

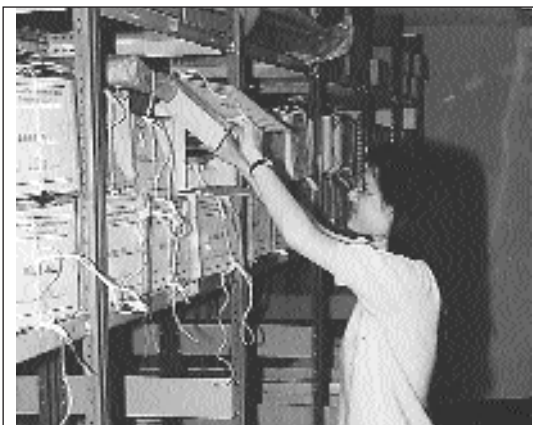
OUT OF MOSCOW

One totally unforeseen consequence of the thaw in East-West relations has been the arrival at the Rothschild Archive in Hatton Garden of more than 100 battered cardboard boxes. Inside, unseen for more than 50 years and long thought lost, were some 1200 files of papers relating to the French branch of the Rothschild family and businesses.

At the end of the War, advancing Russian troops came across huge quantities of papers, seized by the Gestapo during the course of the War and locked away secretly for future use. Among them were the 1200 files seized from the family in France.

It was not until 1990 that the existence of the Central State Special Archive in Moscow which housed these papers became known outside the Soviet Union and not until 1993 that the survival of the Rothschild papers came to the family's attention. There followed a series of intensive discussions which finally led to the arrival of the collection in London in June.

Though it will take many months to complete the detailed work of examining and arranging the papers, it is already clear that the boxes are going to reveal



Archivist Tamsin Black opens another Russian box in search of new discoveries

many items of interest. The papers of Baron Maurice de Rothschild as a Senator for the Hautes Alpes region have survived here, for example, together with much new material about the building and management of the sumptuous Theatre Pigalle in Paris, opened in 1929, the brainchild of Baron Henri, and papers concerning the running of the French railway company, Chemins de Fer du Nord, with which the family were involved from its beginnings.

NMR BICENTENARY DRAWS NEAR



In 1798 Nathan Mayer Rothschild stepped ashore on English soil for the first time. Speaking no English, but armed with letters of introduction to leading members of the Jewish community in London, he set off on a path which took him next to Manchester as a textile merchant and then back to the capital where, within no more than two years of his arrival, he had made an indelible mark on the London banking scene.

Two centuries later, N.M.'s arrival in England will undoubtedly be marked by the Company which now bears his name. Consideration is now being given to the best way to celebrate such a significant date in the history of an organisation which continues, after 200 years, to work to the themes of internationalism and innovativeness which were close to N.M.'s heart.

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).

ROTHSCHILD STORY AIRED IN FRANKFURT

1994 was a big year for Frankfurt. It was exactly 1200 years since the city was founded and a programme of celebrations was staged throughout the year.



Dr Roman Herzog, representing Chancellor Kohl, opens the exhibition in the Kaisersaal, Frankfurt.

By a happy coincidence, it was also 250 years since Mayer Amschel Rothschild, father of N.M., was born in the City's Judengasse. This coincidence, and the fact that Frankfurt's Jewish Museum is housed in the former Rothschildpalais on the Untermainkai, home of Mayer Carl von Rothschild, made it particularly fitting that the Museum should make its contribution to the year in the form of a major exhibition "The Rothschilds - a European Family".

Mayer Amschel himself never left his native city, carrying on the trades of merchant, coin dealer and

subsequently financier from his house in the Judengasse. It was from this house that Nathan Mayer set off for England in 1798. In his wake went his brothers - James to Paris, Carl to Naples and Salomon to Vienna - while Amschel, the eldest, remained at home to assist and eventually succeed his father. In scarcely more than a decade of Nathan's departure, the foundations had been laid of the Rothschild's five European banks.

The exhibition in Frankfurt follows this story through, from its beginnings to the great 19th century expansion, looking at the part the family played in major industrial advances and their place in 19th century social and political history throughout Europe, as well as exploring the family's houses, collections and charitable work.

Among exhibits brought together from collections throughout the world are a number of paintings from the New Court collections and many key documents in the history of the family from the Rothschild Archive in London.

The exhibition was opened on 11 October before a specially invited audience of 300, including the Special Representative of Chancellor Kohl, Dr Roman Herzog. It continues until 27th February 1995.

GOLDEN ANNIVERSARY

Just over 75 years ago, on 12 September 1919, a City tradition was born. The Gold Fix came into being.

With the end of the Great War, South African gold mining companies were anxious to free themselves from the wartime shackles of channelling gold direct into the Bank of England for Britain's reserves. Responding to their call for a more open market, the Bank of England chose NMR, with which it had long enjoyed a special relationship in the bullion field, to co-ordinate arrangements. "The principle to be maintained with regard to the sale of gold in the free market in London is that everyone attending the Gold Fixing is entitled to buy or sell gold on equal terms with anyone else present at the Gold Fixing. It is also agreed that only one price shall be quoted and shall represent the price at which all supplies can be absorbed" reads an internal NMR memo at the time, describing a system which in essence, has remained unchanged.

Initially, bids were made by telephone, but it soon became evident that a formal daily meeting at New Court, with brokers connected directly by telephone link to their trading desks, would be needed.

There have been changes across the decades. Between 1939 and 1954 the Gold Fix was suspended. In 1968 the London gold market was closed for two weeks in the wake of an unprecedented run on gold. Both the Gold Standard and the later Gold Exchange Standard have long since gone. The London Bullion Market Association has appeared. And there have been changes to the membership. But the Gold Fix goes on, its ritual of five members, a closed room and lowered flags belying a flexibility which has withstood three quarters of a century of change.



The Gold Fix in operation in 1976

ROTHSCHILDS' OTHER CANAL

NMR's bold intervention in 1879 to secure for the British government effective control of the Suez Canal is among its best known achievements. Less known, and well worth remembering at the end of its centenary year, is its place in the history of another of the great canal-building achievements of the 19th century, the Manchester Ship Canal.

The scheme was a bold one: to enable ocean-going ships to ply direct between Manchester, at the core of Britain's industrial heartlands, and the principal ports of the world. Lancashire and Yorkshire coal, Cheshire salt, Staffordshire pottery and iron and Lancashire chemicals would be carried direct to world markets, strengthening still further Britain's industrial advantage. It would be as deep as the Suez Canal and almost twice as wide over its 35 mile length.

There was no lack of confidence in the ease with which it could be achieved. "If the Suez Canal, situated in a barbarous country could be carried out, there ought to be no engineering difficulties to stand in the



Queen Victoria is greeted by the Lord Mayor of Manchester and other dignitaries on the opening of the Canal in May 1894

way as far as the Mersey is concerned" declared one speaker at a public meeting in 1882 to discuss the construction of a Manchester Ship Canal.

Messrs. N. M. Rothschild & Sons are authorised to receive Subscriptions for the issue of 725,000 Shares of £10 each, IN THE

MANCHESTER SHIP CANAL COMPANY

Incorporated by Act and 4th Vic., Cap. 156. (Royal Assent, 21st August, 1885.)

AUTHORISED SHARE CAPITAL £8,000,000 IN 800,000 SHARES OF £10 EACH,
of which 75,000 have been allotted since the formation of the Company.

Price of Issues, Par, or £10 per Share.
Payable, 20s. per Share on Application.
" 20s. " " Allotment.

And the remainder by instalments, at intervals of not less than Three Months and not exceeding 21 months or 22 1/2s. 6d. in any Twelve Months.

The Company have entered into a Contract, with Messrs. LUGG & CO. for the execution of the whole of the Works within Four Years from their commencement, for the sum of £5,750,000, being £361,727 less than the Parliamentary Estimate.

Interest at the rate of 5% per cent. per annum will, in accordance with the "Manchester Ship Canal Act, 1886," be paid during the period of Four years required for construction of the works, upon all amounts raised up and paid on the Shares.

The Liability of a Shareholder is absolutely limited to the amount remaining unpaid upon the Shares he holds.

Even before the engineering requirements of the scheme could be tested, however, there was the matter of funding to overcome. Costs were estimated at £8 million and the property of the existing Bridgewater Navigation Company had to be acquired - eventually effected by a cheque for £1,710,000. The largest ever presented at up until then.

The Canal Company turned to NMR to raise its finance. Three loans were arranged between 1886 and 1889, totalling over £12 million, enabling the first work on the Canal to be started in 1887 and the opening by Queen Victoria to take place on 17 May 1894.

Nathan Mayer himself would no doubt have been proud of NMR's involvement. Manchester had been his first base on arriving in England. And today the connection continues. NMR (Manchester) has recently advised Peel Holdings on its £41.5 million buy-in of a majority interest in the Ship Canal Company.

THE HISPANIC LINK

A regular face in the Rothschild Archive is Doctor Ines Roldan of Madrid. A member of the Spanish Consejo Superior de Investigaciones Cientificas, Dr. Roldan is currently attached to the LSE to study the nineteenth-century history of financial relationships between Spain, Britain and Cuba.

The Archive has proved surprisingly important to Dr. Roldan's work. In 1831, NMR acquired a European monopoly in the production of quicksilver with its purchase of the Almaden mines in Spain. The production ledgers are yielding valuable and previously unexplored information.

In Cuba, NMR's business centred on the tobacco trade. There is much surviving correspondence with

agents and business associates, illuminating the way in which this business was carried on.

But the most fruitful source has proved to be the correspondence between New Court and its Madrid-based agents Weisweiller and Bauer. Beyond the expected economic and financial information, received almost daily from Madrid, there is much comment on the Spanish political scene, including such major events as the 1868 Spanish Revolution and the Spanish-American War of 1898.

Dr. Roldan's research will bear fruit in the form of a book, scheduled for publication in 1996.

DOCUMENT IN FOCUS

For nine years, following a disagreement between Nicholas Biddle, Baring's US agent and President Andrew Jackson, NMR acted as European bankers to the United States Government. For nine years, daily instructions were received at New Court from the Secretary of the US Treasury for carrying on the financial business of the USA on this side of the Atlantic.

Much of the business involved payments to agents and consular officials. Occasionally an entry still leaps off the page. On 18 July 1836 NMR was instructed to deploy a sum of \$10,000, conveyed by way of a Bill of Exchange, "to enable the President to assert and prosecute with effect the claim of the United States to the legacy bequeathed to them by James

Smithson, late of London deceased, to found at Washington under the name of the Smithsonian Institution an establishment for the increase and diffusion of knowledge among men."

*Treasury Department
July 18th 1836*

Sr,
The acting Treasurer of the United States has been instructed to transmit to you the accompanying Bill of Exchange, the proceeds of which are to be placed to the credit of the United States on account of the following appropriations—

"For outfit of Charge d'affaires to Mexico, Prussia & Peru 4,500
"For outfit of a Charge d'affaires to Russia 4,500
"To enable the President to assert and prosecute with effect the claim of the United States to the legacy bequeathed to them by James Smithson late of London, amounting to \$10,000, which is now in the hands of the Smithsonian Institution an establishment for the increase & diffusion of knowledge among men 10,000

£3987.10.5 = \$19,000.

*I have the honor to be, Sir,
very respectfully,
Your Obedt Servt
Geo Washington
Secretary of the Treasury*

*M. M. Rothschild Esq
Banker of the United States
London*

Only with the benefit of hindsight can we see NMR here becoming involved in the foundation of one of the world's most important cultural institutions, the gift to the American people of a British enthusiast, a gentleman geologist and chemist, son of the Duke of Northumberland.

The legacy was eventually paid, in the form of gold to the value of £104,960, transferred to the Philadelphia mint. The Smithsonian Institution was formally established in 1846.

1995 ANNIVERSARIES

1770 - 225 years ago, Mayer Amschel Rothschild, a rising Frankfurt merchant, married Gutle Schnapper, daughter of another city trader. Their third son, Nathan Mayer, would go on to found the London bank. In this year too Mayer Amschel printed an antique coin catalogue and set up a money exchange bureau in his home.

1795 - 200 years ago, Mayer Amschel's business boomed. His assessed taxable property doubled in a single year. In this year, he added to his business by beginning to trade in English goods, in particular cloth. It was this trade which was soon to take Nathan Mayer to England, where he first set up in Manchester.

1820 - 175 years ago, in March, Nathan Mayer Rothschild was appointed Austrian Consul General in London, a token of the family's growing influence with Emperor Francis I. During the year, 12 loans to foreign governments were issued in Europe and South America, making the company the largest contractors of such loans.

1845 - 150 years ago, in London, NMR was appointed bankers to Queen Victoria during a Royal excursion to Germany. In France, the contract to build the country's first railway line was awarded to the Compagnie du Chemin de Fer du Nord. 25 per cent. of the capital was held by the London and Paris banks, both represented on the board of the company.

1870 - 125 years ago, the Spanish government assigned the output of the Almaden quicksilver mines, Europe's largest producer, to NMR, charging

them with the exclusive right to sell and giving them a virtual European monopoly in a metal essential to the gold-refining process.

1895 - 100 years ago, Walter, 2nd Lord Rothschild, the distinguished zoologist, began a collection of butterflies which was to become one of the greatest in the world. Eventually bequeathed to the British Museum, it remains a starting point for serious researchers in the field.

1920 - 75 years ago, NMR prepared for its first major post-War venture, the opening of a Foreign Exchange Department. "We feel convinced that under existing conditions, there is a great opportunity to do a large and profitable business of this nature, business which will have to be developed gradually and with great care but for which we have many advantages."

1945 - 50 years ago, the end of the War brought the return to New Court of many of the staff who had been relocated for the duration of the War at Tring Park, in Hertfordshire, the former home of the 2nd Lord Rothschild.

In Czechoslovakia, the nationalisation of the Witkowitz steelworks ended a Rothschild link which had begun with the acquisition of a majority shareholding in 1843. The steelworks had supplied much of the steel used in the many Rothschild ventures in railway building throughout Europe.

1970 - 25 years ago, on 30 September, N M Rothschild & Sons Limited became a private limited company, after 160 years as a partnership.