News from
The Rothschild Archive February 1999

Beyond the Bicentenary

Nathan Mayer Rothschild, a man who found the public curiosity about himself, his family and his lifestyle irksome, could never have guessed that 200 years after his arrival in England, over 50,000 people would visit an exhibition dedicated to him.





Above: *A familiar figure: The Honourable Hilary Weston accompanied by Vic Gray, Head of the Rothschild Archive, encounters a model of Nathan Rothschild*

Left: *Two Rothschild Centuries at its first venue, the St James Concert and Assembly Hall, St Peter Port, Guernsey*

The Life and Times of Nathan Mayer Rothschild, staged at the Museum of London from January to July 1998, hasn't quite come to an end. In response to the enthusiasm from the Rothschild group, a second generation exhibition has been put together by the same team that worked on the project at the Museum of London.

Called Two Rothschild Centuries, this travelling exhibition presents the story of Nathan's life through a series of graphical panels drawing on the wide range of exhibits shown in London.

The exhibition was first shown in Guernsey in September 1998 where it provided an unusual backdrop to a series of client events. A set of customised panels depicted the connection between Rothschilds and the Channel Islands, including reference to a former Guernsey resident and Rothschild client, Victor Hugo.

Further afield, and more ambitiously, the exhibition travelled to Canada in November, where Kristen Peterson of Global Strategy Financial Inc. had arranged a grand setting at the Royal Ontario Museum (ROM) in Toronto, the largest museum in the Commonwealth outside the UK. Sir Evelyn de Rothschild travelled to Toronto for the Gala Fund Raising Preview of the exhibition and welcomed guest of honour The Honourable Hilary Weston, Lieutenant Governor of Ontario. The fund raising was in support of Kids Help Phone and the ROM Foundation.

The exhibition features impressive images of key Canadian projects with which Rothschild has been involved from railways at the turn of the century to natural resources in more recent years and a special selection of objects relating to the development of the British Newfoundland Corporation was generously loaned by Mr Edmund de Rothschild.

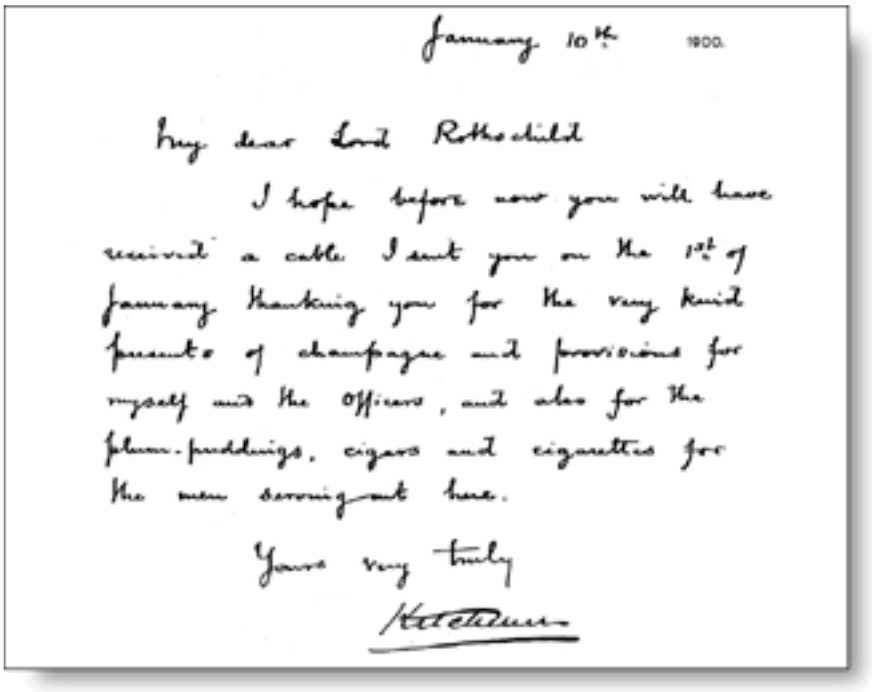
Enthusiastic coverage in the Canadian press should ensure that the number of visitors to Rothschild at the ROM remains high until closure at the end of May 1999.

Document in Focus

The conflict we now refer to as the South African, or Boer, War broke out on 12 October 1899. Its progress was rapid: by December British troops were besieged at Ladysmith, Mafeking and Kimberley and the British Commander-in-Chief had been removed from his office after the replacement troops he sent were defeated within a week.

The events were followed with horror in London, not least by the Rothschild family who had pursued their own informal diplomacy over many months to try to avert war*. All that was left to them was the hope of providing financial support and comfort to the troops and their families, in a very direct way as this letter shows. Christmas gifts of champagne for the officers, plum puddings, cigars and cigarettes for the men signalled the beginning of a series of fund-raising events for war charities organised by Lord Rothschild and his brothers.

Kitchener, later Commander-in-Chief of the campaign, was the newly-appointed chief of staff at the time of writing.



January 10th 1900.

My dear Lord Rothschild

I hope before now you will have received a cable I sent you on the 1st of January thanking you for the very kind present of champagne and provisions for myself and the Officers, and also for the plum-puddings, cigars and cigarettes for the men serving out here.

Yours very truly

Kitchener

*Discussed in detail in "The World's Banker: the history of the house of Rothschild" by Niall Ferguson, published by Weidenfeld & Nicolson in 1998.

1999 Anniversaries

1799

200 years ago Nathan Rothschild moved to Manchester where he opened his first British business establishment, trading as a textile merchant. His approach to the business was revolutionary and his many innovations were remembered, and copied, by the generations which followed him.

1824

175 years ago Nathan Rothschild was one of the founders of the Alliance Assurance Company. Rothschild also issued three government loans: one to Austria (£3.1 million); one to Brazil (£1.6 million) and one to Naples (£2.5 million).

1849

150 years ago the eldest son of Baron James de Rothschild, Alphonse, set out from Paris to explore America. There he met many of the family's business contacts, including their cousin Lionel Davidson who was returning to London from Mexico. Alphonse reported home enthusiastically on business potential, but his mother Betty, anxious not to lose her son to America for ever, urged him to tone down the enthusiasm!

The matriarch of the family, Gutle Rothschild, died aged 96 in the family's old home in the Judengasse, Frankfurt.



Gutle Rothschild, who died 150 years ago

1874

125 years ago, two sons of the second generation of the family died. Mayer left his only child, Hannah, to inherit Mentmore and Anselm left his son Ferdinand with enough capital to build Waddesdon.

1899

100 years ago the lease for number 7 St Swithin's Lane was acquired for £8,000, ninety years after Nathan Rothschild first took up occupation of 2 New Court.

1924

75 years ago N M Rothschild & Sons issued a Czechoslovak State loan for £10m and a State loan to the Kingdom of Hungary for £7.9m

1949

50 years ago Edouard de Rothschild died, leaving the direction of the Paris bank, de Rothschild Frères, in the hands of members of the fourth generation of the family. His son, Guy, together with his nephews Alain and Elie steered the bank through the years of post-war recovery.

1974

25 years ago, NMR participated in the formation of a Canadian joint development company, Straflo Ltd., which was set up to develop the Straight Flow Rim Generator Turbine on the Bay of Fundy, British Columbia.

The Rothschild Archive is an integral part of the Rothschild worldwide group of companies, 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, St. Swithin's Lane, London EC4P 4DU (Telephone 0171 280 5475)



Manchester in Nathan's time, showing King Street and Brown Street

A Manchester Man and His Legacy

As NMR in Manchester plan a move to new offices in King Street in April this year, they follow in the footsteps of Nathan Mayer Rothschild himself who acquired his first Manchester premises two hundred years ago in 1799.

Nathan settled into his first property at 15 Brown Street, a thoroughfare right at the heart of the commercial centre of the city running at right angles to King Street.

The King Street site was formerly the home of the Manchester branch of the Bank of England, an institution with which Nathan was particularly familiar, especially around the time of the opening of the branch, 1826, the year after Nathan had saved the Bank from ruin by depositing large amounts of gold.

Nathan lived in Manchester for a decade, revolutionising the burgeoning textile trade through his use of ready cash to buy up large quantities of materials and his reliance on a network of family and friends to ship Manchester goods throughout Europe. He and his family retained a soft spot for the city: his brother James, on a visit to England in 1843, made a diversion to see the house in which he had stayed 35 years ago, of which he professed happy memories.

In Manchester and beyond the name Rothschild became a byword for success and stability, a benchmark against which others were measured. The Bank of England itself referred to one client, a Mr. Schwann, as "the Rothschild of Huddersfield".

Praise indeed!

Yes - Mr President

A portrait of an unknown naval gentleman which has lurked for decades in obscurity in a corner of the Bank's Vault has suddenly taken on a new and exciting lease of life. With the help of experts at Christies, the subject has been revealed as President Andrew Jackson, President of the United States from 1828 to 1837. A letter in the Rothschild Archive proves that it was a gift to Nathan Rothschild as Banker to the U.S. Government in Europe.

President Andrew Jackson by R E W Earle, 1836. The artist was the President's nephew by marriage.



The gift was made in 1836 and arrived at New Court just eight days before Nathan died in Frankfurt. The family's acknowledgement stated, "we shall not fail to estimate very highly your presentation of a portrait which you induced your President to give a sitting for and which you state to be a faithful resemblance."

It is indeed a striking portrait of a great American war hero, dressed in his major general's uniform. Jackson won an important victory over the British in 1814 before moving into politics, the first man of relatively humble origins to be elected President.

The portrait now takes its place again among the series of pictures, which Nathan collected enthusiastically, of heads of states for which he was financial agent.

From the Depths of the Archive

Chasing up a theory of a connection between Rothschild and the founding of the Royal Navy's Submarine Service at the turn of the century, historian, Nick Lambert, visited the Archive recently and confirmed that this is the case.

Dr Lambert, who has been commissioned by the Royal Navy to edit a volume of documents on the 100-year history of the "Silent Service", explained that in May 1900 the Admiralty decided that the Navy must "acquire" a submarine boat in order to develop an effective antidote to submarines already in use by the French. The decision to acquire submarines was a closely-guarded secret known to only a

The Royal Navy Submarine Museum at Gosport kindly provided this photograph of the Holland 1 under way.



handful of men. Furthermore, they had no clear idea of how to put their plans into effect. It was thus an entirely "fortuitous coincidence", Dr Lambert emphasised, when, six weeks later, Rothschilds appeared on the scene with just what the Admiralty needed.

At the beginning of July 1900, Lord Rothschild had been asked by NMR's American agent, August Belmont, to provide a letter of introduction to the Admiralty for Isaac L. Rice, President and owner of the Electric Boat Co. of America. Rice's company had acquired the "Holland Torpedo Boat Co.", (a holding company for all the patents taken out by the Irish-American submarine pioneer John Patrick Holland) and three months earlier had sold a prototype vessel to the US Government. Rothschild duly issued the letter of introduction and a meeting between the parties was arranged. Negotiations quickly broke down however after the naval representatives refused to consider Rice's demand to build the submarines in American yards.

For a second time Lord Rothschild came to the Admiralty's assistance: in September he put Rice into contact with the board of directors of Vickers, Son & Maxim and shortly afterwards the American and British companies forged an alliance. Electric Boat gave Vickers the exclusive rights to build "Holland type" submarines in Europe in return for a generous 25% of the profits. The Royal Navy's first submarine, HM Submarine-boat Number One, was completed in Barrow-in-Furness, in April 1902.

Extensive restoration is being carried out on this vessel at the Royal Navy Submarine Museum in Gosport to allow visitors to walk on board her once again.

A Lasting Alliance

This year sees the 175th anniversary of the founding of the Alliance British and Foreign Life and Fire Assurance Company, one of the few joint stock companies with which Nathan Rothschild became involved.



Nathan Rothschild's silver-gilt badge of office bearing the number '1'

The Alliance was aptly named, bringing together some of the major names in the City - Rothschild, Montefiore, Baring - representing large constituencies of potential clients among the mercantile community, not least among Jewish and Quaker businessmen. Legend has it that Nathan Rothschild was moved to form the Alliance because a relative of his had failed to gain a position at another firm: "Vat, not take you because of your religion! Mein Gott! Den I vil make a bigger office for you den any of dem." An attractive, though probably apocryphal, story.



A cartoon of Nathan Rothschild as "Foreman of the Alliance" wearing the Alliance badge on his arm

The more likely explanation is that increasing numbers of merchants were becoming impatient with the high costs of insurance levied on them by the virtual cartel headed by Lloyd's and set out to form their own insurance company. This way they could control the costs of insurance and even take a share of the profits of the company.

From its beginnings in New Court, the Alliance grew to be the largest insurance company in the country with many members of the Rothschild family serving as directors and Chairmen over the decades. Its name survives in the Royal & Sun Alliance Insurance Group formed in 1996.