltaic battery when they approached the baron. Many are overcome with awe at the door of his office, as Moses once was on Mount Horeb, when he discovered that he was on holy ground. Moses took off his shoes, and I am quite certain that a lot of these financial agents would do the same, when they venture to enter the office of Baron Rothschild, if they did not fear that the smell of their feet would be unpleasant to him. This private cabinet of his is a very remarkable spot, inspiring one with lofty ideas and sentiments, as the sight of the sea or the starry heavens does. Here we see how little man is and how great

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God is! For money is the god of our time, and Rothschild is its prophet.

“Some years ago, when I went once to see M. de Rothschild, a gold-laced lackey brought his chamber-vessel along the corridor, and some speculator from the Bourse, who was passing, reverently lifted his hat to the impressive vessel. Such, to put it respectfully, is the respect of some folk. I committed the name of the man to memory, and am quite sure that he will become a millionaire in the course of time. Once, when I told him that I had lunched *en famille* with Baron Rothschild at his offices, he raised his hands in astonishment, and said that I had received a favour that had hitherto been reserved for Rothschilds of the blood, or at the most granted to a ruling prince; he himself would have given half his nose for it. I may say that, even if the gentleman lost half his nose he would still have an appreciable amount.

“The business premises of M. de Rothschild are very extensive: a labyrinth of rooms, a barrack of wealth. The room in which the

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baron works from morning to night—he has nothing else to do but work—has recently been finely decorated. On the mantelpiece there is now a marble bust of the Emperor Francis of Austria, with whom the Rothschild house has done most of its business. Piety will induce the baron to have busts made of all the European monarchs to whom his firm has advanced loans, and this collection of marble busts ought to represent a much finer Valhalla than that at Regensburg. Whether M. Rothschild will honour his Valhalla heroes in rhyme or in unrhymed royal Bavarian lapidary style, I cannot say.”

Heine lived at Paris in those interesting and eventful days, and he always connected the threads of all important episodes with the person of Baron James Rothschild. The firmament of France was at that time darkened by the perpetual menace of war, and, when the clouds became thicker, Heine wrote—

“French bonds, which had already fallen two per cent. during the day, made a further drop of two per cent. on the Tortonian night-

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Bourse. It is said that Baron Rothschild has the toothache. Others say that he suffers from colic. What will be the issue? The storm comes nearer and nearer. We can already hear the rustle of the wings of the Valkyries in the air."

The political situation was assuredly often and seriously threatened. Baron James was always well informed beforehand of events, and he often appeared as the Napoleon of peace. His intervention, however, was not always crowned with success, and his information could not always be described as thoroughly reliable. Moreover, there were many successful speculations to his disadvantage on the Bourse; as there were before Louis Philippe acceded to the throne. At that time, in the year 1830, the famous Parisian banker Ouvrard succeeded in getting information about the ominous ordinances of the Polignac ministry a week before they were published, while James had no authentic information about them until the last moment. These ordinances, which withdrew the rights of the

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people which were guaranteed in the fundamental law, such as the liberty of the Press and the right of assembly, were, as is known, the immediate cause of the July Revolution and the fall of the Bourbon dynasty.

Ouvrard at once appreciated the effect of the publication. As soon as he was sure of the facts, he admitted a few Parisian bankers and Exchange agents to his plans, and then hastened to London with his campaign drawn up. When he reached the English capital, he flung the French State-securities on the market, the rate steadily falling, in such quantities that he terrified the London house of the Rothschilds and forced them to buy up the bonds in order to keep up the price. The Rothschilds then sent an express courier to Paris in order to discover the motive of these enormous sales on the part of Ouvrard. But the Paris house could give no explanation. Baron James, who had undertaken a four per cent. loan for the Government only a few months before, hurried in great excitement to the Premier Polignac on July 24th to ask for information. There was a

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good deal of talk at the time of the possibility of the ordinances being issued, but nothing was known with certainty.

When Baron James returned from Prince Polignac, he said openly on the Bourse that on the word of honour of the Premier, the ordinances in question had indeed been meditated, but that there had been no serious thought of them recently, and the rumour that they were to be published at once was "without foundation." The very next day Charles X signed the ordinances, and on the following day they appeared in the *Moniteur*.

This was the chief reason why the whole of the loans, amounting to 78,500,000 francs, were thrown upon the Rothschild firm and its colleagues, as the value of the bonds fell between twenty and thirty per cent. Long afterwards these securities had still such a bad name that it was impossible to find a purchaser. The whole business, however, was less mischievous to the Rothschilds themselves than to their associates, as the latter had taken the greater part of the bonds. They therefore

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bitterly reproached the Rothschilds for leaving them in the lurch. Whether or no the charge was just in this one instance, even the enemies of the Rothschilds must admit that the five descendants of the Frankfort ghetto-family always shared their enormous profits with their business friends. Moreover, the July revolution, which followed this disastrous transaction, was one of those events which no man could have foreseen.

Ouvrard, through getting early information about the ordinances, made at one stroke a profit which his chief agent Amet estimated at two million francs. Baron James lost a whole fortune in the business, but he had still enormous wealth. He was still regarded as the richest man in France. In the 'forties of the nineteenth century statistics were compiled in regard to the wealthy men in France. The list affords an interesting picture of the material condition of the times. We gather from it that the capital of such important firms as the Lafitte Brothers and Delamarre was estimated at ten million francs each, the capital of

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Bandon at twelve million francs, and that of the Rougemonts and Lafonds at fifteen millions. All these men were regarded as great financiers, though their fortune [£400,000 to £600,000] would be considered small in America to-day. Those whose capital reached twenty million francs or more wielded an almost unlimited power. Durand, Delessert, Halphen and Aquirrevengon had twenty millions, Hottinger and Pellaprat twenty-five millions, Fould thirty millions, and Hoop forty. The fortune of Baron Gressulhe was then estimated at a hundred millions [four million sterling].

Baron James Rothschild stood far above them all with a capital of six hundred millions. There was only one wealthier man in France—the King, whose fortune was estimated at eight hundred million francs. Prince Aumale, with his seventy millions, was out of comparison with the Jewish Cræsus. James Rothschild possessed individually nearly a hundred and fifty million francs more than all the other French bankers put together. He

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had acquired all this in about a quarter of a century. It is quite true that he had brought the first millions from Frankfort, but he had increased them a hundredfold by his own exertions.

With the help of this enormous fortune he attained, as we have seen, an irresistible power, and was even able to overthrow governments. He succeeded, for instance, in bringing about the fall of the powerful minister Thiers. His power was known to everybody. It was discussed everywhere, from the Bourse to the barber's shop. Heine sarcastically describes in his *Reisebildern* his meeting the man who attended to the baron's corns, and what the man said to him—

“I pay respect where it is due, as I said to M. le Baron Rothschild when I had the honour of cutting his corns. As I cut them, I reflected in my mind: thou now hast in thy hands the foot of the man who holds the whole world in his hands; thou art now a man of consequence. If thou cuttest a little too sharply into the sole, he will be annoyed and cut the greatest kings

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worse than ever. It was the happiest moment of my life.”

Certainly the power that lay in the hands of James Rothschild became greater and greater. He conducted the ablest campaigns on the Paris Bourse. His plans were always kept secret from everybody, and he struck his opponent suddenly and unexpectedly. He had hardly ended one campaign before he began another. He surprised and crushed the other financiers on the Bourse, forced them to be his vassals, and enlisted them in the service of his triumphs.

In the course of time he included in his programme the founding of railways, in addition to his work on the Bourse and the organisation of State-loans. In the year 1840 he undertook the construction of the “Northern Line,” which the State itself ought to have undertaken. Baron James, however, set all his machinery in motion to induce the State to drop its plan; he did not shrink from giving enormous bribes in order to secure the silence of the Press and the Parliament. The railway company issued

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300,000 shares at 500 francs each, and of these the members of the two legislative bodies received, as "gifts," 15,000 shares, of a collective value of 7,500,000 francs. This sum was required in order to win the Deputies of Parliament and the members of the Upper House for Rothschild's plans. The Press was disarmed in the same way. The editors of the various papers received, according to their respective influence, seventy or a hundred, or a hundred and fifty shares, in the form of presents. All the journals were then silent, except one, the *Paris National*. Rothschild had sent the editor a hundred shares, but he sharply rejected the present—which was worth fifty thousand francs—and could not be won for Rothschild's cause at any price. The struggle made by the *National* was fruitless, however. Baron Rothschild eventually got the concession of the railway.

Heine wrote at some length at the time of Baron James and the Northern Railway affair. He says—

"The house of Rothschild, which has asked

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the concession of the railway, and will probably get it, is not a society in the ordinary sense of the word; every share in its operations which it grants to other individuals is a favour, or, to put it more correctly, a present of money which M. de Rothschild makes to his friends. The shares, or the so-called promises of the Rothschild house, are already several hundred francs above par, and therefore any person who asks them of Baron James de Rothschild at par is really a beggar. However, everybody is now begging of him; it rains begging letters, and as distinguished people set the example, there is no shame in it. M. de Rothschild is, on that account, the hero of the hour; in fact, he plays so important a part in our modern life that I must describe him as frequently and seriously as possible. He is, in point of fact, a very remarkable person. I am no judge of his financial ability, but it must be very considerable, judging from results. He has a rare faculty of observation, or an instinct for appreciating the capabilities of other people in every sphere of life. In that respect he has

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been compared to Louis XIV, and it is a fact that, differently from his colleagues, who are always surrounded by a general staff of mediocrities, we always find Baron James in intimate relations with the most distinguished people in every department. Even if he knew nothing about a particular field, he would be sure to know who was the best man in it. Possibly he does not know a single note of music, yet Rossini was always a personal friend of his. Ary Scheffer is his court painter. Carème was his cook. M. de Rothschild certainly does not know a word of Greek, yet the Hellenist Letronne is the savant whom he most respects. His physician was the able Dupuytren, and there was quite a fraternal feeling between them. He was one of the first to appreciate the ability of Cremieux, the distinguished jurist, who has a great future before him, and Cremieux found in him a loyal supporter. In the same way he appreciated from the start the political capacity of Louis Philippe, and was always in the confidence of that master of statecraft. Emile Pereire, the

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Pontifex Maximus of the railways, was entirely a discovery of his; he made him his first engineer and employed him to make the line to Versailles. Poetry, both French and German, is much appreciated by M. de Rothschild, though it seems to me that here he is rather polite, and that in reality the baron is not so enthusiastic for our living poets as for the great dead—Homer, Sophocles, Dante, Cervantes, Shakespeare, Goethe, and other earlier poets, men of acknowledged genius, who, freed from all earthly toils, no longer feel the pinch of this life or desire shares in the Northern Railway.

“At the present time Rothschild’s star is at its zenith. I am not sure if I am not a little wanting in respect in saying that M. de Rothschild is merely a star. He will not, however, scold me, as Louis XIV once fell angrily on a poor poet who had had the impertinence to compare him to a star; he was more accustomed to being called the sun, and had adopted that heavenly body as his official symbol.

“To be quite safe, nevertheless, I will liken M. de Rothschild to the sun, because, in the
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first place, it costs me nothing; and because, as a matter of fact, it is appropriate enough at the present time, when everybody worships him and trusts to be warmed by his golden rays. . . . Between ourselves, this worshipping mania is somewhat troublesome to the poor sun; it has no rest from its worshippers, and there are a good many of them who are really not worthy that the sun should shine on them. These Pharisees sing their praises and prices very loudly, and the poor baron suffers so much moral torture from them that one is bound to feel sympathy for him. I am inclined to think that his money is more of a curse than a blessing to him. If he had a hard character, he would have less to suffer, but so kindly and good-natured a man as he is must be deeply hurt by the sight of all the misery that he is called upon to assuage, the claims that are constantly made on him, and the ingratitude that follows each of his acts of charity. Excessive wealth is, perhaps, harder to bear than poverty. I advise any man who is in great need of money to go to M. de Rothschild: not

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for the purpose of begging anything (I doubt if he would get much), but in order to find comfort in the sight of his misery amid wealth. The poor devil who has too little and cannot help himself will then see that there is a man who suffers far more than he because he has too much money, because all the money in the world flows into his capacious pockets, and because he has to carry about with him this intolerable burden while a crowd of hungry men and thieves gather about him and stretch out their hands to him. And what fearful and dangerous hands they are! 'How do you do?' a German poet once asked the baron. 'I am mad,' the baron replied. 'When I see you throwing money out of the window I will believe it,' said the poet. The baron answered with a sigh: 'That is precisely my madness, that I do not often throw money out of the window.'"

Heine, living in close touch with Baron Rothschild, did not himself escape the fever for speculation. But the goddess of fortune did not favour the great poet, and he lost on 166

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'Change many a fee that he got for his works. He did not lose his humour with his money, however, and he said to Baron James, smiling—

“The Bourse taught me a great truth; it taught me that to speculate on it is a sin—if you lose.”

Heine did not take his speculations very much to heart, but generally laughed about them. One day Baron Rothschild asked him whether he had lost anything in a big slump that had occurred on the Bourse.

“Anything? A good deal,” the poet said. “But it serves me right. I now see how right the Rabbi of Prague was.”

“The Rabbi of Prague?” asked Baron James.

“Yes. It is an old story that I heard when I was a boy, and just occurred to me. The Rabbi of Prague was crossing the bridge when he met an old Jewess who cried desperately to him: ‘My God, my God! Help, Rabbi, help! What shall I do?’

“‘What is the matter?’ asked the Rabbi.

“‘My son has broken his leg.’

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“Broken his leg? How did he do that?”

“He fell off a ladder and——”

“Off a ladder?” interrupted the Rabbi. ‘Serves him right. What was a Jewish youth doing on a ladder?’

“So you see, baron,” Heine concluded, with a laugh, “the same thing happened to me. What was a poet doing on the Bourse?”

James Rothschild knew at that time what it was to lose on the Bourse, though the losses did not disturb him, as his millions increased from day to day. It was not so much now by speculation on the Bourse as by the construction of railways. Baron James was no longer content to confine himself to French railway enterprises, but extended his operations to foreign countries. He constructed, for instance, the railways of Belgium, and by this he and his brothers considerably enlarged their fortunes. The chief success of the Rothschilds was not exactly in the building of railways, but in their speculations with the shares. When they founded railway companies in the form of limited liability companies, they never put the

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shares on the market, but either took them up themselves to the full amount, or let one or two allied banks, such as the Lafitte-Blount or the Hottinger firms, into the transaction. This was done, for instance, at the establishment of the French railway, when Baron James himself took up more than a hundred thousand out of the four hundred thousand shares. The nominal value of the shares was five hundred francs, but the advantage of keeping them was soon seen when, in a very short time, they ran up to nine hundred francs. When the price reached its highest point Baron James suddenly sold his shares, and in this single transaction made a profit of more than forty million francs.

Baron James always found time, amid his enterprises and speculations, to pay tribute to charity, although his contemporaries by no means describe him as a soft-hearted man. It is true that his benevolence was generally noticed in connection with Jewish subjects. When on one occasion the troubles of the Jews at Damascus exposed many Jewish families to

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the fanaticism of the Orientals, Baron Rothschild did not hesitate a moment to come to their assistance. He saw that the Jews of Damascus could not rely on any effective protection on the part of the Government; he therefore had several ships fitted out, and sent them to the relief of his co-religionists, while the other wealthy Jews of Paris did nothing whatever for the sufferers.

Heine wrote at the time—

“The Jews of France have been too long emancipated to keep the bonds of the race very tightly about them; they have almost entirely adopted French nationality. They are just as French as their neighbours, and have outbursts of enthusiasm which may last for twenty-four hours and even, if the sun is hot enough, for three days. . . . That is true of the best of them. Many of them still practice the Jewish ceremonial, the external cult, mechanically, without knowing why, merely out of custom; of inner belief there is not a trace, for the witty acid of Voltairean criticism has done its work in the synagogue as well as in the Christian Church.

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For the French Jews, as for the French generally, gold is the god of the hour, and industry is the prevailing religion. In this respect the Jews of our time might be divided into two sects, the sect of the *rive droite* and the sect of the *rive gauche*. The names are taken from the two railways which run to Versailles along the Seine, one on the right bank and one on the left; they are controlled by two famous rabbis of finance, who diverge from each other as much as Rabbi Samai and Rabbi Hillel did in the earlier Babylon.

“We must do the grand-rabbi of the *rive droite*, Baron Rothschild, the justice of saying that he has shown a nobler sympathy for the house of Israel than his learned antagonist, the grand-rabbi of the *rive gauche*, M. Bénéoit Fould, who, while his co-religionists were persecuted and oppressed in Syria at the instigation of a French consul, made a few speeches in the French Chamber of Deputies on the conversion of bonds and the bank-discount with the calm, detached air of a Hillel.”

Heine then goes on to speak of the Damascus

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trouble, the cause of which was the old calumny of killing children. He says—

“M. Thiers asserts in his morning audiences with an air of the firmest conviction that it is unquestionable that the Jews drink Christian blood on the feast of the Passover; *chacun à son gout*. All the witnesses have stated that the Rabbi of Damascus killed Father Thomas and drank his blood—probably his flesh was divided among minor officials of the synagogue. In this, he says, we find a sombre superstition and religious fanaticism surviving in the east, though the western Jews are more humane and enlightened; many of them are quite distinguished for freedom from prejudice and for good taste. There is M. de Rothschild, for instance, who, if he does not belong to the Christian Church, is at all events an adherent of Christian cooking, and has taken into his service the greatest cook in Christendom, the favourite of Talleyrand, formerly Bishop of Autun.

“That was the kind of talk you might hear from the child of the Revolution. . . . And he

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spoke so convincingly that one was compelled to believe in the end that the Jews dined on the flesh of Capuchin monks."

While Heine penned his brilliant accounts of his time, Baron James continued to increase his fortune. He worked and fought with incredible endurance; sometimes he won, sometimes he was beaten. As often as he won his millions grew larger. All his enterprises were blessed with an almost fabulous success, and he seemed to emerge with rejuvenated strength even from the struggles in which he was beaten.

On one occasion he suffered a really severe loss, but it was due to embezzlement. His fortune, however, bore the loss without wavering, though the amount was considerable. The cashier of the Northern Railway, Carpentier, was the culprit, and the fraud, which took place in September 1856, ran to millions of francs. This unprecedented loss is described as follows in a journal of the time—

"The mystery that has enveloped the robbery of the Northern Railway is being gradually

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cleared up. The directors of the company naturally seek to minimise the fraud as much as possible, as it does little credit to their vigilance and foresight. At first they tried to prevent the publication of any reference to the affair. The Paris press was bought by them, but foreign papers were not prepared to be silent about the affair, and the Northern Railway was compelled to give an explanation, in which the loss is stated at about six million francs. This statement is not at all correct. It refers only to the loss in shares, whereas the cash-boxes also were almost emptied by the thieves. In the smaller cash-box alone there were 1,800,000 francs. What loss the Northern Railway itself has sustained, we are not informed. It would, in fact, be difficult to determine it, as nearly all the documents were destroyed by the thieves. The sum embezzled by them is estimated at from thirty to thirty-two million francs. However, the Northern Railway has not to bear the whole loss; MM. Rothschild, André and de Morny lose ten millions each of the sum. Carpentier and

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Grellet and their confederates must have been engaged for a considerable time in carrying out their project, as they had realised large sums before they fled, and had bought a steamer in England for 1,800,000 francs months before. From the papers that were found after their flight it seems that they had bought a house in New York. For this reason it is believed that they have gone to America by way of England. How long Carpentier and Grellet have been carrying on their frauds cannot be accurately determined; it is known only that they have been selling shares on the Bourse for a long time. They had acted with great astuteness so as to be able to report the requisite number at the revision of the shares, which was entrusted to them.

“The shares deposited with the administration are in parcels of a thousand. With the assistance of smaller clerks, who were bought by them, they took two or three hundred shares from each of these parcels and fastened the remainder together again. Hence, at the revision, which does not seem to have been

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carried out very carefully, all the shares seemed to be there, and the thieves were thus enabled to realise a considerable sum before they carried out their final stroke.

“Carpentier was the first to leave Paris. He had asked and obtained from Rothschild four days’ leave of absence. On this occasion he had a long conversation with the baron, who was very fond of him. M. de Rothschild had just managed a very profitable piece of business, and told Carpentier that he had made five million francs by it.

“‘If,’ he added, ‘I bring off my Algerian railway affair, I hope to add three millions to the five.’

“‘Will you put the three before the five, or after it?’ said Carpentier. ‘Will it be thirty-five or fifty-three millions? Put it before, and give me the five; you will still have a neat little sum.’

“‘I am not going to give you five millions,’ said Rothschild, laughing at the joke, ‘but here is my watch chain as a pleasant memento of the day.’

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“The chain which Rothschild handed to Carpentier was one of great value. However, Carpentier had something larger than that in view; before he left Paris he sent it to his brother, who still has it.

“As we see from this conversation, which Rothschild himself told to his friends, the wealthy baron was on very familiar terms with Carpentier. He loved him as his own son, and had secured for him the position of chief cashier to the Northern Railway. It will be understood, therefore, that Rothschild is terribly upset by the conduct of his protégé, and would give anything to capture him. In giving his instructions to the Northern Railway official who was sent with detectives in pursuit of Carpentier, he opened an unlimited credit for him, and told him to spare no cost and shrink from no means; he would gladly give ten million francs to get Carpentier in his power, and, if there was any reluctance to give him up anywhere, they must bring him away by force.

“From Paris Carpentier went straight to

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London, on August 31, and from there to Liverpool, where the steamer he had bought lay. He had her made ready at once and put out to sea, where he was to await his confederates. After Carpentier's departure Grellet was entrusted with the charge of the cash-boxes, and on the day for paying the officials and workers of the Northern Railway he was not to be found. The head of the staff sent word to Rothschild that Grellet had not come. Rothschild, who had a second key of all the safes and did not suspect anything wrong, went to the offices to let them have the money to pay the employees. He opened the smaller safe and found it empty, and ordered the manager to keep the strictest silence about it. Then he opened the larger safe and found that also empty. The loss of the shares was not discovered until some time afterwards.

“They at once made every effort to secure the thieves, but they had a long start; at Liverpool it was learned that Grellet had taken a boat out to the steamer where Carpentier awaited him. Four other employees of the company

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disappeared at the same time. Carpentier took his mistress, a certain Mlle. Georgette, with him; he had supported her in luxury at Paris. Both he and Grellet are quite young. Carpentier is of a light complexion, and seems weak and pale, and has all the appearance of a man suffering from consumption. Grellet belongs to a very good family, which has means that are estimated at 500,000 francs. His mother is still alive. She became insane when she heard what her son had done. His uncle, on the mother's side, M. Planchet, is a very respected man. Another uncle occupies a prominent position as a French magistrate.

“The statement that the two young men were driven to the crime by their relations with women and losses on the Bourse is false. They both led very regular lives, and it was only in consequence of the crime that they recently spent a good deal of money. They were in no sense impelled to the crime by debt. Possibly this is the largest sum that has ever been stolen, but the Rothschild firm will be quite able to sustain the loss.”

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Thus the French press on the baron's enormous loss. On another occasion he made a quite unexpected profit. The famous painter Eugène Delacroix, who was struck with the features of Baron Rothschild, decided that he would like to have the baron for a model, dressed in a beggar's rags. The baron liked the idea, and consented. On the following day he went to the painter's studio, attired in the costume proper to his part, and, when he knocked, one of the artist's pupils opened the door. He looked compassionately at the "poor beggar" and gave him a coin or two. The pupil was himself a poor youth, though he had considerable talent. He was not a little astonished when, on the following day, a servant of Baron Rothschild handed him the following letter—

"DEAR SIR,

"You will find enclosed the capital which you handed to me at the door of M. Delacroix's studio, with the interest and compound interest on it—a sum of ten thousand
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francs. You can cash the cheque at my bank in the Rue Lafitte whenever you like.

“BARON JAMES ROTHSCHILD.”

Rothschild always liked to mix with artists, especially painters. He was, however, rather partial to the artists with whom he was personally acquainted, while many of the most distinguished men of the artistic world were complete strangers to him. It happened once, for instance, that Baron James saw the artist Jadin on a scaffolding, doing a fresco, and cried to him, “Hello, you painter up there, come here, I want to speak to you.” On another occasion he wanted the same artist to paint his portrait. It was nothing to him that Jadin’s proper sphere was fresco-painting; his idea was that, as Jadin was accustomed to doing such large pictures, a single face would be painted by him on very moderate terms.

“Dear master,” he said to the artist, “I want to have my portrait painted. But you must tell me first how much it will cost.”

The painter did not hesitate a second.

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“Five thousand francs,” he said firmly.

“Oh, that is too much. What would it come to if I had my wife’s portrait painted also?”

“Well,” said the artist, “the two portraits would cost ten thousand francs. If one costs five thousand, two, naturally, cost ten thousand.”

Baron Rothschild did not attempt to bargain further. He took his hat, and avoided the artist for a long time. He was, however, determined to have his portrait painted by a famous artist of the time, and, as Jadin would not do it, he turned to others. His choice fell on the famous battle-painter Horace Vernet: after the fresco-painter a battle-painter—it throws light on the character and artistic ideas of James Rothschild. He went to Horace Vernet and asked the artist how much he would ask to paint a portrait.

“For you, baron,” was the reply, “my price is four thousand francs.”

“The devil!” exclaimed the financier. “It is only a question of three or four strokes of your brush, and you want a sum like that.”

“Ah!” said the painter, shrugging his



FIGURE OF TERRIFIED JEW IN
VERNET'S FAMOUS PICTURE.

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shoulders. "You want to bargain when there is question of art, do you, baron? Well, now I want five thousand francs, and will not take a penny less."

The baron gave a cry of astonishment.

"If you say another word, I treble the fee," said the artist.

The baron hurried from the studio. He thought the artist was mad.

"Wait a minute," said the artist. "I will paint your portrait for nothing. Now you may go."

Horace kept his word. In his great picture, "On the way to Smala," any one may recognise the face of the terrified Jew who is making off with a box full of money and jewels under his arm. The face exhibits the conflict of fear with the most sordid avarice, and its features are unmistakably those of the famous banker. The whole of Paris laughed over this misadventure of the financier, and his parsimoniousness cost him many an unpleasant quarter of an hour.

When the great exhibition was held at Paris in 1855, Rothschild received from the Emperor

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Francis Joseph I the order of the Iron Crown, and at the same time he received the French Grand Cross of the Legion of Honour. He remained, however, just as sparing in spite of his decorations. It was only twenty centimes (two pence) to enter the exhibition on Sundays, and more on week-days. On the first Sunday after the opening of the exhibition one of the first persons to enter was Baron James Rothschild.

“That is the way to become a millionaire,” said a journal of the time which gave the news; “never pay a franc for something you can get for twenty centimes.”

The baron was often pricked by the pens of French journalists on account of his meanness. His chief persecutor was the *Constitutionnel*, a very popular paper of the time, much read at Paris. On one occasion it cynically put side by side two short notices which did not put the benevolence of the wealthy baron in a very favourable light. The first paragraph announced, in terms of praise, that Cornelius, the great German painter, had given £300 for the

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poor of the city of Frankfort. The other notice dryly announced—

“Baron James Rothschild, the great German financier, also gave yesterday a sum of twenty pounds for the poor of the city of Paris.”

The point of this malicious juxtaposition was obvious, and Paris laughed a good deal over the baron. However, the financier wished to have his revenge, and he asked Heine, of whose connection with the Paris Press he was well aware, to reply to the skit of the *Constitutionnel* in some other journal. Heine laughed and closed his eyes in his usual way, and said that he would do so. A few days later the following paragraph appeared in the *Figaro*—

“The *Constitutionnel* betrays a partisanship which is injurious to honourable men. It sings its hymns of praise only to those who have been favoured by the goddess Fortuna. Ordinary mortals are not noticed in its columns. A writer recently practised philanthropy on a far larger scale than Baron James Rothschild, in proportion to his means. The said writer gave a penny to a blind flute-player on the Pont des

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Arts, yet the *Constitutionnel* has not said a word about the donation down to the present day.”

The famous French writer George Sand once discovered a clever way of making the baron pay more generously for a charitable object. During a bazaar which Princess Czartoriska organised at Paris for the benefit of the Poles, George Sand had charge of a stall laden with perfumes. Baron James passed the stall, and she cried to him—

“Won’t you buy something from me, baron?”

“My God! what do I want with perfumes?” said Rothschild. “I have a good idea, however. Give me your autograph, and I will gladly pay for it.”

George Sand smiled; then she took a sheet of paper, wrote a few words on it, and gave it to the baron. His face fell when he found that the great writer had inscribed on it the following lines—

“Receipt

for 1000 (in words, one thousand) francs, which
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I have to-day received from Baron James Rothschild for the benefit of the poor oppressed Poles.

“GEORGE SAND.”

Rothschild made no trouble about the malicious joke; he took out his pocket-book and paid the thousand francs in silence.

Scribe, a very popular comedy-writer of the period, was passing George Sand's stall at the time, and, when he saw Baron James put down the thousand francs without a word, he remarked ironically—

“For a great sorrow it is always difficult to find words.”

The witticism circulated from mouth to mouth in Paris, and caused much amusement; as did also George Sand's success in forcing the niggardly baron to pay so much. Heine heard of the matter and determined to avenge the baron on the writer, who was, in his opinion, a man of little ability. One evening when Heine was present amongst a large company at Rothschild's house, he began to praise Scribe in a

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remarkable way. The baron noticed it, and asked Heine why he did it.

“Oh, I can safely praise Scribe,” said Heine quietly, “because I am sure that there is not a person in the room who believes a word I say about him.”

Baron James laughed outright, and Heine went on—

“Scribe will be immortal—as long as he lives! But not à day longer!”

Paris now laughed at Scribe, and indeed laughed more than it had ever done over any joke of Scribe's.

There are, of course, no authentic documents to inform us whether Baron Rothschild, to whom Heine was of considerable service, ever gave material support to the great poet. Heine's circumstances were far from brilliant, but he was too proud ever to ask for assistance. One evening Rothschild noticed Heine humorously remarking to their host that a man must always have his purse in his hand at Paris, as everything costs money. It was no wonder, he said, that people like himself got into diffi-

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culties; he could always find a use for a thousand-franc note. His words were overheard by a financial upstart, who said affably to Heine—

“Let me lend you a thousand francs.”

Heine was annoyed that a man whom he had never seen before should offer him money. He looked sharply at the man for a moment, and then said—

“You, sir . . . are not worth a thousand francs to me.”

Moreover, the suggestion that Heine received any material assistance from Baron James is not consistent with the fact that the poet, who never concealed his circumstances in his writings, does not mention receiving any money from Rothschild. He frequently speaks of other people who lent him money, but does not say a word about help from Baron James. It is, in fact, improbable that the great poet ever received anything from the financier, otherwise he would not have shown so much independence as he did in regard to Rothschild, and would not have ventured to shoot the arrows

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of his wit at him, as he often did. On the other hand, Rothschild would not have liked Heine so much if the friendship had cost him money.

Baron James was very proud of his relations with Heine. He liked to have his dinners and other functions irradiated with the poet's most brilliant display of wit. Sometimes, however, he was disappointed. One evening, when Baron James particularly wished Heine to entertain his guests, the poet was singularly silent.

"What is the matter?" asked the baron. "You are usually so gay and full of witty remarks. . . ."

"Quite right," said Heine. "But to-night I have exchanged views with my German friends, and my head is fearfully empty."

After that he remained as silent as ever. Somewhere about the same time Baron James was conducting a large financial transaction, and he gave a very choice dinner in honour of the bankers who were staying in Paris. Heine was not invited to the dinner, but, when one of

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the guests at table expressed a wish to meet the poet, Rothschild replied that it could easily be managed. He wrote a few lines on a piece of paper, asking Heine to come and take coffee with him. A footman took the note to Heine's house, and returned with this reply to the baron's invitation—

“ M. le Baron, I usually take my coffee where I have had my dinner.”

Another of the distinguished writers who have referred to Rothschild in their works is Börne. He lived many years at Paris, and as he was, like Rothschild, a son of Frankfort on the Main—the former Jew Street at Frankfort was afterwards called Börne Street—he paid a good deal of attention to Baron James. Börne was, however, by no means enchanted with the youngest of the Rothschilds, and he often spoke very ironically of him. In one letter, for instance, he writes as follows—

“ *Paris, Saturday, January 28, 1832.*

“ Rothschild has kissed the Pope's hand, and at his departure expressed his satisfaction with the successor of Peter in the most gracious

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terms. Now things are getting at last into the order that God desired when He created the world. A poor Christian kisses the Pope's feet; a wealthy Jew kisses his hand. If Rothschild had put his Roman loan at 60 per cent. instead of 65, and so been able to give the cardinal-chamberlain another 10,000 ducats, he might have been permitted to fall on the Holy Father's neck. The Rothschilds are assuredly much nobler than their ancestor Judas Iscariot. He sold Christ for thirty small pieces of silver; the Rothschilds would buy Him, if He were for sale. That seems to me very fine. Louis Philippe will have himself crowned if he is still king in a year's time; not at St. Rémy at Rheims, but at Notre Dame de la Bourse at Paris, and Rothschild will officiate as archbishop. After the coronation pigeons will be sent out, as usual, and one of them, a turtle-dove, will fly to St. Helena, settle on Napoleon's grave, and laughingly inform his remains that they saw his successor anointed yesterday, not by the Pope, but by a Jew; and that the present ruler of France has taken the title, 'Emperor of

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the five per cents., King of the three per cents., Protector of bankers and exchange-agents.' But I really do not know what the silly dove sees to laugh at in that. Would it not be a great blessing for the world if all the kings were dismissed and the Rothschild family put on their thrones? Think of the advantages. The new dynasty would never contract a loan, as it would know better than anybody how dear such things are, and on this account alone the burden on their subjects would be alleviated by several millions a year. The bribing, both active and passive, of ministers would have to cease; why should they be bribed any longer, or what would there be to bribe them with? All that sort of thing would be ancient history, and morality would be greatly promoted. All civil lists would be abolished, except that of the Rothschilds, but this would lay no new burden on the community, as the Rothschilds had their lists—longer than those of any other prince—when they were private individuals.

“If the house of Rothschild sat on the throne of France, the world would be relieved of the

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great dread of a war between that powerful house and the house of Habsburg. Austria and Rothschild have, as the English papers say on good authority, been for some time much annoyed with each other. Austria has discovered that the friendship with which the Rothschild brothers honour it is likely to cost it dear. The bank concluded its last loan at a price of 85 or 86, and won 6 or 7 per cent. immediately the contract was signed. So extraordinary a circumstance was bound to attract the notice of the Austrian cabinet. It therefore decided to employ less expensive agents in future for its finances, or to throw open its financial transactions to competition. The Rothschild firm, in order to frustrate these plans and show the Austrian Government that people cannot with impunity break an alliance with them, made money so scarce in Vienna, Frankfort, and other cities, that no other firm was in a position to undertake the loan. Austria had to sue for pardon.

“There had been some strained feeling between the two houses at an earlier date

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Austria had entrusted to the Rothschilds the sums which had fallen to its share out of the French contribution-money. These sums were to be invested in French funds, which were then low, and they were to be sold again when they reached a better figure. After a few years the Rothschilds sold the stock and represented them as at 95, but Austria discovered that at the time of the sale the funds were at par. There was a little difference of £750,000. Austria resented the matter, but Rothschild secured the mediation of friends of both parties and the quarrel was composed.

“The French journal which relates, on the strength of the English Press, these stories of war and peace in all their details, comments as follows on the matter: ‘What are the means which enable these bankers to compel the Austrian Government to fall in with their wishes? They use the same means as they did under the minister Villèle, with whom Rothschild shared enormous gains, as we will show; the same means which they adopted recently in negotiating a loan with the Perier

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ministry. Have we not seen the French funds depreciated by continuous sales, effected by those who wanted to have the loan at an immoderate price? These lenders have done under our own eyes the very thing of which the Austrian Government complained when it wished to break with them. Our 5 per cents. were brought down to less than 80 francs, in order to get the loan at that price, and as soon as the loan was contracted at 84, the funds rose above 88 francs. It is always the same game that these Rothschilds play, in order to enrich themselves at the cost of the land that they exploit. . . . We have already shown that the financiers are the nation's worst enemies. They have done more than any to undermine the foundations of freedom, and it is unquestionable that most of the peoples of Europe would by this time be in full possession of liberty if such men as Rothschild, Ouvrard, Aguado, Casimir Perier and others, did not lend the autocrats the support of their capital.

“Only this week Dupin spoke of bankers
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in the Chamber as lynxes! Carnivorous animals, of the cat family. Casimir Perier bitterly complained of this unseasonable bit of natural history. That brings me back to the Rothschilds. Once more I ask—Would it not be a good thing for the world if all the crowns were placed on their heads instead of lying at their feet as they do now? It is really coming to that. Although the Rothschilds do not yet occupy thrones, they are at all events asked their advice as to the choice of a ruler when a throne falls vacant. Herr von Gagern has recently explained this openly in the *Allgemeine Zeitung*. It is a remarkable story.'

“Herr von Gagern was formerly a member of the Bundestag. This distinguished statesman, whom aristocrats represent as so charmingly romantic, and who used to walk amongst the tombs of the ancient knights by moonlight, caught a chill in his nocturnal wanderings a few years ago. Since that time he has been afflicted with a political discharge at the mouth, a malady which is as rarely found among diplo-

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matists as extinction of the voice is common amongst them. However, this curious ailment of Herr von Gagern affords us some instructive and useful information about the obscure physiology of the diplomatist and the aristocrat. The great statesman sends a letter from Harnau to the *Allgemeine Zeitung* about Greece. Now, Harnau is not in Greece, but in Taunus, and I believe that two years ago, when we spent the summer in the south, we ate a meal at Harnau one evening.

“ However, Herr von Gagern writes that he, von Stein and Capodistrias had often discussed Greece at Nassau and Ems. I can confirm that. At Ems I heard these gentlemen, two summers in succession, frequently discussing together. But, although I listened a good deal, it did not occur to me that they were talking about Greece. It seemed to me that they were talking about their own affairs and their families. They were ‘ amongst the most ardent and zealous partisans of Greece, or of the Greek question.’ Why Herr von Gagern translates the well-known word ‘ Greece ’ into ‘ the Greek

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question,' I will explain. There is nothing in the world so soft-hearted, warm-blooded, sensitive, tearful and emotional as a diplomatist, and he has to be very careful not to injure his delicate health by violent and frequent outbursts of feeling. A rigorous diet is indispensable to him. Hence, when thousands of miserable Portuguese are slaughtered by Dom Miguel; when the Italians, driven into the deadly net by their hunters, are shot down; when Belgium is cut up like a cheese and wrapped up in protocol-papers, to be served out to the hungry buyers; when the Poles are disappearing between the jaws of tyrants—how can diplomatists endure the daily sight and sound of all these atrocities? Yet the fate of nations is entrusted to them. How do they assuage the pain? By a simple alteration of words. They imagine that there is no such thing as a country or a people. They never say Portugal and the Portuguese, Italy and the Italians, and so on, but the Portuguese question, or the Italian question. It is a kind of salts of magnesia for cooling the blood and tranquillising the heart. It is for

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this medicinal reason that Herr von Gagern speaks of the Greek question; but his heart is sound.

“Herr von Gagern continues: ‘Monarchic constitution, German guard, and sufficient credit, were the general principles on which we were agreed.’ Listen to the great principles of these great men. . . . They send their fleets to separate the Greeks from their enemies, so that they shall not win a final victory. . . . The Greeks are free! The cry echoes from court to court, and the monarchs now consult us as to the best means of putting an end to disorder. There are a good many hungry sons of princes in Europe who might be fed on the flesh and blood of the Greeks—hence, ‘monarchic constitution.’ The Greeks are fanatical, they suffer from a most dangerous inflammation of the heart, and the strongest remedy must be applied at once—hence, ‘German guard.’ But there is no son of a king so foolish as to take his own money to Greece; the Greeks must open their purses to him if he is to make them happy; but the Greeks are poor, and their

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monarch must borrow in their name—hence, ‘sufficient credit.’

“Many sons of princes professed themselves ready to make the Greeks happy. Which of them shall we choose? That is the Greek question. The noblest, the bravest, the ablest, or the best-tempered? No, but the one who has the best credit, the one who will be best able to pay his ministers, equeries, ambassadors, court-marshals, chamberlains, and noble officers of the guard. Herr von Gagern therefore carefully inquires at ‘the first banking house in Europe’ (or of M. de Rothschild) which prince has the longest credit. M. de Rothschild finds that all the princes of Europe are in his credit-book except Prince Frederick of the Netherlands, and he concludes that the prince who has never asked him for credit is the most worthy of it. He therefore reports to Herr von Gagern: Prince Frederick of the Netherlands has the best credit. ‘Then Prince Frederick of the Netherlands is the most worthy to become King of the Greeks—I mean the Greek question,’ says Herr von Gagern.”

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Börne clearly wished in this letter to satirise the Greek question, as it then stood, but the point of his sarcasm was also directed against Baron Rothschild. Heine was again requested to avenge the baron, and he poured his sharpest satire on Börne on every possible occasion. Even after Börne's death Heine ridiculed him so much that one of his friends challenged the poet to fight a duel. It took place on September 7, 1840. Heine fired in the air, but his antagonist aimed at and hit him. Fortunately, the bullet struck Heine's purse and he was uninjured. When he gave Baron Rothschild an account of the duel, he added—

“And do you know what saved my life? My purse. The bullet stuck in it. I call that money well invested.”

The intimate friendship between Baron James and Heine was never interrupted. Rothschild sought the poet's company, and, whenever there was a quiet time on the Exchange, he used to ask Heine to come and dine with him *en famille*, so that he could enjoy the familiar conversation of the poet.

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On one of these occasions Heine was, contrary to his usual custom, very chary with his speech. Rothschild wanted to unlock his tongue at any cost, and he ordered his finest wines to be served. The poet remained silent, however. At last Rothschild produced a bottle of his finest *Lacrima Christi*, and handed Heine a glass of it. The poet lifted the delicate glass to his lips, sipped it, and said nothing. Then Rothschild asked him how he liked the wine.

"Well, thank you," he said.

"Perhaps you do not know what you have been drinking," said the baron. "That is *Lacrima Christi*, the noblest and best wine in the world, made from the grapes which ripen at the foot of Vesuvius. That is why it is so fiery. Every drop of it costs a ducat. And you have not a word to say about this heavenly drink."

"Do you know, baron," Heine asked, "why is it called *Lacrima Christi*, or the Tears of Christ?"

"Why?"

"These are Christ's tears," said Heine, "be-

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cause Christ weeps at the sight of two wicked Jews like us drinking so precious a wine while there are thousands of poor devils in Paris without a bit of bread."

Of the private life of Baron James the chronicles of the time relate very little. It is possible that his great financial transactions and the charm of the social life of Paris left him no time for the intimacy of family life; it is, however, equally possible that, like most of the Jews, he regarded intimate domestic life as a sacred thing into which he would not allow profane publicity to penetrate. His social obligations and business undertakings compelled him only too frequently to appear in public, and he therefore wished to withdraw from the glances of the inquisitive at least as far as his domestic life was concerned.

He had married his niece, the daughter of his brother Solomon of Vienna. Betty Rothschild was thirteen years younger than her uncle. Six children were born of the marriage of Baron James and Betty, and all married within the family, generally their cousins.

Baron James Rothschild

Baron James Rothschild died on November 15, 1868, and was buried in the family vault of the de Rothschilds at Père Lachaise. His successor in the control of the Parisian house was his eldest son, Baron Alphonse Rothschild. He had a much easier task than his father, and did not need to strain his powers very much in increasing the fortune of the family; it grew almost automatically. Hence financial operations did not claim so much of the son's time as they had done in the case of the father, who, as long as he lived, controlled the business alone and gave his son full liberty to enjoy his youth, to travel, to educate himself, and to cultivate the thousand pleasures which his great means put within his reach.

Baron Alphonse was a zealous patron of art; his artistic judgment was authoritative, and always evinced a thorough knowledge. His artistic collections and his superbly furnished rooms were one of the sights of Paris. He was also not insensible to the demands of the age and the social duties of his class. He was the

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first in France to build homes for the workers, and he spent more than ten million francs on this object.

The French regarded Baron Alphonse Rothschild as entirely one of themselves; they never reproached him, as they had reproached his father, with living half a century in France without becoming really French. During the siege of Paris the Rothschild mansion, the Château Ferrières, was the chief centre of the Germans, and it says much for the international esteem which the name Rothschild enjoyed that the Germans, hostile troops, regarded the château as extra-territorial and carefully protected it from plunder or damage. It was in the Rothschild château that Jules Favre visited Bismarck, and the "iron Chancellor" dictated the colossal sum of the war indemnity—5,000,000,000 francs. In finding this enormous sum, Baron Alphonse gave proof of his French patriotism and his willingness to sacrifice. For months together he worked night and day at the head of his officials in the task of finding the immense sum, and it was due to him that it was

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Baron James Rothschild

at the disposal of the Government at the proper time.

In person Baron Alphonse was, like all the Rothschilds, peculiar in many ways. He was, for instance, extremely superstitious, and he had an almost comical dread of the number thirteen. He would not enter his palace in the Rue St. George, which was made number thirteen at some alteration of numbers in the street, until the municipal authorities again changed the number.

The power and prestige of the Parisian house of the Rothschilds diminished somewhat during the later years of the life of Baron Alphonse. This was due to changes in the general economic conditions which were bound to put an end to the unassailable power of the Rothschilds. The firm still plays a very considerable part in the financial life of France, but its power is not as absolute as it was in the time of Baron James. It now rarely engages in large financial transactions. It has not the energy for such operations, as Baron James had.

Baron Alphonse Rothschild died in the year

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1905, without leaving a male heir. His younger brother Gustave had now to assume the control of the bank, but he was already advanced in years and unequal to the task; nor was his other brother Edmund much better qualified. The choice therefore fell on younger members of the family. Baron Gustave's son, Robert Philip, and Baron Edmund's two sons, James and Maurice, were put at the head of the business. But the vast machinery did not, even under their guidance, sustain the activity it had had under Baron James, whose life marked the golden age of the Parisian house. He has now rested in Père Lachaise for nearly half a century; but the Parisian firm has not yet found a second Baron James.

V

THE ROTHSCHILDS AT NAPLES

No city in the world has been so generously enriched with natural beauty, with all the marvels of earthly splendour, as the "Napoli la bella" of the Italians. Before it lies the unending, velvet-like blue sea, breaking the rays of the sun into millions of sparkling gold coins with the ceaseless ruffle of its waves. Behind it is the great, fire-breathing volcano, rearing its smoke-crowned head, and at times pouring streams of devastating gold, which spread like serpents of destruction over the country, from its awful jaws. There, at the foot of Vesuvius, Pompeii and Herculaneum sleep their age-long sleep, with all their petrified treasures; while the glorious blue of the island of Capri, with all its wonders, lights the distant horizon. Nor does this exhaust the marvels of Naples. All round it is a garland

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of laurel-woods, of lemon and orange groves in bloom; the air is full of the intoxicating perfume of the flowers of Sorrento, Amalfi, and Posilippo; and the deep blue dome of the heavens gracefully arches the wonderful panorama. Nature has scattered the symbolic gold of her sunshine with prodigal hand over the city, gilding even the dilapidated huts of the poor; and she has been just as parsimonious in the scattering of the material gold that men covet and treasure.

It was not, however, the beauty of Italy that moved the Rothschilds in the misty north to decide, in a council of the five brothers, that one of their number should go to conquer the country. They had calculated on paper, with the greatest care and thoroughness, what material results they might attain in a land so rich in treasure, yet divided into small States whose finances were in a worse condition than any others in Europe. They did not seek to realise some poetic dream, but they wanted a new field for the spread of their business, and, as they concluded that Italy was a promising

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country in this respect, they decided to create a centre there.

The only question that remained was, which of the five brothers should be sent on the expedition. Maier Amschel's eldest son, Anselm, had already entered upon his inheritance, and assumed control of the Frankfort house. Nathan had gone to London and won unbounded respect for the name of Rothschild in misty Albion. Solomon had introduced the work of the family into the imperial city on the Danube. Even the youngest of the brothers, James, had already settled in Paris and founded an independent establishment. The only one who had as yet no fixed residence, and worked alternately at Frankfort, Berlin, and Hamburg, was Karl—the fourth son of Maier Amschel—who was no more than an agent of the Frankfort or the London house. He was now selected to carry the fame and power of the Rothschilds to the south.

Karl Rothschild had hitherto been chiefly engaged, like his brothers, in floating the State-loans which they undertook. He had not yet

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done any business on his own account, and had generally been engaged in Prussia as a plenipotentiary of the Frankfort branch. At that time financial operations of this nature were somewhat uncertain, and had to be carried out with great care. The first large transaction with Prussia fell in the year 1816, when the country urgently needed a few millions to enable it to discharge its older debts. The Frankfort branch of the Rothschilds, which had frequently made advances to the Prussian Government out of the English subsidies in Napoleonic times, decided to find the required money. The loan was to amount to about a million sterling, and Karl demanded a commission of two per cent. for the Frankfort house. He had every confidence in his ability to carry the business through, as he believed that he could easily dispose of the bonds of the new loan in Holland.

At that time Karl was excessively anxious and prudent in money matters, as any careful business man is when he embarks on large transactions for the first time. Though he regarded

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the loan as thoroughly sound, he did not wish to involve the capital of the Rothschilds themselves to the full extent of it, and he therefore sought to interest the Amsterdam money-market in the operation. But the Dutch Government needed this market entirely to cover its own financial claims, and would not allow the loans of foreign States to be placed in their capital.

Karl Rothschild then thought of the Prince of Hesse, who already held Prussian bonds for more than £143,000, in connection with an earlier loan, and, when Karl came to Cassel, he proved willing to undertake the loan. He did eventually find the money, and the fact was regarded with great satisfaction in Prussia, since it would prevent the issue of the new loan from depreciating the value of the older Prussian bonds. This was Karl's first large transaction. It showed that the youngest of the Rothschilds had his share of prudence and intelligence, even if it betrayed, at the same time, that his education had not been so good as it might have been. Karl was then twenty-

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eight years old, yet in the papers relating to the transaction we find a letter written by him which swarms with mistakes in spelling. It contains such sentences as the following—

“I beg you to have it ready as soon as possible, if it cant be done at once, must be postponed until mine or my brother his arival.”¹

The elder brother of whom he speaks in this letter is Anselm, of Frankfort, who wanted Karl, fifteen years his junior, to make his first experiments in business under his care. He wished to teach him the thousand and one tricks of business life and initiate him to all the intrigues and stratagems which were required in negotiating State-loans. It was a kind of apprenticeship, during which Karl was to learn thoroughly the trade of his father and brothers. When it was over the brothers, always loyal to the wishes of the dead father, made Karl a “journeyman” in the profession and sent him to Italy to work independently.

It was the year 1822 when the fourth son of

¹ I have reproduced the errors as literally as possible in English.—Trans.

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Maier Amschel established the Italian branch of the Rothschild firm at Naples. Money was very scarce in Italy at the time, in spite of all its treasures. The art of making gold had made more headway in every other part of the civilised world than in Italy, where the soil was so rich in superstition and all kinds of occult science. Mysterious alchemists still brooded over the flames in their secret chambers, and the stuffed salamander, to which the alchemists ascribed a supernatural power, hung over the furnace. The fluid seethed in the thick-bellied retorts and serpentine vessels, and the whale-bone saws, the winding tubes, and the steaming pots all waited for the man-made gold to issue from the magical brew. The mysterious powder was extracted day by day from these phials in the secret laboratories of the alchemists, and by the light of ancient lamps, which hung on chains from the ceiling, the powder was committed to the crucibles on the furnaces.

All the magic was fruitless, however, and the secret of the alchemist was not discovered in Italy. Then a quiet German Jew made his

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way down from the misty north and solved the problem. He made the coveted gold for the Italians. Genuine gold coins rolled from his hands—gold coins with the papal keys on them—and their genuineness was best attested by the fact that the Holy Father himself accepted and hoarded them, and he heaped honours on the smiling young Jew whose hands were ever full of these gold coins. Karl Rothschild's gold rang just as true in the Vatican as in the treasuries of the small Italian States, and they were very welcome guests everywhere.

At that time Italy was, like Germany, an agglomeration of small States. But it was precisely this political division that represented Rothschild's capital and afforded him a splendid opportunity for business. When Karl chose Naples for his residence, he had no intention of confining his operations to the kingdom of Naples, but intended to spread them over the whole of Italy. There was not a very brisk commercial life in Naples at that time, but the beautiful city was the largest in the country, and there was a prospect of it

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becoming, with a little effort and skill on the part of the Rothschilds, the centre from which they could extend their hands to any part of Italy.

Karl did not intend to concern himself with the business life of Naples as such. He rarely entered into undertakings with private individuals. His idea was rather to use the enormous capital and excellent connections of the Rothschilds for the organisation of State-loans, as the other four Rothschilds had done so successfully in four other large European cities. Italy, the small States of which had perpetually to contend against scarcity of money in consequence of the bad financial policy they followed, seemed to be particularly suitable for such transactions. It was therefore quite natural that, very shortly after his settlement in Naples, Karl Rothschild became the almost absolute master of the various Italian Exchanges and the decisive factor in the province of State finance from the Alps to Naples.

In attaining this position he had a comparatively easy task. Quite apart from the work

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of their father, his brothers had already won a world-wide respect for the name of Rothschild, and the name alone sufficed to smooth his ways in the south. And in Italy it was precisely the Rothschilds that were wanted: their excellent connections, their talent for organisation, and—their money. The State coffers were empty throughout Italy, and even the Vatican had to contend with an eternal lack of money. The finances of Rome had fallen into a lamentable position under the extravagant administration of Pius VI, and the value of securities had, in view of the lack of funds to cover them, fallen to an unprecedented depth—five per cent. The papal States could not contract any more loans even at usurious rates. The situation had not improved under Pius VII; indeed, during his administration the taxes on salt had been increased and the lottery introduced, as he had absolutely no other means to raise the money that he needed. It was all of no avail, and the economy of the State had to contend with ever-increasing difficulties.

On January 1, 1821, the sum that had to be

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paid out annually on bonds in the kingdom of Naples amounted to nearly four million Neapolitan ducats. It was therefore impossible to postpone any longer the reform of the finances, and on May 26, 1821, the King of Naples separated the financial affairs of Sicily from those of Naples, and burdened Sicily with a loan of four and a half million ducats, which Karl Rothschild found, and the interest on which was to be paid to the Paris house. This was Karl's *debut* on Italian soil. He had not yet opened a banking-house at Naples, but had negotiated with the Neapolitan Government as the plenipotentiary of his brothers. The loan which he concluded, on very good terms, brought to a head his determination to establish a banking-house at the foot of Vesuvius. He then travelled over Italy, in order, like a careful business-man, to collect information as to the financial situation in all parts in which he trusted to work in the future. His experiences and information must have satisfied him, as he opened his bank at Naples in the following year. Immediately afterwards the Govern-

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ment turned to him for a loan, and with the help of this it extricated itself from its more pressing difficulties.

Karl Rothschild was well informed as to the financial condition of Naples and knew that the kingdom had to contend constantly with money difficulties. He also knew, however, that the reason for this was not that the treasury could not meet current and extraordinary expenses; it was simply due to the fact that the old burdens were too oppressive, on the one hand, and there were grave blunders in the fiscal administration of the country on the other. The amount of the loan was sixteen million ducats, which Karl Rothschild paid into the coffers of the State. These sixteen millions, however, by no means sufficed to put in perfect order the lamentable finances of the country. A new loan was needed, and the Government again applied to the Neapolitan house of the Rothschilds.

Karl now perceived for the first time the great influence he had in the kingdom. He had not yet been two years in the country, yet

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he wielded so great a power that his wish was taken as a command. And he now proposed to have his wish carried out. He was an intimate friend of the Cavaliere de Medici, a distinguished Italian noble of fine taste and excellent qualities, who was not only a connoisseur in art but a good financier. But the Neapolitan Government had banished the Cavaliere for political reasons, and he was then living in exile at Florence. Rothschild did not forget his friend. It may be that he particularly felt the absence of his friend in Naples, where he was still virtually a stranger and needed social support; in any case, he made it a strict condition of his floating the new loan that the Cavaliere de Medici should be recalled from banishment. He knew his friend's ability in the province of finance; and he not only wished to have him once more in his circle, but to attach him more closely to his person until he could find an opportunity to put him in a position which would be advantageous to the Cavaliere himself and afford a certain security to Rothschild.

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The son of the Frankfort ghetto had already, hardly a generation since old Maier Amschel had sold his modest wares in Jew Street, attained such a power that he could dictate terms to the Government of a country to which he had been a total stranger a few years before, and the Government had no alternative but to obey.

The second loan that Karl Rothschild—now Baron Karl Rothschild—negotiated for the Neapolitan treasury amounted to twenty million ducats. Yet these immense rolls of gold did not remain long in the impoverished coffers of the State. In less than a year they were empty once more, and there was another appeal to Rothschild for assistance. Karl now attached fresh conditions to the loan. He openly declared that he had no confidence in the administration of the country's finances, and that he would not think of undertaking the new loan unless he was afforded a proportionate guarantee that the fiscal policy of the State would be entirely changed. He would, moreover, not be satisfied with a mere verbal promise to that effect; he demanded that the actual

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minister of finance should be relieved of his office and the Cavaliere de Medici should be substituted for him. He felt that nothing but the co-operation of his friend could give him a satisfactory guarantee that the money matters of the kingdom would at length be established on a safe footing.

The kingdom of Naples accepted the condition. The Cavaliere de Medici was made minister of finance, within a year of his return from exile, solely because Karl Rothschild pressed for the appointment. The third loan, which he then negotiated amounted to about £2,000,000, but from that date the Cavaliere de Medici controlled the financial administration of Naples, and we may take it for granted that he did nothing that was unacceptable to Rothschild.

In the meantime Baron Rothschild had begun to regulate the financial condition of the other Italian States. Amongst other things the Jewish financier liquidated a loan for the supreme head of Christendom, the Bishop of Rome. The papal Government had in 1834,

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under the rule of Gregory XVI of the Cappellari family, converted a five per cent. State-loan into three per cent. bonds. This earlier five per cent. loan had originally been negotiated by the Rothschilds in conjunction with the Italian banking business of Torlonia for the papal States. The papal treasurer, however, Cardinal Tosti, now wished to have the loan floated in Paris, apart from the Rothschilds, and he travelled to that city in order to enter into personal relations with the Parisian bankers without consulting the Rothschilds. No doubt he did this for sectarian reasons, but it is possible that the cardinal thought he would obtain better conditions if he put others in competition with the Rothschilds.

At that time the Parisian bankers were beginning to organise very vigorously for a common attack upon the Rothschilds, who had succeeded in excluding all other financiers from the business of floating State-loans. This had not only led to a great deal of bitterness in French banking circles, among what were

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known as "the notabilities of finance," but it was felt as a great humiliation. Not one of them would have dared to resist the Rothschilds singlehanded, but they hoped that a combined action would enable them to oust their opponents.

The six leading banking-houses at Paris—Hagermann, André et Cottier, Fould et Oppenheim, Blanc, Collier et Cie, Odier et Cie, and Wells et Cie—formed an alliance for the purpose of breaking the autocratic power of the Rothschilds. In arranging the first French loan to the Sardinian Government, which they managed on the model of the City of Paris Lottery, these allied bankers won a first small success; they snatched the business out of the hands of the Rothschilds and undertook it themselves. The lion's share of the work fell to Hagermann, who had formerly had a bank at Genoa and been regarded as one of the leading bankers in that city. During the time when he was in business at Genoa Hagermann was intimate with the Sardinian minister Caccia, and, through him, with the

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Parisian banking firm Caccia, to which the minister had first offered the loan. The Parisian Caccia, however, had too little influence to undertake the important business offered to him by his brother, but he succeeded in getting it placed in the hands of Hagermann and his associates.

The Rothschilds, who had never up to the present' entertained the idea that competition would be of any avail against them, now felt the defeat so much that they wanted to avenge it, and they swore to spoil the business of the allies in future, or at least to hamper it in every way they could. They at once drew up their plan of campaign. They had sufficient means and connections to enable them to bring about artificially a considerable fall in the price of Parisian securities. This fall in Parisian stock brought about a fall in the rate of the Sardinian bonds, so that they quickly fell far below the price at which the associated Parisian bankers had accepted them.

This conduct of the Rothschilds sufficed to inspire the bankers with prudence and induce

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them to abandon the idea of further struggle against the Rothschilds. When, however, they learned Cardinal Tosti's plan—to convert the five per cent. loan into a three per cent.—André and Cottier insisted that it was an excellent opportunity for business, and succeeded in inducing their associates to undertake it. They sent a confidential agent of the allies to the papal treasurer at Rome, for the purpose of discussing the details with him. They instructed their plenipotentiary to get the loan, if possible, at a rate of seventy francs.

The agent of the bankers, however, had another, and not less stringent, instruction; he was to act throughout the negotiations as a simple intermediary and on no account to reveal the names of his principals. This he did; the negotiations were all conducted in the name of "the associated bankers of Paris," but the names of the bankers were not mentioned. He promised to do so when the contract was concluded, and Cardinal Tosti was to be free to withdraw from the contract if he thought them unworthy of confidence.

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The plenipotentiary of the six bankers had proceeded so far with the negotiations that he considered the business to be as good as settled. They were approaching the final stage, when, in spite of all their precautions, the Rothschilds learned of the matter. The mere presence of the Parisian agent at Rome, which was at once communicated to Baron Karl, seemed to him a suspicious circumstance, and, once his suspicions were aroused, he did not find it difficult to learn the facts. The Rothschilds had at that time influential friends in every Government and every country, and they did not leave unrewarded the services of these friends.

Karl at once went to Rome in order to make a personal inquiry into the situation. When he became fully acquainted with it, he visited Cardinal Tosti and showed him the original contract of the earlier five per cent. loan. The Rothschilds had undertaken this loan in conjunction with the Torlonia firm, and the contract signed in regard to it contained a condition which had hitherto been kept secret; it stipulated that the Holy See was not to

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approach any other firm about a new loan without first informing the Rothschilds and giving it the preference if it offered equally favourable conditions. The earlier loan had been arranged before Cardinal Tosti was put in charge of the papal treasury, and he was therefore unaware of the secret condition which Baron Karl brought to his notice. The intervention meant neither more nor less than that the Rothschild firm was going to use the Veto which the contract granted it.

The papal treasurer was now compelled to break off his negotiations with the agent of the Parisian bankers. It was a matter of course that, if the Rothschilds thought the business good enough, they would not let it pass out of their hands. On the other hand, it was possible for the Parisian bankers to make the loan not worth the acceptance of the Rothschilds by lowering their terms, and they declared that they were prepared to do so if a reasonable compromise were not effected. As that the Rothschilds contented themselves with a moral victory, entered into friendly correspondence

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with the Parisian bankers, and came to an agreement to undertake the loan in co-operation with them.

The Papal States and the kingdom of Naples did other business with the Rothschilds besides contracting loans, and Baron Karl figured in the accounts of all the small Italian States. He advanced loans, for instance, to the Grand Duchies of Tuscany and Lucca several times; the total sum amounted to about £400,000.

The then kingdom of Sardinia, which had five million inhabitants and a national debt of about £16,000,000, had no less than thirteen loans between 1848 and 1855, amounting in all to about £22,000,000, the yearly interest on which was more than a million sterling. Two of these loans were negotiated by the Rothschilds: a loan of £3,200,000 in the year 1850, and a loan of the nominal value of £2,680,000 in 1853.

As a recognition of the services which the Rothschilds rendered to the various Italian States, either in floating loans or making

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advances, the head of the Neapolitan firm received a number of decorations and other distinctions, even the Pope decorating his breast with the Order of the Redeemer. After the last revolution Baron Karl felt that he had had enough of life in Italy, and he returned with his family to his native city of Frankfort. As long as he had lived in sunny Naples, his *salon* had been the chief centre of the best Neapolitan society. Quite apart from the Rothschild millions, there was an attraction in Baroness Adelheid, Karl's wife. She was a daughter of the wealthy German family Hertz, an aunt of the well-known German poet, Paul Heyse; and she was the soul of her husband's *salon*.

A Neapolitan journalist writes as follows about her in the year 1850—

“If ever a woman was called to write the memoirs of her time, it is certainly the case with Baroness Adelheid, who has had the good fortune of observing the most distinguished men in Europe in her house during quarter of a century. She knows every one of the men

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who are making history. One may doubt, however, if her esteem of men has been much increased during that period. The gifted lady was more than once compelled to suppress an ironical smile when the highest dignitaries, who even thought that they were greater than they really were, bent respectfully before her and were most assiduous in making her the most graceful compliments and saying pretty things to her, without openly confessing the power of money, which was in reality the god to which they did homage. Would it be surprising if, in such circumstances, the mistress of the Rothschild house entertained a great contempt for the world? She was, in fact, only saved from this by her deep religious sentiment and the nobility of her nature."

Baroness Adelheid owed her great reputation—for such she assuredly had—for the most part to her devoted philanthropy; in her case it was certainly not the love of display, but the sincere feeling of a noble heart, that impelled her to acts of charity. As long as she lived at Naples she was conspicuous for philanthropic

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conduct, and deeply conscious of her religious duty to devote part of her means to the relief of the poor. She did not, moreover, forget the poor in her own distant country. Even while she lingered by the azure gulf she used constantly to send alms for the poor of Frankfort. Whenever she travelled to that city, she had hundreds of garments made by the various women's societies which devote themselves to the clothing of the poor at Frankfort, Berlin, and Hamburg. She bought up whole shops, and thus at one stroke promoted industry and helped the destitute.

She never forgot Naples, and her charity extended to the whole of the surrounding country. There is still to be seen at Naples the Asilo Rothschild : a home for the protection of children and for foundlings, which Baroness Adelheid founded in 1846 at a cost of nearly £5000. This was, moreover, not the only institution she founded. She was equally zealous to provide for infirm old men and widows, and many a poor family in Naples to-day still draws money from the interest of

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the fund which Baroness Adelheid devoted to that purpose half a century ago.

The obituary notices of the baroness speak of her as a woman of a type that is dying out. In her mind ideas of feminine emancipation never displaced the womanly virtues, even when she was misunderstood at times and her gifts abused. She had a remarkable gift of bringing relief to the distressed by her inimitable amiability, of making her gifts acceptable, and of inspiring courage and confidence in the dispirited. She never waited for the sufferer to come to her, but she herself sought out the poor, in the hovel no less than in the homes of impoverished gentlefolk. She had a kindly penetrating eye for the poverty that hid itself from the world under a cloak of seeming prosperity. It was these people whom she chiefly loved to assist.

The baroness was at the same time a protectress of art, of science, and of genius. She had a passion for all that was noble, beautiful and exalted, wherever it was found. "It was," says the Neapolitan writer, "as if all the graces

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hovered about her wherever she was." With all her gifts of heart and character she was at times very witty and brilliant. She had a real enthusiasm for art, and a wonderfully clear and critical judgment of everything connected with it. Well educated and intelligent as she was, she never forgot her Jewish origin, and was never, in any part of Catholic Italy, exposed to any unpleasantness on that account, although the Jews were very much oppressed in the country at the time. Even cardinals ignored her nationality. She not only supported her co-religionists, but often took their side in some controversy. Once, for instance, she obtained an audience from Pius IX, and expressed herself fearlessly to the Pope in regard to the persecution which Cardinal della Gengha and other powerful cardinals inflicted on the poor inmates of the Roman ghetto. The little Jewess bitterly reproached the successor of Peter, in the handsome chambers of the Vatican, and declared that such barbarism was a disgrace to the nineteenth century, and that he, the Pope, ought not to allow it, since he

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must know from his own experience how painful it is to see one's co-religionists persecuted. If it pained the Pope to see the faithful oppressed in Ireland, it was no less painful to her to see the Jews ill-treated at Rome.

Baroness Adelheid died in the year 1853 at the age of fifty-three. She was buried in her own soil, at Frankfort, and two years afterwards Baron Karl, who was in his sixty-eighth year, followed her to the grave. He also was buried at Frankfort, where husband and wife sleep together in the Jewish cemetery under the simple monument of Carrara marble, which bears the words: "Sleep: Baroness Adelheid and Baron Karl Rothschild."

Four children—a daughter and three sons—survived the parents. The daughter, Charlotte, married Lionel Rothschild of London, and the brothers also chose their spouses within the family—Maier Karl, the eldest, married his sister-in-law Louisa, the sister of Baron Lionel. His brother, Adolf Karl, married a daughter of the Vienna family, Julia, the granddaughter

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of Baron Solomon. The youngest son, Wilhelm Karl, married Julia's sister Mathilda.

After the death of their parents all the three sons moved to Frankfort, as none of them regarded Italy as a favourable field for the great financial operations of their house. Their father had ceased to do business in Naples some months before he died, and they concluded that it would be better to abandon it. When they reached Frankfort, Baron Anselm, the eldest son of Maier Amschel, was an infirm and failing old man. Eighty-two years of toil and strain weighed heavily on him, and he merely awaited the hour when he could transfer the burden to younger shoulders. It had now come. He had no children, and therefore relied on his nephews. The eldest of them, Baron Maier Karl, was thirty-five years old, and was put at the head of the Frankfort branch, which old Maier Amschel himself had once controlled. He now took the place of the grandfather and filled it very ably. He had such a fine talent for business, and was so reliable and firm, that the aged Baron Anselm

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was quite content to leave the reins to him and retire. The Neapolitan branch of the firm was thus blended with the Frankfort branch, and the title "Neapolitan" disappeared. The further history of the Neapolitan Rothschilds is to be read in the ledgers of the Frankfort house.

This Neapolitan activity of the Rothschilds had been no more than an episode. Like the ancient Norsemen, they had descended for the conquest of Italy and had soon become tired of their acquisition. The geographical situation—the difficulty and slowness of communication from Naples—prevented them from maintaining the close connection with the other branches of the house which it was an essential part of their financial policy to maintain. The Apennines and the Alps separated them from Paris, London, Vienna and Frankfort, and, as there was at that time no telegraph to distant regions in communication, they felt that they were too isolated. Couriers and pigeons could do little to lessen the inconvenience of the distance. That is the sole reason for the

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Rothschilds abandoning Naples. Had the telegraph been invented a few years earlier, it is possible that the Neapolitan branch would have become one of the strongest of the five. As it was, they quitted the shores of the beautiful bay, and they now only return occasionally for a few weeks' rest, as other travellers do, to the city where their father had been powerful enough to convert an exile into an important minister.

VI

THE FRANKFORT HOUSE

AFTER the death of Maier Amschel his eldest son, Anselm Maier, became the head of the Frankfort house. Anselm was a business man in body and soul; that was his chief characteristic. In point of fact, however, he had also the advantage of that important element of commercial life, luck, and this made his work considerably easier. He did not, of course, rely blindly on his luck, but was always very prudent and cautious, and never based his calculations on the favour of fortune. His concern was rather to grasp the favourable moments which arise in political and commercial life. He followed the course of events with close attention, and endeavoured to take every possible advantage of political and economic conditions. That was his first principle in business, and his luck consisted in the

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fact that events afforded him so many opportunities for the application of his principle.

Anselm Maier Rothschild very closely resembled his mother in character, cast of mind, and simple ways of life. He maintained this plainness throughout life, even when honours and dignities had been heaped upon him. Less than a year after he had undertaken the control of the Frankfort bank he received the title of Royal Prussian Privy Commercial Councillor, and three years afterwards, in 1816, he was raised to the Austrian nobility with his brothers. The year 1820 brought him a new title; he was made Bavarian Consul for the city of Frankfort and official court-banker.

Old Maier Amschel, who had been put to rest in the Jewish cemetery scarcely ten years before, can hardly have dreamed that his sons would become barons in so short a time. Anselm, however, set no store by his title of baron of the Austrian Empire. He was interested in nothing but business, and took no pleasure in anything but large financial operations. As the eldest of the five brothers, he

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often expressed a concern lest the later generation, seduced by a desire for titles and dignities, display and luxury, should depart more and more from the spirit of the elders. He sometimes bitterly reproached his brothers, especially Karl, who was very partial to display. The Neapolitan Rothschild once spoke in Anselm's presence of his sons as "the young barons."

"Don't talk to me of young barons," said Anselm angrily. "Drop the expression! Take care rather that your young dignitaries become honest and hard-working business men; their title will never bring them in a farthing."

He cared nothing for external things, spent his early years in an intense application to work, and was consequently deficient in education. In later years he tried to improve himself in history and languages, and even took to gymnastics, but when any one attempted to praise his riding he promptly turned his back on the flatterer. He spoke French and German badly, as he had been compelled to learn these languages in middle age; and, in fact, his

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choice of expressions was not much better in German. On the artistic side he was interested in antique metal-work and small sculpture, and he often passed very sound opinions on pictures. His chief interest, however, was in his garden, where he loved to walk. All these peculiarities and faults he retained until his eighth decade of life: an interesting example of a type that is now dying out.

He was eccentric throughout life, and never really enjoyed his great fortune. A young Parisian who was once entertained by him said to him, when he was leaving and wished to thank him for his hospitality—

“Ah, if one only had the good fortune to change places with you, Herr Baron.”

A shadow came over the face of Anselm Rothschild, and he replied, gravely and thoughtfully—

“My dear friend, no one would be more willing to effect the exchange than I, if it were possible. Listen to me. You admire my horses. It is certainly a great pleasure to me to ride, but my physicians have long forbidden

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me to do so; my stomach and digestive organs will not permit it. As to the pleasures of the table, I generally pay for them with very painful consequences when at any time I have yielded to my inclinations. I am completely insensitive to the smell of flowers, and so am deprived myself of the great pleasure which my conservatories give to other people. My business activity prevents me from appreciating properly the pictures and statues that adorn my house. The one creature that I ever really loved I have never been able to call mine. In a word, all that I get out of wealth is—the duty of preserving and increasing it. Now, tell me, are you still anxious to change places with me?”

These sombre words give us a glimpse of the soul of Baron Anselm. He was not the master, but the slave, of his vast fortune. And what must have been particularly painful for him was the consciousness that he was not his own master even in his inmost experiences, to say nothing of his professional duties. He had to sacrifice his life and every enjoyment, even

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BARON ANSELM MAIER ROTHSCHILD.

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love, to the pitiless god Mammon. The remark that he could never call his own the one being whom he had ever loved exposes his wound to us. Even in his grey, and apparently bloodless, old age this wound, inflicted by love, was never healed. He had loved with all the ardour of his young heart in early life, and had been compelled by his father to sacrifice his passion. It is not known who it was that thus won the heart of the later head of the Frankfort house : the family chronicles are silent on that point. We may suppose that the maiden belonged to some poor Jewish family, otherwise the father would not have been so sternly opposed.

Thus the first victim of Maier Amschel's domestic and matrimonial policy was his eldest son, whose happiness he sacrificed to the fortune of the house. Anselm bowed to his father's orders, and controlled his feelings in the interest of the family. How much suffering it cost him we can gather from the confession in his old age, which shows how keenly he still remembered the love of his youth.

At that time he was married to Eva Hanau,

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whom his father had chosen for him. No children were born of this loveless marriage, contracted in the interest of the family. It is possible that the childlessness of his wife contributed to the morose disposition of Baron Anselm, whose home was never brightened by the laughter of the young. He therefore devoted himself entirely to business and passed his life without knowing what real joy is.

A contemporary, who lived in the vicinity of Baron Anselm and had good opportunity to observe him, writes as follows—

“Maier Anselm von Rothschild is the eldest of the European nabobs : a man of thoroughly Oriental physiognomy, with old Hebrew ways and habits. His hat is pushed back on to his neck, his hair is white as snow, his expression is, on the whole, one of candour, even when he assumes a more cheerful expression if he notices that he is observed. His coat is open, as a rule, and does not rest neatly on the shoulders, but falls negligently over them ; his hands are always in his trousers pockets, playing with money. He generally goes on foot,

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and gives money generously to every beggar he meets—never less than a sixpence. He has a strong feeling of philanthropy. The poorer Jewish families of Frankfort live largely on his benefactions, and he gave the greater part of the money for the new Jewish hospital. In times of great cold or after a fire he is always ready to give large sums. When there is any widespread distress, quite a crowd gathers in the street in front of his bank.

“His house in the Fahrgasse has not an impressive exterior, and a passing stranger would never suspect that it was the residence of the wealthiest business man in the world. From a kind of superstition he still keeps his offices in the house; he feels that luck might desert him if he left the house. There he sits like a padishah among his clerks, on a raised platform, his secretaries at his feet and his clerks and agents bustling about. He gives his opinion on everything in a few words. Being a commercial genius of the first rank, he can decide instantly on any offer, oral or written, and, when once he has given his brief decision,

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nothing in the world will induce him to say another word about the matter. No one is ever allowed to speak privately to him about business; everything is discussed openly in the office, as in the old Rhine courts.

“He observes the hours of business as punctually as his clerks, and takes even less relief than they; even when he goes to the theatre, he is almost always called out because some courier has arrived. In the same way he is summoned from bed nearly every night to read dispatches and perhaps send messages to Vienna, Paris or London. He has a small desk for the purpose beside his bed.

“He has a number of titles and decorations, but as a rule only wears the ribbon of the Hesse Court, and likes to be addressed simply as ‘Herr Baron.’ The diplomatists who are accredited to Frankfort, and all who pass through the city treat him with great distinction, and great dinners are exchanged; but as Rothschild only eats *kosher* meat he does not at all enjoy these banquets. This strict and sincere adherence to the prescriptions of his religion

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does him great credit; he is regarded as the strictest Jew in Frankfort. I have never seen any man so distressed, beat his breast so much and implore the mercy of heaven, as Baron Rothschild on the long day in the synagogue. He often faints from the strain of the interminable prayers and song, and strong-smelling plants from his garden are then brought and put under his nose to bring him round. In earlier years he inflicted severe mortification on himself in order to prevail upon heaven to grant him a child, but it was of no avail."

He was eighty-two years old when he died, on December 6, 1855, working with great vigour of mind until the end. Work and the exercise of charity were the only things which gave him pleasure. In his will he left £100,000 to the Jewish community, to be distributed in small sums, and gave other generous sums to the poor. He used to say: "The poor on the streets are my servants," and he never passed a beggar without giving him something. He had inherited this practice from his father.

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his will he directed that the poor families of Jew Street should receive weekly assistance.

An anonymous writer published the following portrait of him after his death—

“Rothschild was, apart from his commercial position, which we are unable to judge, a man of penetrating intelligence and wonderful knowledge of men. A remarkable instinct enabled him to form the most accurate opinion even of people whose cast of thought and intellectual interests were very different from his own. He could detect vanity, hypocrisy, and inward emptiness under any veil of learning or accomplishment. The solid nucleus was everything to him, and he treated with straight and sincere men on an equal footing. His knowledge of men often passed into disdain of men. That is easily understood; his sharp eye saw how everybody paraded his particular quality like a peacock’s tail—the artist his fame, the noble his genealogy, the orator his turns of speech—sometimes with an obvious purpose, sometimes with obvious pride, but generally for the sake of some mean advantage.

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“He had a great regard for the quiet and modest man, who expressed his views candidly. He regarded personal interest as the main-spring of human conduct, yet did not question that there were many with idealistic tempers. That there were men here and there who had high and sincere thoughts, apart from, or even against their own interests, he was quite prepared to admit, but he was not disposed to regard such men as clever. His conversation always seemed to be confiding, yet he contrived to give at the same time an impression of reserve. The language spoken by the Jews was particularly suitable for this equivocal expression. The speech they used in Frankfort was understood by the Christian and was very effective in his mouth; he was quite aware of the somewhat droll character of his conversation, and made good use of it to convey truths and corrections by way of a joke, when they might have offended if put in plainer words.

“The stories that are told of him in this connection all point to his possession of a level head and penetrating discernment. Sometimes

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he would express his sense-impressions in very simple speech. Once, when a large company had gathered to do honour to Thorwaldsen, who was passing through Frankfort, Rothschild said, looking at him: 'You look so handsome, sir, that one would think you had made yourself.' Thorwaldsen had to admit that he had never received a more original compliment. At the time of the celebration of his golden wedding it was observed that he showed great skill and ease in saying an appropriate word of thanks to each of the invited guests, the humblest as well as the most distinguished.

"The old man was aristocratic only in the sense that, without any pronounced pride, he was conscious of his importance and power. His power, indeed, was not slight, since it secured for him in such abundance the things that men prize. He was not at all unwilling to talk about his humble beginning, his selling of old coins in hotels, his travelling on foot from office to office, his Friday evenings in the old house in Jew Street, where the meal consisted of white bread and roasted nuts; and he

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treated with profound disdain the pride of certain other *parvenus*. Political partisanship was foreign to him, except in the sense that business gave him a disposition in favour of the principles of peace and stability. We remember hearing him say on one occasion: 'Men want liberty, and are only willing to obey when it is to their advantage; as a rule, however, it is best for them to obey.'

"Anselm von Rothschild gave away an extraordinary amount of money in small sums. There may be many who think otherwise, because their own petitions were not answered to their satisfaction, but that feeling often leads to injustice. When begging letters for the poor, or for contributions to institutions, churches and other purposes, come, not by the dozen, but by the hundred and even the thousand, it is difficult for a man to distinguish accurately, and impossible for him to have a personal sympathy in every case. His philanthropic feeling, so reminiscent of ancient Judaism, was based on a very plain philosophy, the motto of which was, 'Live and let live.'

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He had in addition a tactful appreciation of his position; he gave work to a great number, and was always pleased to hear that some industrious little man was getting on.

“The poor sustained a heavy loss in him, and even the independent observer was forced to admit that a remarkable personality passed away in him. . . . In intercourse with ladies he maintained a sort of lively, but not tactless, gallantry to the end of his life. . . . With all his eccentricities and defects we recognised in him a son of the mighty 'seventies, one of those original characters that grow rarer every day.”

A good many anecdotes are told of Baron Anselm, for, in spite of his eccentricity and misanthropy, he liked wit and repartee. The well-known humourist, Moritz Saphir, once sent him a note couched in the following terms—

“Herr Baron, send me a thousand *gulden* and—forget me.”

Baron Rothschild sent the money, with the witty reply—

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“I send herewith the sum you ask and—have already forgotten you.”

Saphir was very pleased to get the money (about £80), but was annoyed that Rothschild had capped his wit. He swore that he would be avenged—with his own peculiar weapon, of course. Rothschild had probably forgotten the matter when he next met Saphir, who began to lament his material cares, and described his financial distress in such moving terms that the baron, who was at the bottom a soft-hearted man, began to sympathise with him.

“Come to my place to-morrow,” he said, “and I will give you five hundred *gulden*.”

Saphir, of course, went to his office on the following morning, and the financier received him with a friendly smile.

“So you have come for your money?” he said.

“No,” replied Saphir, energetically.

“No?” Rothschild repeated, in great surprise.

“No,” Saphir repeated. “I have not come for my money, baron, but for yours.”

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Another anecdote shows how notorious were the baron's generosity and philanthropy. He went to Ems for the improvement of his health in the summer of 1832, and lodged on the first floor of the "Römerberg," where there was likewise a young Uhlan officer who was also a baron. Rothschild became very friendly with him, and they one day went for a walk together along the road from the baths to the "Four Towers." Suddenly Rothschild interrupted the conversation and stood still, as a poorly dressed man appeared behind them, feeling in his pockets in a somewhat nervous way. The young Uhlan thought at first that it might be an assassin or robber with intentions on Rothschild's pockets or life, but he soon saw that the forbidding stranger wanted to give the baron something, possibly a begging letter, instead of taking something from him. He therefore allowed the man to put his note into Rothschild's pocket, and the baron quietly resumed the walk and the conversation.

The sharp corner of the letter in his pocket behind was, however, a little inconvenient; he

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took it out, glanced at the writing, and put it in a better position, saying, "I know what it is." Apparently he could tell by feeling it that it was a begging letter. They continued their walk along the road toward Coblenz, and did not turn back until it was growing dusk. Then a ragged fellow pounced on Rothschild from the bushes and pressed against his breast some object that he held in his hand. The young officer was just about to throw himself on the aggressor when he noticed that it was not a pistol or a dagger that the man had in his hand, but a begging letter; he was so excited that he chose to deliver it in this extraordinary way. Rothschild had remained as calm as usual; he was quite accustomed to receive letters in that way.

A third anecdote runs that Baron Anselm had invited a few friends to supper one warm evening, and the window opposite to his chair was left open. During dessert, just as they were cutting up a pine-apple, a letter shot in through the open window, to the astonishment of his guests, and dropped on the baron's plate.

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The guests stared, but the baron quietly took a piece of gold from his pocket, wrapped it in the note (without reading the note), and flung it half-way across the street. This original way of practising charity amused his guests, but Rothschild was not at ease until he knew that his gift had reached its destination. He asked his guests to allow him to leave them for a moment, hurried to the window, and leaned out. After looking round for some time, he returned quietly to his seat, saying in a low tone of voice: "Placed." He had "arranged a loan," and, though it would never be paid back, he instinctively wished to make sure that it had been safely negotiated.

As an orthodox Jew he observed the Sabbath very strictly, but he had no objection to concluding business and receiving money on such days. At the time of the Aix Congress, for instance, he had to receive a sum of £20,000 from the State Treasury on a Saturday evening, and he turned up at the proper time. When some wit, who noticed him, remarked that it was the Sabbath, and that no orthodox Jew

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should handle money or do business on that day, Rothschild answered—

“One has not a chance every day of receiving £20,000.”

Bismarck knew Baron Anselm very well, and he gives us a very characteristic portrait of him in a few words—

“He is a poor man in a palace. Childless and a widower, deceived by all his people, even his fine Frenchified or Anglicised nephews and nieces, who will inherit his fortune, treat him badly and ungratefully. He is, however, very assiduous in business, in spite of all that.”

Bismarck was very fond of Rothschild stories, and was personally acquainted with several members of the famous family. He liked and esteemed them, and was equally amused by their eccentricities and their shrewd ways. He very often spoke of them at banquets, in order to bring in some story about them. One of these stories, which very well illustrates the business principles of the Rothschilds, was told by Bismarck at a dinner in the following form.

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At that time the head of an important grain firm was negotiating the purchase of a large quantity of wheat, and thought that the price demanded by Baron Rothschild was excessive. He bargained for a considerable time, and at last exclaimed, in the heat of the struggle—

“A rich man like you, baron, does not need to ask the highest price for his goods.”

Baron Anselm laughed slyly at the corn-merchant, and said—

“What! Is my wheat of less value because I am a rich man?”

The reply is characteristic of the baron's business principles. He counted every penny, and acted as if his whole fortune depended on his making another ten pounds or so out of his wares. Bismarck, who recognised the character of the Rothschilds in these anecdotes, used also to tell a story about Prince Metternich and Baron Anselm. Once, when Metternich returned to his château at Johannisberg from Frankfort, Rothschild made him a present of six bottles of excellent Johannisberg. It was the wine produced on Metternich's own estate,

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and, instead of drinking it, he called his butler and asked him how much a bottle it cost.

"A pound," was the reply.

"Very good," said the prince; "put these bottles aside, and the next time Baron Rothschild orders any of this wine, send them to him. But add three *gulden*s [five shillings] to the price, as the wine will then be older."

Baron Anselm took great pride in his wines and his cuisine. Just as he sought the goodwill of Metternich by making him a present of costly wine, he once attempted to captivate the Emperor William I by the marvels of his cooking. According to Bismarck's account, William I was passing through Frankfort, and the Chancellor invited the monarch to dine with him. When Baron Rothschild heard of this, he sent the Emperor a request that he might have the honour of finding him a dinner. William genially consented, but added that he had important matters to discuss with Bismarck, and hoped to do this during the dinner. If Rothschild did not mind this, he would be pleased to dine at his house. He felt that this

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would put an end to the baron's project, but Rothschild was not so easily put off. He hastened to Bismarck and tried to persuade him to abandon his imperial guest to him (the baron), and join them at dinner. Bismarck said that he would be pleased to do so, but it was impossible.

"Very well," said the baron, "if you will not dine with me, let me at least provide the dinner. I have one of the best cooks in the country. He will do everything, and, if I cannot be present, I shall at least have the pleasure of feeling that I provided the meal."

Nothing came of the matter, of course. But years afterwards the Chancellor used to say in a tone of resignation when he recalled the episode—

"Unfortunately, I could not comply with the baron's request. It was a pity, as his dinner would certainly have been much better than mine."

In view of the advanced age of Baron Anselm it at length became necessary to arrange for a successor in the control of the

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Frankfort bank. Not having a son of his own, he chose the son of his Neapolitan brother, Karl, and the nephew lived with him in his later years, in order to be initiated into the working of the complicated machinery of the business. This nephew, Baron Maier Karl, who was then thirty-five years old, also inherited the uncle's private fortune, which was estimated at over two million sterling. Baron Maier Karl conducted the business on the same lines as his uncle had done. He had, from his long sojourn in Italy, cultivated a fine taste for art, but he was none the less devoted to business, and his excellent qualities won for him so much regard at Frankfort that he was elected a member of the Reichstag of the North German Alliance.

He was careful in all things to carry out the wishes of the founder of the dynasty, Maier Amschel, and married within the family, choosing Louisa, the daughter of his uncle Nathan at London. His own daughter—he had no son—married a member of the family.

In his domestic life he was more fortunate than his uncle had been, and was free from

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eccentricity. The love of art and of business were happily reconciled in his nature, and he took pleasure in social life. He held a quiet and genial philosophy of life, and did not allow himself to be disturbed by the conflicts and excitement of social life. His idea of business may be gathered from the reply he gave to a clerk who once asked him what a man ought to do to succeed on the Exchange—

“The thing is very simple,” said Baron Maier Karl; “we have merely to act as we do when we are taking a cold bath. Quick in, and quick out again.”

He not only preached this maxim, but acted on it, and owed the greater part of his successes to it.

Yet his personal ability could not prevail against the change in the political and economic conditions. Frankfort, once the focus of commerce, gradually lost its importance, and the Rothschild house declined with it. The financial position of States had greatly improved; they were no longer restricted to the Rothschilds in seeking loans, as the large company-banks now entered the field. Baron

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Maier Karl was able to maintain, to some extent, the position of the Frankfort house by his own ability and exertions, but it lost its cosmopolitan significance when he died.

He died in January 1887, in his sixty-eighth year. After his death his brother William, who was eight years younger than he, controlled the business of the Frankfort house for a time, but at his death his widow Mathilda, granddaughter of Baron Solomon of Vienna, could not succeed in inducing the relatives to maintain the old firm. The head of the Vienna house, Baron Albert, supported his aunt in her request, but as none of the younger members of the family was disposed to undertake to manage it, the bank was closed by a family council.

The house was thus closed less than a hundred years since it had been founded by Maier Amschel. No longer are ledgers kept in the rooms of the Rothschilds at Frankfort, whence the sons of the house with the green shield had set out to conquer the world; no longer do the descendants of the young candidate for the rabbiship decide the fate of State-loans. The rest is silence.

VII

THE VIENNA ROTHSCHILDS

FATE had decided that Solomon Rothschild, the second son of Maier Amschel, was to become the founder of one of the most important branches of the house. The head of the famous financial dynasty had put his eldest son, Anselm, in charge of the Frankfort bank, and it was necessary for the younger brother to seek a new field for the exercise of his business ability. During the years in which he had worked for the parent-house he had occasion to visit Vienna, as well as Berlin, at times, and he was enabled to decide which of these cities would be the more suitable for his purpose. He carefully sought information about the financial world in both.

In this way he had become so familiar with the financial conditions in Germany that his brother Nathan, who already played a great

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part in the money world at London, called him to London in 1818 in order to entrust to him the arrangement of the Prussian loan. At this time he was disposed to choose Berlin for his establishment. Anselm, however, was opposed to this. "Prussia can stand a good deal," he said, "even exhausting wars; but it can hardly stand two Rothschilds." He was himself quite able to deal with Berlin from Frankfort, and it would be better for Solomon to go to Vienna. So Solomon went to the Austrian capital.

The financial condition of Austria, and the great importance of Vienna as a centre, persuaded the Rothschilds to establish a bank there, as they had done at London. The heavy strain that Austria had sustained since 1792, in the wars against the French Republic and Napoleon, had almost exhausted the financial resources of the country, and its economic confusion afforded the Rothschilds a welcome field for their specialty, the State-loan. Austria was in dire need in this respect, and would not ask whether assistance came from Jewish hands or no. The Jews had always played a great part

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in financial matters in Austria, especially at Vienna. The nobles were wealthy, but held aloof from business, and the State was therefore compelled to turn to the Jews for the help it needed. Although their money was liberally used, however, they were still badly treated. They had to pay a heavy capitation tax, and, in order that they might be recognised, they had to wear a pointed hat and a yellow patch on the left arm. They were also restricted to certain quarters of the towns for their residence; at Vienna the suburb of Leopoldstadt was set aside for them. They were afterwards expelled from this suburb in consequence of a bloody riot caused by the Vienna students, and the synagogues were turned into Christian churches.

In the course of time the city was compelled to put an end to this disorder, and the Jews returned to Vienna, though they were still deprived of the rights of citizenship. There was, therefore, unbounded astonishment when, in the year 1783, the Emperor Joseph II gave the title of baron to a Jew, the banker Joseph

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Michael Arnstein. He was the most prominent of all the workers on the Vienna Exchange, and at the time of the Vienna Congress he and his colleague Eskeles gave brilliant feasts which attracted the attention of the whole city. The Austrian Treasury had done business with Arnstein and Eskeles and other important Viennese banks just before the Congress. When political difficulties now multiplied for the Government, most of the other bankers declined to do further business with it, and Arnstein and Eskeles, who did not withdraw, came still further to the front. They were joined by Fries & Co., Geymüller & Co., and Steiner & Co., and the four banking houses arranged a number of loans for the Government during the wars. Steiner & Co. then withdrew in turn, after making an enormous profit, on the ground that Steiner was advanced in years and could no longer bear the strain of business. The Rothschilds took the place of the retiring firm, just at a time when a new State-loan was being negotiated. They arranged this in the form of a lottery, which proved very acceptable

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to the general public. It was thus the Rothschilds who induced the monarchy to initiate the State lotteries which became so popular in Austria.

The second son of Maier Amschel was already at that time an Austrian nobleman, yet the baron did not venture for thirty years to have a permanent residence in Vienna; he lived in a hotel, so that he should not be compelled to submit to the authorities. He did not wish to be a citizen of Vienna; as a Jew he could not possess the rights of citizenship, and he preferred to remain a foreigner, a citizen of the free city of Frankfort. In time, however, Vienna wished to express its thanks in some way for the advantage which it had reaped from the establishment of the Rothschilds. The authorities wished to see a more cordial relation between the city and the financier; to see Solomon Rothschild, not a stranger amongst them, but as much at home as Nathan was at London and James at Paris. A deputation, therefore, waited upon him at the beginning of 1843, with Count Kolawrat at its head, and

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offered him, as a New Year's gift, the freedom of the city.

Thus, although his Jewish nationality forbade him to be even a modest citizen of the metropolis, his great services procured for Baron Solomon the title of honorary freeman: a distinction which he richly deserved for the unselfishness with which he had always sought to promote the interests of Vienna, and the practice of philanthropy that had won him general esteem and affection. He responded to the honour by establishing a foundation, the interest of which enabled youths of Vienna to make use of the Academy of Arts in that city.

Baron Solomon arranged his first Austrian State-loan, with the minister of finance, Count Stadion, in the year 1820. On the fourth of April he, in conjunction with David Parish, undertook to float a lottery-loan for a sum of four million sterling. His second loan, amounting to more than three million pounds, was also negotiated in co-operation with Parish. When, at the end of 1823, Austria again needed

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money, he found £2,000,000 by means of London bankers. Six years later he again found £2,000,000 for the Treasury; and a smaller loan was arranged five years afterwards. In the year 1839 he arranged a loan of £2,500,000, and in 1842 one amounting to £3,500,000. Austria was now in a position to demand better terms, but Baron Solomon still made a considerable profit on these transactions.

The Austrian Government was extremely grateful for his assistance; as Gentz says, Metternich always spoke in the most flattering terms of Baron Solomon's operations. And not only did statesmen speak of him with respect; other bankers, and even indirect rivals, did him justice. When, for instance, the head of the firm of Bethmann Brothers, of Frankfort, went to Vienna in 1821, he visited Baron Solomon, and said of him—

“I recognise that the Rothschilds have been of very great assistance to governments, and I may honestly say that I have no jealousy or complaint on that account. Solomon, in

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particular, is a man of estimable character, and I have a very great regard for him. I know on good authority that Solomon Rothschild has said that the five brothers have made a net profit of £500,000. It is a case of the English proverb: 'Money makes money.'"

The cordial co-operation of the five brothers contributed materially to the prosperity of the firm. There was no grumbling and murmuring when the result of a transaction did not come up to their expectations. Solomon was liked by everybody on account of his ways and obliging disposition. No one ever left his presence without having received some assistance. He might have said in all truth that he had conquered Vienna. While he won one success after another, the firm of Fries & Co., which had at one time been associated with him in the Austrian loans, came to grief. The son of the head of the firm, young Count Fries, was, although he had inherited £670,000 from his father, and this sum and the discounting business gave him a large income, compelled in

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1824 to fly to Paris, where he died soon afterwards.

This catastrophe forced the other three associated houses—Geymüller, Arnstein and Eskeles, and Rothschild—to take into partnership the Vienna banker and millionaire Baron Georg Sina, and from that time the Austria State-loans were arranged by these four firms in co-operation. The Geymüller firm, however, got into difficulties; indeed, a warrant was issued against them for “dishonest dealing with the moneys entrusted to them,” and they were called to account. The successors of Steiner & Co., Schikh Brothers, also became bankrupt, and many other banks wavered. The Rothschilds alone stood firm, and seemed to be all-powerful in business.

Baron Solomon gave his attention to other enterprises besides State-loans and banking. He not only advanced considerable sums to the nobles of Austria and Hungary and members of the international aristocracy, but founded limited companies and railways, from which he made large profits. As Weil wrote,

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about the middle of the last century: "Rothschild is the head of the railways, even as opposed to the Government. They are controlled by a society, and this society is controlled by one man, who can do what he pleases with its members. This man is Rothschild." Since that date the private companies have nearly all passed into the Government's hands, but at that date the chief commercial lines were subject to the control of the Rothschilds. Amongst others Solomon created the oldest railway company in Austria, the "Emperor Ferdinand Northern Line," and was thus the man to introduce the locomotive into the country. The railway was planned, it is true, by Francis Xavier Riepl, but Rothschild provided the capital that was necessary for its construction.

It was one of the chief characteristics of the Rothschilds that they so quickly grasped the situation and adopted sound projects. Baron Solomon had his share of this gift of the family and was one of the first to see the importance of the new means of reducing distances. In

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the year 1836, when the Vienna station of the line was built, a statue of Baron Solomon was erected by the company in the waiting-hall. The finest sculptor of the time executed it; it was of life size, and of Carrara marble, and the pedestal bore the inscription—

“THE EMPEROR FERDINAND
NORTHERN RAILWAY SOCIETY

TO ITS FOUNDER

BARON SOLOMON ROTHSCHILD”

On the other side of the pedestal were the words—

“FOUNDED THIS RAILWAY, THE FIRST IN
AUSTRIA TO USE STEAM”

Rothschild also undertook the financing of mines and smelting-works, not only in Austria, but in other countries also, even as far away as Spain. He farmed the quicksilver mines of Almaden, after the united Spanish banks, under the title “Banco Español de San Fernando,” had failed to secure the undertaking. Baron Solomon’s Madrid agents prevented

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them from obtaining control of it, as this would have made them dangerous rivals of the Austrian quicksilver mines which produced large quantities of mercury every year. The struggle ended in a compromise and partnership. A certain uniformity of prices was agreed upon, and the Rothschilds secured a larger profit.

The traditional luck of the Rothschilds never left Baron Solomon. For instance, when, in the month of November 1836, a great fire raged at New York and threatened to destroy whole streets, the Rothschilds' sulphur store, which was in one of the threatened streets, was uninjured. Not a building in that street took fire. The remarkable fever for speculation which was rife at that time also contributed to their fortune. Every day witnessed new foundations, and wherever there was a prospect of profit, they hastened to take large batches of shares. They played the leading part in the establishment of banks, limited companies, and industrial enterprises, as they could often make more by constructing a railway than in arrang-

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ing a State-loan. According to a contemporary they amassed a sum of more than £20,000,000 by commercial and industrial enterprises and the creation of railways.

Baron Solomon also extended his operations as far as Trieste, where he controlled the market in conjunction with the firm of Marpurgo. He took the leading part in every financial operation in Austria, and it could be shown that State-loans had always in some way to pass through his hands. On more than one occasion the circumstances of the Empire were confidentially submitted to him; he had free access to ministers, and Metternich was his special protector. The relation between the two men had assumed a friendly character, but Rothschild did not hesitate at times to oppose the powerful minister. An occasion of this kind occurred in 1831, at the time of the Belgian Revolution, when a bitter and secret struggle took place between the statesman and the financier; the more dangerous as it was concealed by a show of politeness. Metternich pressed imperiously for money from Roths-

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child, in order to be able to make an armed intervention. Rothschild hesitated and deferred his reply, as he wanted first to learn from his brothers at Paris and London whether this intervention would disturb their business. Metternich became very impatient, and at last secret instructions came from Nathan and James that Solomon must be very careful; he must on no account supply money for the war, as England and France were on the side of Belgium.

At this Baron Solomon resisted all the pressure of Metternich; he refused the money, and Metternich had to abandon his plan of armed intervention. Rothschild's refusal must have prevented the sacrifice of many human lives. Metternich was, no doubt, very angry with the baron for refusing his assistance, but he was not wholly estranged, chiefly owing to the mediation of Metternich's third wife, the Countess Zichy-Ferraris. Solomon had won the regard of the great diplomatist's wife, acting on the principle that "Little gifts maintain the life of friendship." Through her he came

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into touch with the members of the Hungarian aristocracy, as we can trace in the ledgers of the firm. They were more in need of money than ever at that time, and frequently mortgaged their estates. Prince Esterhazy had about £540,000 from Rothschild, Count Hunyady about £40,000, Count Sándor £56,000, Count Széchenyi £166,000, and so on.

The Rothschilds wished to enlarge their capital by dealing in landed property as well as money. Both in Germany, France, and Austria they bought extensive estates, and were in many places allowed to place an entail on the property. On one occasion Baron Solomon received an even more conspicuous proof of imperial favour. He had rendered some important service to the country, and the Emperor received him in private audience and gave him a ring from his own finger. The ring was not of much intrinsic value to a millionaire, but Rothschild was greatly concerned when, some time afterwards, he lost it after taking a bath. He promised a princely reward to any one who

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discovered it, and, when the chief attendant at the bathing establishment found it and restored it to him, he gave her a sum amounting to nearly £600, with which she set up a business of her own.

The Viennese, especially the Jewesses at Vienna, had a curious superstition in regard to Rothschild's hand. They literally believed that he turned into gold everything that he touched, as Baron Solomon himself discovered on one occasion. It was a very busy day on the Exchange, and the porter informed the baron that a lady, who would not give her name, wished to see him. He was an amiable and polite man, especially to ladies, and he hastened at once to his mysterious visitor. A lady veiled thickly to her feet was waiting for him, and Baron Solomon, thinking that he had to deal with a higher type of beggar, took out his purse. The lady shook her head, however, and said—

“I have not come to beg, baron, but to ask a favour.”

“What is it?”

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“My poor husband died two months ago, just before my daughter was betrothed. As you know, we Jews do not like a wedding during a year of mourning. . . .”

“Do you want me to give you something for her outfit or her dowry?” asked the baron, who was anxious to get back to his important business on the Exchange.

“I am very grateful to you, but, fortunately, my husband has left us in fair circumstances. We are not rich, but we are not poor. . . .”

“What do you want then, madam, please?”

“I have a favour to ask of you. I cannot give my daughter a dowry, but would like to give her something for luck. . . .”

Baron Rothschild was impatient at wasting his time on trifles with a Jewish widow while the fight proceeded on the Exchange.

“Well, what is it?” he said, again fingering his purse.

The woman seized his arm.

“No, baron, I don't want money, but something to bring good luck to my daughter, as it will do better than your money.”

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“What do you want?” the baron said in astonishment.

“My husband, baron,” she said quietly, “left me three Rothschild lottery bonds. I am giving them to my daughter, and, as I know what a lucky hand you have, I beg you to touch them, and I am sure that we shall then win a good prize.”

The baron touched the papers for her, and she went away.

The younger generation of the Rothschilds were more disposed to enjoy social life, especially in their earlier years. They were not attracted to the art of making money, and, indeed, the head of the family allowed none of them to interfere in the business as long as he lived. They had therefore plenty of time for social distractions, and began to move in the most exclusive circles at Vienna. Baron Anselm, Solomon's son, led the “gilded youths” of the town; he used to drive always in a two-horsed carriage, and pay the coachman four or five times his fare. It did not threaten the stability of the firm, but Baron Solomon greatly

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disliked his son's conduct. One day Baron Solomon needed to get to some place as quickly as possible and took the first decent carriage he found. It happened to be the carriage which his son generally used, and the man looked forward to receiving an excellent tip. He was almost speechless with astonishment when it came to paying. The baron handed him the precise fare for the journey, and not a penny more. The coachman made a long face, and stood looking at the coin in his hand.

"Isn't that the correct fare?" the baron asked him.

"Oh, yes, the fare is correct," the man muttered. "But the young baron would have given me three or four times as much."

"Indeed," said the baron. "But, you see, my son has a wealthy father, and I have not."

Baron Anselm had had an excellent education. He studied at Berlin University, and he had almost as good a business capacity as his uncle James, of Paris. He had served his apprenticeship at Paris, and had then gone to transact

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important business at Berlin, Copenhagen, Brussels, and other cities where the Rothschilds had no establishments. It was clear that he would be a good business-man, and the family selected him to go to Frankfort, where the advanced age of his uncle Anselm made it advisable for him to have a younger assistant. He remained there many years until, in 1880, his father died, and he was needed at Vienna.

Baron Solomon had died suddenly on July 28, in his seventy-ninth year. In spite of his advanced age he retained his vigour and a remarkable freshness of mind, and was very active even in his later years. He had only one son and one daughter by the marriage which he contracted with Caroline Stern. His daughter Betty had married Baron James, of Paris, and his son Anselm married Charlotte, the eldest daughter of his uncle Nathan.

Baron Anselm took over the management of the Vienna house, and continued the work which his father had begun in Austria. He was fifty-two years old at the time, and this

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fact and the unfortunate economic circumstances of the time explain how it was that he entered upon few new operations during the twenty years in which he remained at the head of the firm, and was content to maintain the old connections. The existing business was, therefore, quietly developed, and, as extensive operations were no longer contemplated, he had time to follow his personal inclinations. He was much interested in art, and had a very valuable collection of pictures, statues, and other artistic treasures, especially enamels and gold-work, for which he had a special museum erected. He was at the same time a good friend of the poor of Vienna, as we may gather from the many institutions which they owe to his generosity. The Viennese have to thank him for the establishment of a hospital, a foundling hospital, an institute for the blind, an institute for the deaf and dumb, and a charitable association.

He was throughout life a member of the Austrian Upper House, to which he had been called on April 18, 1861.

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At the beginning of his career at Vienna Baron Anselm had shown considerable vigour. After the death of his father, Austria, which had created the Southern Railway with national funds, wished to dispose of this enterprise, with certain privileges, to a company. The company was got together by the initiative of Baron Anselm; it consisted of the Paris, London, and Vienna Rothschilds, and took over the railway. It also acquired the central Italian lines, and had a capital of £10,000,000. In the course of time it connected the two sets of lines. Although these transactions did not bring a large profit immediately, they ultimately proved of great value to the Rothschilds.

The construction of the "Austrian Credit-bank for Trade and Commerce," with a capital of £4,200,000, falls in the same period, the year 1855. Baron Anselm had a large share in this, and he sold on the Exchange the shares of the new bank, which began at a nominal price of £17, soon arose to £34, and for some time continued to rise. This rapid advance

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was, however, unnatural in many respects and it led to the "great crash," exposing the Vienna grandchildren of Maier Amschel to the fiercest attacks. The marvellous success of the new Credit-bank had inspired the formation of a large number of money businesses, the shares of which also rose very rapidly; but, as these new businesses had lamentably weak foundations, the greater part of them failed at the first financial crisis.

Baron Anselm had recognised in good time this tendency to excessive speculation and even noticed the symptoms of an approaching crisis. He had himself speculated on the high rates, but he was the first to unload his shares when he saw the evil coming. He began to sell quietly in the last days of March 1873, and prices began to fall in April owing to the enormous sales. People were alarmed on the Exchange, but at first they attributed the sales to over-anxiety on Rothschild's part and thought that there were other reasons for the fall.

Then came May, with a worse, rather than a

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better, situation on the Exchange. On May 8, 1873, a broker asked Julius von Goldschmidt, an agent of Baron Anselm, to take up securities to the amount of £42,000, which he had bought for a certain date; he would afterwards buy the papers back from the Rothschilds at a fixed price. Goldschmidt said aloud—

“Forty thousand pounds! All the banks together are scarcely worth that.”

His words fell like a cry of alarm on the nervous and apprehensive Exchange. Prices went down at a jump. No one would buy or exchange, and every minute was announced the failure of some new financier or firm. The words of Rothschild's agent acted like a spark upon a barrel of powder; at once there was a fearful explosion with the most disastrous consequences. In one day an appalling number of banks and mercantile houses were ruined. But the Rothschild firm came undamaged out of the catastrophe.

Baron Anselm Rothschild was in his seventy-second year when he died, on July 27, 1874, nineteen years after the death of his father.

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He left five children, and his will directed that the control of the business in Vienna should pass to his youngest son, Albert. The daughters Julia, Mathilda, and Louisa all married the sons of Rothschilds, in accordance with the wish of old Maier Amschel. Ferdinand, the eldest son, married Eveline, the daughter of Baron Lionel, of London; he migrated to England and was naturalised there. He took no interest in business matters, either at London or Vienna. He had no feeling for business at all, and it was on that account that the father chose his brother Albert, who was five years younger, to succeed him. Baron Ferdinand had no wish to traffic with his millions, and devoted himself to social life in England. Like the other English Rothschilds, he was on very good terms with the Prince of Wales, afterwards Edward VII, who was often entertained at his country house.

The younger brother Albert was quite the opposite of Ferdinand in point of character. He was a thorough business man; he liked to operate on a large scale, and in this respect

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resembled Nathan, of London. He did his work as head of the Vienna house in such a way that, in order to keep his finger on the pulse of the money market, he obtained an almost sovereign influence on the inner life of the Austrian National Bank, now known as the "Austro-Hungarian Bank."

This brought Baron Albert into closer touch with Hungary, and he soon afterwards founded a petroleum refinery at Fiume. Hungary was indebted to him for the conversion, in 1881, of its six per cent. stock (£50,000,000) into four per cent.; he is said to have made a profit of from twelve to thirteen million pounds. This profit was not made directly out of the conversion, but by Rothschild accepting the stock on his own account and selling it afterwards at a higher price. The sales of these securities were conducted so skilfully and opportunely that Rothschild had none of them left, and so did not suffer when, on January 22, 1882, the crash followed "Black Sunday," and the price of the funds fell twenty-five shillings below the rate of issue.

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Black Sunday, or the "Bontoux-crash," as that calamitous day is called, did not impair the position of the Rothschilds, although Bontoux had opened a veritable campaign against the Viennese financiers on the Exchange. Bontoux won a number of small successes, but on the day of the great battle, January 22, Rothschild's opponents sustained a crushing defeat.

Bontoux had some years before been general director of the Austrian Southern Railway, and had gradually become the representative of the Vienna Rothschilds in that lucrative branch of business. His high position gave him every opportunity to study Rothschild's business methods, and this gave him the idea of imitating him and becoming a Rothschild himself. His confidence increased when he at length came to an understanding with a number of members of the higher financial world who had long resented the great influence of the Rothschilds and were quite willing to help to destroy it. Bontoux undertook to do this. At the first opportunity he threw off the mask of devoted

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servant and broke with the Rothschilds. He formed a coalition against them, at the head of which were the Austrian Estate-Bank and the Parisian Union Générale; with the aid of these he was to drive the Rothschilds from their throne.

The Rothschilds soon realised the situation, especially as the Union Générale made a stand against the new Hungarian stock and attempted to lower the price of it. They thought that they could defeat their opponents at one blow by depreciating the price of the shares in the bank, and so they sold the shares of the Union Générale at increasingly low prices on the Bourse at Paris. In this, however, they were defeated. Bontoux had perceived their intention and held back all the shares, which he could easily do as they were only nominally on the market, and the Rothschilds could not deliver more shares in the Union when the term expired. That was a blow to the Rothschilds. They did not suffer any great material loss, but for a time they seemed to have abandoned the idea of fighting. This, however,

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was not the real reason for their reserve; it was due to the death of Baron Alphonse, the head of the Paris house. Baron Albert was compelled to wait until he was fully informed of the situation by his colleagues at Paris.

When he at last received his information he turned upon Bontoux and his associates with all his strength, and before the end of 1881 one of the banks that had joined the league against him—the Banque de Lyon et de la Loire—came to grief. This began the crisis; it spread from Lyons, and culminated at Vienna on “Black Sunday,” when Bontoux and his associates were utterly routed.

Baron Albert was one of the first to hasten to the relief of the money market, and it was owing to his intervention that the crisis was so quickly overcome both in Austria and France. He had won a great victory, and his firm was as solid as ever.

But, however great his financial success and his merits were, the Vienna court, which had conferred the title of baron on his grandfather,

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would not admit the Jewish financier to its circle. His soirees, which rivalled those of any crowned head in display and luxury, were never attended by members of the imperial family. All his invitations were politely declined. On one occasion, when the whole of the archdukes and archduchesses had sent a refusal, the soiree had to be postponed "on account of measles." The wits of Vienna gave the abandoned festival the name of "refusal-measles." Baron Albert quietly endured their malice. He was so conscious of the greatness of the name of Rothschild that he did not regard the affair as a question of small personal vanity, but rather as a trial of strength, an attempt to see whether the old prejudices were yet disposed to give way to modern ideas. The Hungarian premier at the time, Koloman Tisza, understood this, and he induced the court to admit Baron Albert to its circle.

He remained at the head of the Vienna firm until February 10, 1911. His death, in his sixty-seventh year, was attributed to grief at

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the suicide of his youngest son Oscar, who shot himself out of disappointment in love. The father was so deeply shaken by this catastrophe that he never recovered. His son Ludwig, now thirty years old, is the present head of the Vienna firm of the Rothschilds.

THE END

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