News from

THE ROTHSCHILD ARCHIVE

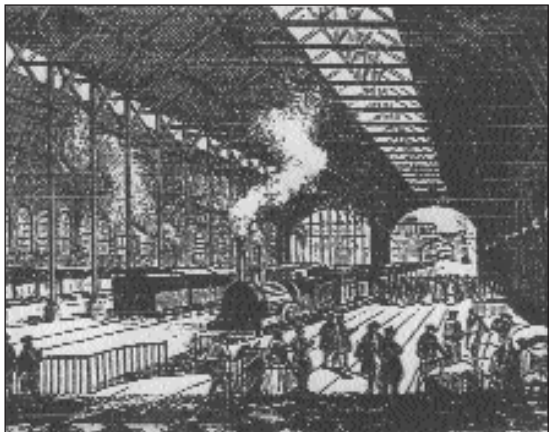
January 1996

THE TRAIN NOW LEAVING

"Don't risk it, Your Majesty" was the advice given to Louis Philippe, King of France, by his Government when, in 1837, Queen Marie Amélie opened the 11-mile long Paris-St. Germain Railway, France's first and the brainchild of Baron James de Rothschild, Head of the Paris bank. Speeds of more than 10 miles an hour were considered potentially dangerous to the nervous courtiers and politicians.

But it was too late. The opening of the line started an enthusiasm for railways in France which led, in 1842, to the mapping out of a grand network to cover the country. The first line to be built connected Paris with Valenciennes and the Channel coast. It too was Rothschild financed. The Compagnie du Chemin de Fer du Nord was initiated by James and 25% funded by the London and Paris banks. Anthony, Nathan Mayer's second son, shouldered much of the organisational burden, negotiating with engineers like George Stephenson for the supply of rails and other essentials. It was an enormous success - a success recorded in the Rothschild Archive in London in the form of regular reports to London on passenger numbers and running costs.

In 1855, another monarch, Queen Victoria, did risk it, travelling with Prince Albert from Boulogne to Paris

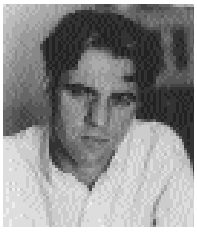


The Gare du Nord, Paris end of the Chemin de Fer du Nord

on a state visit - her first sight ever of the French capital, "so different to England - so gay and lively". Baron James de Rothschild commissioned 25 copies of an album of photographs to commemorate the occasion. The Queen's own copy is currently on loan to an exhibition in Paris of the work of the photographer, Edouard Baldus.

150 years after the official opening of the Nord on 14/15 June 1846, the Rothschild connection with railways continues as NMR provides merchant banking services to Railtrack Group plc in connection with its flotation.

HISTORY IN THE MAKING



Niall Ferguson, Historian of NMR

At work on the writing of the history of N M Rothschild & Sons Limited is Dr. Niall Ferguson, Fellow and Tutor in Modern History at Jesus College, Oxford.

An economic historian with a particular interest in modern Germany, he sees his book as providing the opportunity and the means not only to sweep away the myths which have surrounded Rothschild history, but also to reveal the 'secret history' of the 19th and early 20th centuries, the way in which financial factors determined the outcome of some of the major political events of the time. For this, he says, the Bank's archives provide 'an historical gold-mine'.

The book is to be published at the end of 1997, to mark NMR's Bicentenary.

The Rothschild Archive is an integral part of the Rothschild Group, providing business information for its offices throughout the world, based on an unrivalled collection of historical records. Enquiries should be addressed to the Archivist, Melanie Aspey at New Court, London (Telephone: 0171-430 2616).

A GIRAFFE WITH CONNECTIONS

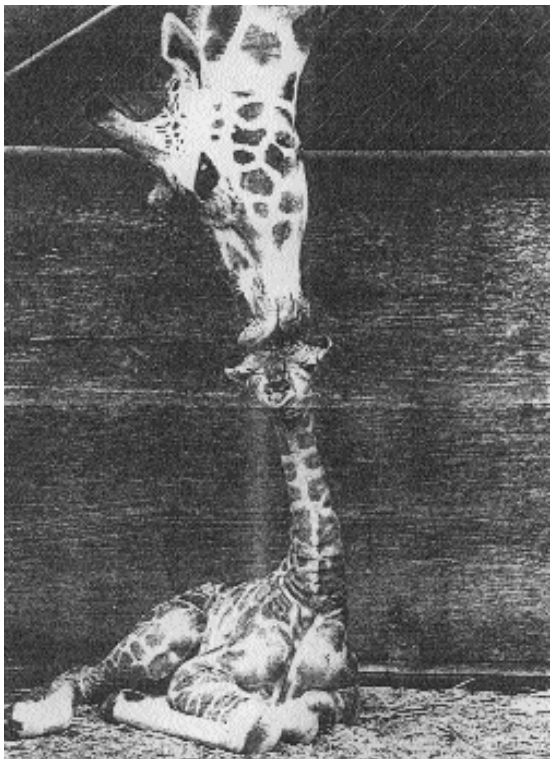
Question: What has the birth of a giraffe in an Australian zoo to do with an international network of banks?

Answer: 'Makulu *(meaning 'tall one' in Zimbabwean)*, born in Perth in October 1995, is the first pure-bred Rothschild Giraffe (Giraffa camelopardalis rothschildii) ever born in Australia.

And what makes a Rothschild giraffe? Five horns instead of the mere four granted to other types.

Commemorated in the name of the sub-species is Lionel Walter, 2nd Lord Rothschild. For Walter, as he was generally known, no pleasure equalled that of zoology. He built his own zoological museum on the family's estate at Tring to house the vast collection of specimens of every shape and size which poured in to him from around the world. Opened to the public in 1892, it is now administered by the Natural History Museum and still displays the thousands of specimens lovingly collected and preserved by him.

And Makulu is far from being the only animal carrying the Rothschild tag. No fewer than 250 species and sub-species all around the world are for ever 'rothschildii', from elephants to flies, swallows to wallabies, hares to humming birds, all of them a living tribute to one man's life-long enthusiasm.



Makulu, the world's latest Rothschild giraffe

BACK TO LEEDS !

When N M Rothschild & Sons Limited opened an office in Leeds in 1995 it was very much a case of returning to old haunts, cementing a link which goes back almost 200 years. Indeed, you could well argue that Leeds predates London in the Bank's history.

When Nathan Mayer Rothschild arrived in England from his native Frankfurt, he first set up in the textile trade, supplying cloth to his father's clients 'back home'. One of his earliest and best contacts was with the Leeds firm of Wormald Gott and Wormald. Benjamin Gott was a Leeds merchant who had rapidly established a reputation as a pioneer of steam technology and factory production methods in the Leeds woollen industry. By 1800, the two entrepreneurs were in contact, Nathan ordering cloth from Gott's pattern cards in order to ship it across to the Continent, dodging Napoleon's blockade of the Channel ports, for resale perhaps at the great fairs of Frankfurt, 'the cross-roads of Europe'.



The heart of Leeds as NM knew it.

Nathan himself clearly struck up a mutually profitable business arrangement with Gott, introducing him to other merchants, like his 'very intimate friend' Jacob Marcus of Amsterdam and himself visiting Leeds with clients and colleagues like his cousin N.B. Rindskopf from another Frankfurt banking family.

HEADY TIMES IN THE MINES

"The strongest institution of the kind in the world" is how one leading City commentator described the Exploration Co. exactly one hundred years ago. And behind the Exploration Co. lay Rothschilds.

The last decades of the 19th century were heady years in the world of gold and diamond mining. With new discoveries in South Africa, Rhodesia, Australia and the New World, investment in new mines brought high risks - and the possibility of very high returns.

In 1886, the 1st Lord Rothschild, then head of NMR, called to his office Hamilton Smith, an American mining engineer who had for some years been employed as a consultant by the Bank on its American mining interests. Out of their discussions came the Exploration Co., an ingenious new venture which would assess the value and risks of new mining propositions and recommend suitable investments to its members, of whom, at its birth, there were twenty. The three Rothschild brothers held 30% of the initial stock and for 6 years its office faced New Court across St. Swithin's Lane.



A rush to stake claims in the pioneering days of South African mining

The Company was a pioneer and others followed as the 1890s moved on. But the particular strength of the Exploration Company lay in the reputation of Rothschilds for sound and cautious decision-making based on the best expert advice at a time when the Stock Exchange's view was that "a mine is a hole in the ground owned by a liar."

During those heady years, the consortium never misjudged a project. In just one year alone, 1889, it undertook its most profitable piece of business ever, with the issue of £1.75 million De Beers Second Mortgage Debentures (The Company had financed De Beers before it monopolised the Kimberley diamond mines) and at the same time promoted the Burma Ruby Mines, leading first to "unseemly scrummages" as crowds beseiged New Court on allotment day and then to Press announcements of 300 per cent premiums on the Exchange.

By 1914, the heyday had passed, but the Exploration Co., though now barely remembered, had by then firmly placed the name of Rothschild at the centre of worldwide mining investment.

ROTHSCHILDS ON FILM

1995 marked the 100th birthday of film. Among less publicised reactions to that anniversary was a drive by the staff of the Rothschild Archive to put onto a firmer footing its as yet modest collections of film and video reflecting the history of Rothschild activities. Quite apart from the various feature films built around the facts - and more often the myths - of Rothschild history, the hope has been to bring together documentary material.

The material so far collected spans the entire century of film's existence and the subjects could not be more wide-ranging. One extremely gratifying aspect has been the readiness of Rothschilds staff to send us copies of videos produced in connection with their business. So, for example, the launch in 1994 of our joint venture in the Czech Republic, Consilium, is now preserved on film for ever, as is a copy of the incredibly successful T.V. advertisement issued by Rothschild Australia Asset Management.

Perhaps the most exciting addition to our collection has come from the Steven Spielberg Jewish Film Archive at the Hebrew University in Jerusalem. They have sent a montage including clips showing Baron Edmond and his wife Adelheid visiting the pioneering Jewish Colonies in Palestine which the Baron had founded and a 1911 clip of the children of the Evelina School in Jerusalem, which was founded and named after the daughter of Baron Lionel, second head of NMR.

The Past serving the Present.

If your work involves demonstrating Rothschilds' successful track-record in a particular business area or part of the world, the Rothschild Archive may be able to help you by compiling a historical profile.

Ring, or E-mail Melanie Aspey at 0171-430 2616 (short code 6352) for details or a leaflet.

OPERATIC OVERTURES

Among the tens of thousands of letters in the Rothschild Archive, a name will often leap off the page. Open a box, turn a page and Cecil Rhodes or Prince Albert or Lord Kitchener may be talking to you. And where a client of the Bank happens to have shared the interests of one of the partners, then the letters can be both charming and enlightening.

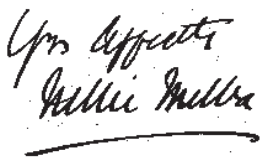
Nellie Melba and Alfred de Rothschild were great fans of each other. "One of the most generous men of our time" was how she once described him. She may have been among those who, invited by Alfred to New Court for lunch, found, tucked into her napkin, a £100 note.

"Thanks for the lovely basket of flowers you sent me for my birthday" she wrote in May 1900 when she was 39. "I still have a cough but am getting much better. I am so sorry you were not at Monaco. I sang *so* well - what conceit !!!"

But Alfred's friendship had a sound business side for Melba. His advice was both sought and taken. One biographer suggests that Melba's income from investments made on his advice "eventually made the money she earned from singing a comparatively minor matter."



Nellie Melba on stage



1996 ANNIVERSARIES

1796 - 200 years ago, Mayer Amschel Rothschild of Frankfurt entered into an elaborate partnership agreement with his two eldest sons, Amschel and Salomon, the first formal business bond between members of the family and the model for a series of agreements involving Nathan Mayer, his brothers and their successors, on which the strength of the business was built.

1821 - 175 years ago, Carl Mayer,the fourth son of Mayer Amschel, set up a Rothschild bank in Naples, initially to arrange a loan on behalf of the Neapolitan Government. The Bank continued to act on behalf of the Government until its closure in 1860.

1846 -150 years ago in December, at a meeting in Lionel de Rothschild's room in New Court, the British Relief Association was launched to raise funds for the victims of the Irish potato blight. NMR's initial subscription of £1,000 was to lead to an eventual total of £500,000. In the following year, NMR took part in the loan issued for the same cause.

In Paris, on 14/15 June, the Chemin de Fer du Nord, France's first major railway, funded by Rothschilds, was formally opened.

1871 - 125 years ago, in the wake of the French defeat in the Franco-Prussian War, NMR, in conjunction with Barings, issued the French National 5% Loan to enable the payment of war reparations. NMR headed a group of bankers and financiers who guaranteed to maintain foreign exchange stability to facilitate the payment.

1896 - 100 years ago, Rothschilds issued their last loan to the Russian Government, the French House taking a 72% share. Thereafter, in an attempt to dissuade the Tsar from his increasingly oppressive policy toward Russian Jews, the Bank adopted a policy of non-participation in loans.

1921 - 75 years ago, the construction of model artisans' cottages on the Exbury estate was completed, two years after Lionel de Rothschild bought Exbury House and began the extensive renovation of the entire estate.

1946 - 50 years ago, the artist Jean Hugo became the first professional painter to decorate a label for Mouton. The label depicted the dove returning to the Ark with an olive branch in its beak to symbolise the first year of peace. Hugo was a direct descendant of the writer Victor Hugo, who had been a Rothschild client.

1971 - 25 years ago, the British Government invited NMR to handle the sale of the £115m. investments of the Industrial Reorganisation Corporation, set up in 1966 to inject public money to revitalise ailing industries. The appointment opened the way to NMR's wider involvement in the field of privatisation.