

HOW THE ROTHSCHILD FORTUNE OF \$2,000,000,000 WAS MADE.

A PASSION for old coins and skill as a chess player formed the basis for the most colossal fortune ever conceived in the brain of a romancer or recorded among the facts of history. So writes Ignatius Balla in "The Romance of the Rothschilds," a book which the great bankers whose name adorns its title-page are endeavoring to suppress in England and which shortly will be published in this country by G. P. Putnam's Sons.

How the Rothschilds amassed their fortune, how for centuries they have wielded an irresistible power in the affairs of Europe and have more than once shaped the destiny of nations, has before now occupied the attention of historian and journalist. But the Rothschild secret has been hard to pierce.

Visitors to Frankfurt are shown in the old Jewish quarter of the city the ancient house in which a certain Maier Amschel was born in the year 1745. There was nothing distinguished about the ancestors of this Maier, who at the age of 12 he lost his father, but who destined his son to be a rabbi, but who failed to leave sufficient money to defray the expenses incident to the acquisition of a theological education. Hence, Maier Amschel, disappointed of his wish to become a teacher in the synagogue, was thrown on his own resources, became a clerk in a banking house, and before his death this obscure "child of the Frankfort ghetto" had founded the house of Rothschild, whose fortune to-day is estimated at \$2,000,000,000. Says Ignatius Balla:

Neither Rockefeller, nor Carnegie, nor Astor, nor any other American prince of finance has a capital equal to that of the Rothschilds. It is estimated at more than \$400,000,000, and it increases daily. It would be hard to increase even if they never engaged in another transaction, as, invested at an interest of not more than 4 per cent., it would yield more than \$16,000,000 (about \$80,000,000) yearly, or more than \$45,000 (about \$225,000) 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.

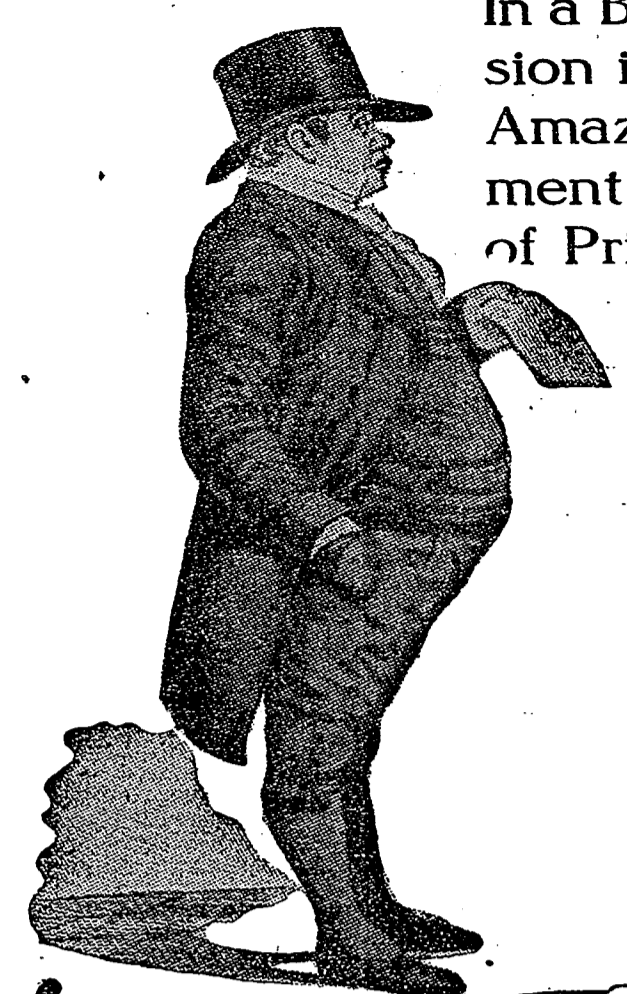
How was it done? Is there a Rothschild formula for making money? The one Ignatius Balla's book as a guide, one is inclined to believe that there is such a formula, and that it is more or less simple, and that it is more or less effective as to results except when it is used by Maier Amschel and the five sons to whom he bequeathed it, and their descendants. In spite of the inevitable tendency to consider that these men must have been marvels of financial ability, adepts in the juggling of figures and the weaving of complex business schemes, they were really, according to Balla and others who have written on the same theme, nothing of the kind. It is the simplicity of their programme that seems to be accountable for its success. As their present biographer says:

The man who is unfamiliar with financial matters is inclined to suppose that in their operations the Rothschilds spun a particularly complicated net of plans and needed very elaborate arrangements. The fact is that this machinery, working in all directions and turning everything into money by means of secret trusts, was really created by the intense speculative power of particularly gifted men like the Rothschild brothers. The fact is that, otherwise, and if we withdraw the veil from the action, not only of the Rothschilds, but the financial world as a whole, we should understand how much speculation on 'Change has contributed to the accumulation of the enormous fortunes of the house. An example will show this more clearly.

The founders of the business negotiated with a certain Statesman a loan of a hundred florins each. The shares were handed over to them at 88 florins, and they sold them at 130 florins. They had at their command many means of increasing the interest of the public to invest in it as so 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 stocks and they rose or fell in value. In this way they drew enormous sums into their coffers.

That is merely a specimen of a typical Rothschild operation. The fundamental secret of the success of the house seems to have been implanted in it by its founder, Maier Amschel, and to have consisted rather in the adherence to a certain line of conduct than to any complicated method or theory in finance. To pierce this secret, Balla quotes Friedrich von Gentz, diplomat and friend of Prince Metternich, as follows:

Any one who disregards chance gains and realizes that in all large operations success depends, not only on seizing and using the favorable moment, but still more on a strict adherence 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 favorable 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 with their father. If they had prospered, it is because they have been absolutely faithful to 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 success, they never let their centres—Frankfurt, Vienna, London, Paris, and Naples—interfere 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 their strength



Baron Nathaniel Rothschild, Founder of the English House of Rothschild.

cessive profit in any operation, to impose definite limits on all they undertook, and, as far as human foresight and prudence could achieve it, to leave nothing to chance. This maxim—"Serevare modum flnemque teneri"—("Be moderate, and never lose sight of the goal")—is one of the chief secrets of their strength.

It all comes back to that strange figure from the Frankfort ghetto of the eighteenth century, Maier Amschel, who was born in No. 69 Jew Street—the house with the red shield painted over the doorway—who allied, through excessive poverty, to become the rabbi that he and his father had set their hearts upon, and who started accordingly at the lowest rung of the business ladder, and who ultimately climbed to a pinnacle by means of this selfsame ladder quite beyond the dreams of any of his contemporaries—or of his successors, for that matter.

The name, Rothschild, is first applied to Maier Amschel, the founder of the house. Balla explains it as being a derivation from the red ("roth") shield which Amschel's father, Amschel Moses, the Jewish peddler, placed above the house in Frankfort where he finally settled after a wanderer's life of hardships and reverses. There was no number on the house in those days, nor did its owner boast of a surname. It was the red of the shield that, and to the house its distinguishing emblem, and thus the boy, or "schild," born under this emblem came to be known as Rothschild. And now, as to this first Rothschild's fortunate taste for numismatics and chess.

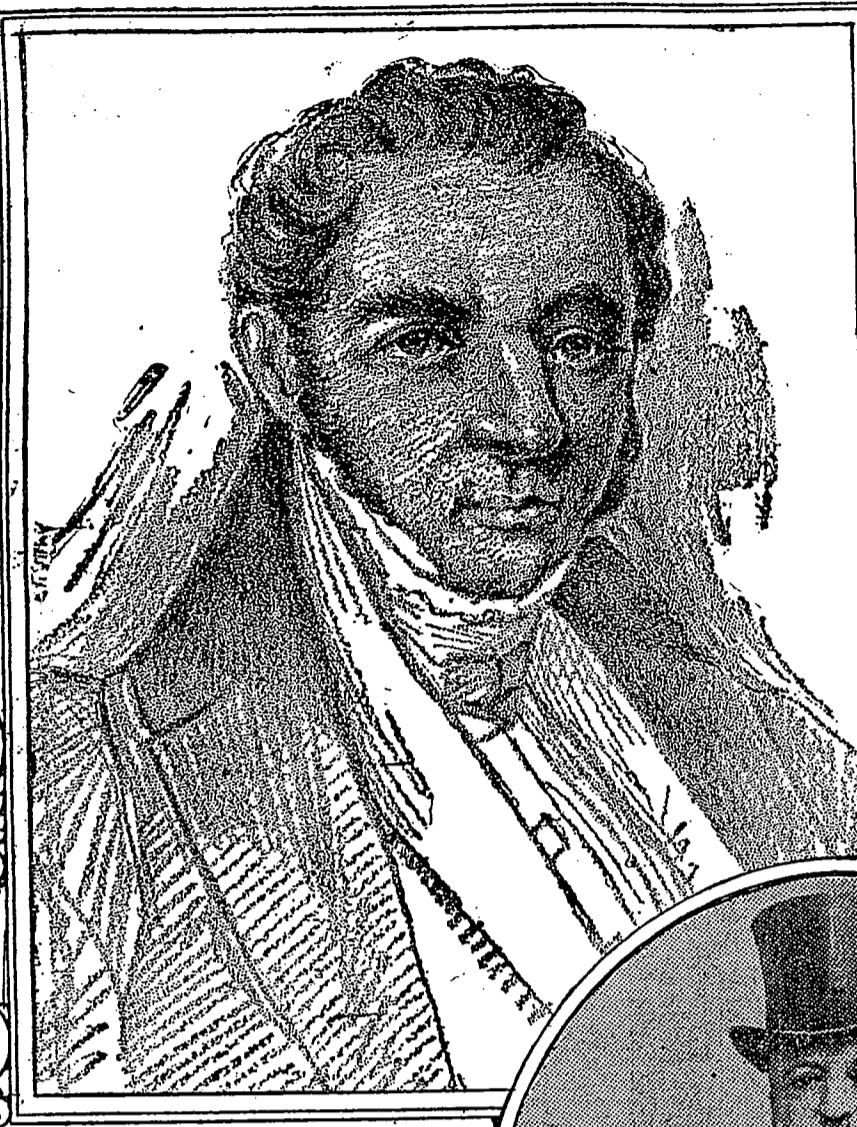
It seems that Amschel Moses, in the course of his varied life, was, among other things, a dealer in curiosities, old coins, &c. His experiences in these matters made him something of an adept in the history, markings, &c., of old coins and medals, and his knowledge was imparted to his son, whose natural taste for antiquarian studies, with this practical bias to work upon, soon led him to be, both in reputation and in fact, an accomplished numismatist. This at length brought him in contact with the Landgrave, William IX. of Hesse, afterward, Prince William IX. of Hanau, a connection that really gave the first direct and enduring impetus to what has since become famous in the financial annals of the world as the House of Rothschild. Mr. Balla tells the story:

Maier Amschel Rothschild's 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 expertise of 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. Gen. Baron Otto Augustus 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 the 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 noticed the Jew waiting respectfully, and he asked: "Do you play chess?"

"Yes; and if your Highness will kindly make this move the game will be decided in your favor in three moves." It was, as a matter of fact, a master-stroke that Rothschild recommended, and the Landgrave won and entered into conversation with the insignificant little Jew, and when Rothschild had gone, he said to Baron Estorff: "That is certainly no fool you have brought to me." "I trust your Highness will be just as pleased with the other qualities of Rothschild," said Baron Estorff. "I hope so, if he is as honest as he is clever," was the reply.

The Landgrave was a money lender on a large scale, and employed numerous agents to carry on his transactions. It was in this capacity that he first put young Rothschild directly to the test—and, in view of subsequent history, it is needless to say that the latter more than fulfilled all the requirements indicated in the Landgrave's conversation with Baron Estorff. William IX. was famous throughout Europe as one

In a Book Threatened with Suppression in London Are Described the Amazing Beginnings and Development of the Greatest Accumulation of Private Wealth Ever Known.



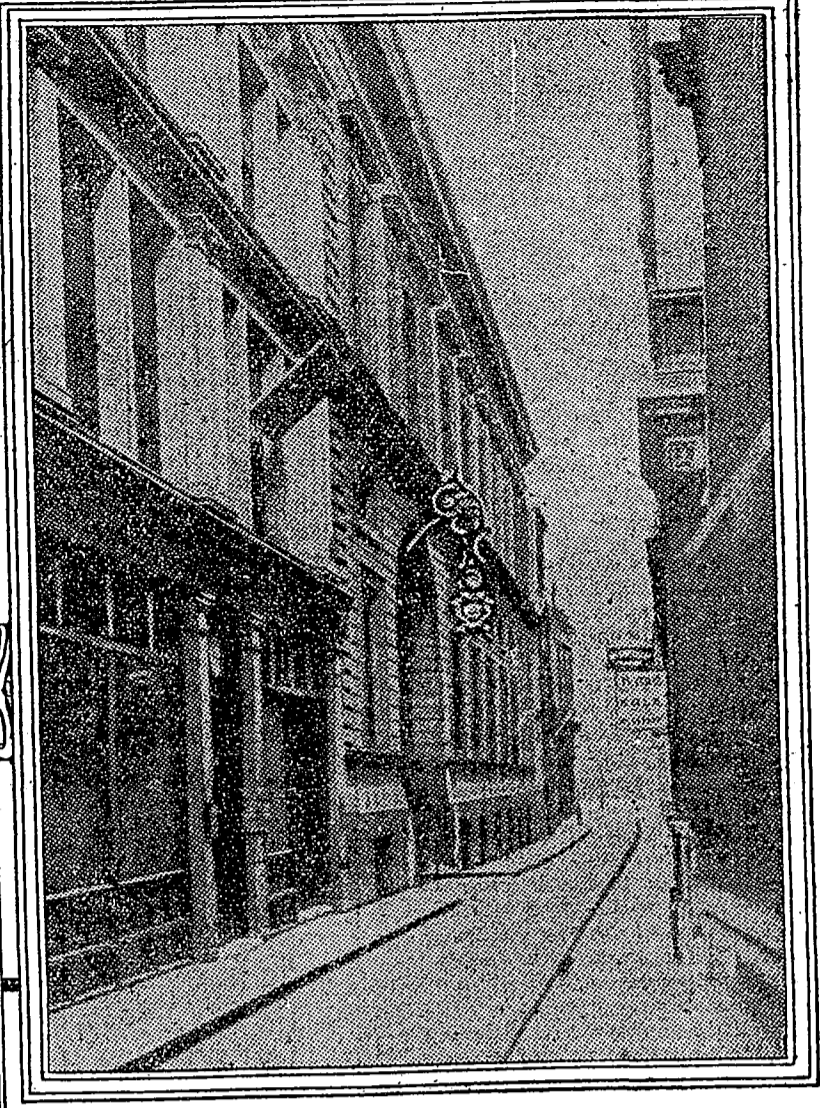
Baron Anselm Rothschild, Oldest Son of the Founder of the Rothschild Family and His Successor at Frankfort.

of the greatest capitalists of the day, and he was not slow to discern the genius in the same line of Maier Amschel. As a result, he loaned money to the latter, who became gradually the inheritor, as it were, of his royal banker's type of business. It is due to this origin of the Rothschild banking transactions, undoubtedly, that the founder of the house conceived a dislike to making loans to private individuals and confined his operations, as a rule, to lending money to members of the aristocracy and to national Governments. "If there is question of a loan, let it be to a State," was the rule held by Amschel's five sons. And the establishment of the latter in the five financial centres of Europe was, of course, a direct carrying out of their father's theory that the most advantageous financial dealings are those to be had with the ruling class. Such dealings, he argued, would be possible only with a thorough and practical knowledge of the intricate network of European politics. His five sons, acting as a unit, became intimate versed in the affairs of the different countries in which they were stationed, and by comparing and checking one another's experiences and information were enabled to perpetuate a financial dynasty that has proved impregnable. The planning of this campaign was the master-stroke of Maier Amschel Rothschild. Had the latter been childless, or had his sons been less imbued with the intense loyalty to one another and to a common cause which was early inculcated in them by their father, the mighty Rothschild fortune would have dissolved into a mirage, and, incidentally, much of the history of the last century in Europe would have been rewritten. But the first Rothschild came to a family solidarity that was unshakable, and hence his dreams of wealth and power have been more than realized.

Frankfort, Vienna, Naples, London, and Paris were the five cities in which the sons of Maier Amschel were originally stationed. To-day the Rothschild house exists in three of these cities—London, Paris, and Vienna—the branches of the house in Naples and Frankfort having been abandoned for various causes. It should be added, also, that the "House of Rothschild" is far richer and more prosperous to-day than ever before in its remarkable history, although, according to Mr. Balla, it is not so powerful politically as it was some decades ago—a change that is not due to any weakening in the house itself, but is rather a result of the broadening out of conditions in the financial world which was at one time completely subject to the Rothschild autocracy.

The London Rothschilds, naturally, receive the bulk of Mr. Balla's attention in the latter's review of the activities of the five branches of the original house. It is unquestionable also that in London these mighty bankers of modern times have achieved their greatest and most sensational victories—a fact due partly to the larger field offered by the European metropolises, and partly on account of the superior sagacity, amounting to genius, shown by the founder of the London house, Nathan Rothschild. It was Nathan who figured in the Rothschild speculation on the result of the Battle of Waterloo, the story of which, as related in "The Romance of the Rothschilds," has aroused the anger of the English branch of the family, and which has been denounced as a falsehood. Here is the story as it appears in Mr. Balla's book:

It is beyond question that Nathan Rothschild rendered incalculable service to England and Prussia during the "Hundred Days." But these "Hundred Days" are peculiarly the day of the downfall of Napoleon's



The Rothschild House in Swithin's Lane, London.

(Illustrations from "The Romance of the Rothschilds," by courtesy of G. P. Putnam's Sons.)

by him, and he never suffered any material loss in this way; which shows at once the justice of his principles and the unwillingness of men to abuse his confidence. He had no intention of giving aims, but knew that money and credit can restore the small trader to the opportunity to small traders. There was a strong dose of humanity in his business ideas.

It is a tribute, also, to the good that has been done by the London Rothschilds that "no State with which Nathan did business ever failed." If a State to which Nathan had loaned money was behindhand in the payment of interest to its creditors, it was Nathan who advanced the requisite funds from his own pocket. This was, of course, an "unpleasant" act of liberalism but it had, also, a tinge of shrewd "business" in it, according to Balla, who notes that "as this enabled States to pay punctually always, men began to credit Nathan Rothschild with a wonderful foresight and to entertain that unreserved confidence which gave a stamp of infallibility to all his undertakings."

We are told, moreover, that in the extent of his financial transactions, and in the frequency and success of his dealings with foreign nations, Rothschild changed London from being "merely the largest money centre in Europe" into the "emporium of the markets of the world," in which it has played the role that Amsterdam had filled in the eighteenth century. As a banker, also, Nathan Rothschild is awarded the distinction of being the "first to negotiate loans in the modern form." As Mr. Balla says:

He extended his transactions to all branches of stockbroking, buying or selling, according to circumstances. Where he found State securities which no one else had taken, he bought them, as he knew from experience that he could dispose of them at a profit when once the crowd in a few minutes had passed into his hands. He not only advanced money to States, but induced them to exchange one sort of stock for another, the purchase 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 he made up by 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 republics which had formerly been under Spanish rule.

The family devotion to business above all else was especially marked in the founder of the English house. Once a friend asked him jocularly how much time he had for music, to which he replied, jingling the money in his pocket: "That is the musical instrument on which I play best."

At one of his dinners a guest asked him: "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 me the greatest amount of heart, 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 much wit to keep it. If I were to listen to the great bankers who surround me, I should ruin myself very soon. Stick to one business, young man," said he to Edward; "stick to your brewery, and you must 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.'"

Nevertheless, although he rigidly lived up to his rule of concentrated devotion to business, and attained a success that has rarely been granted to man, Nathan Rothschild confessed that he had not achieved happiness. Sir Thomas Euston, marveling at the splendor with which the great banker was surrounded, asked him if he "could be otherwise than happy?"

"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 waiting for me? I do not send me £500, I will blow your brains out." I get letters like that every hour."

A similar confession is quoted from Nathan Rothschild's elder brother, Baron Anselm Maier Rothschild, whom the founder of the family left at the head of the Frankfort house. A friend, a young Parisian, once said to Baron Anselm:

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 admit, I am sure, that you certainly get a great pleasure to me to ride, but my physicians have long forbidden me to do so; my stomach and digestive organs are not equal to the smell of flowers, and so am deprived myself of the great pleasure which my consular duties and my people. A busy business activity prevents me from appreciating properly the pictures and statues that adorn my house. The one creature that every fully developed man has never been able to call mine. In a word, all that I get out of wealth is—the duty of preserving and increasing it for the people. I am still anxious to change places with me?"

The founder of the London House of Rothschild left four sons—Maier, Nathaniel, Antony, and Lionel. Of these the latter showed the greatest fondness and proficiency in the business of his father, and it was to him that the burden of money-making was left to carry on. For nearly half a century he remained at the head of the English house, and was succeeded by his son, the present Lord Rothschild, in 1873. On the latter, Mr. Balla writes:

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 1855. He was the first Jewish member of the British Parliament, Nathan was the first Jew to enter the House of Lords, and the first to work together for business as his grandfather. He gives the closest attention to it; the whole city looks to him for news, and his agents with the same ability as his great predecessor, who laid the foundation for the house's fortune, and he works together at his desk every morning to receive his instructions, and it is said that no one goes near him of whom he has not passed some instruction to give. However important the business may be, he never gives up one more minute than is necessary. Swithin's Lane is not a place for long conversations, as a rule. Nathan had finished his work, and his example is followed by his grandson and by Lord Rothschild's brothers, Leopold and Alfred, who share the work with him. Two desks, with a third at one side. At the central desk sits an elderly gentleman with piercing eyes and short white hair; that is Lord Rothschild. Opposite him is his younger brother Leopold, who is nearly 68 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 the Rothschild family in London on the London house of the Rothschilds. Here the great campaigns are worked out, and from this lofty room the Rothschild operations which are felt all over the globe. On the wall of the modest garbled house in a narrow street, which reached its present state in 1790, the Rothschilds, one may still see the old sign of the firm, which the founder of the London branch had called the "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.

Lord Rothschild, Present Head of the English House of Rothschild.

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 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 he had prepared for a decisive battle at the southern boundary of the forest of Soignes, 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 went to the front, and followed with his own eyes from some higher ground, with anxious heart and beating temples, his nerves strung to the pitch of fear. 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 desperate attack, in order, at whatever cost, 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 fallen. The sight of the dead and the wounded horrified him, and he fled to the pitch of fear, 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 would go. In order to save time he crossed 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 falling knees. He looked like a man broken in body and soul, as if he were aged ten years in a single night.

The hall of the Exchange was seething with excitement, like a hive of bees. The stockbrokers usually so cold-blooded, walked about restlessly, speaking little to each other, every man shuddering in body and heart at the presence of some dread unknown. Dismal news passed from mouth to mouth. In a low tone they discussed the defeat of Flitchee, and "Hundred Days" he peculiarly the day of the downfall of Napoleon's

Lord Rothschild, Present Head of the English House of Rothschild.

army. Rumors 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 Caesar, who had never before lost his balance in the most furious storms of the financial world.

What they had regarded as idle rumor seemed now to take the shape of a reality. The countenance of Nathan Rothschild told more than the vague whispers of the crowd. A fear, amounting to panic, broke over the entire Exchange like a flash of lightning; the passionate and irrevocable 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 terror, and filled men with alarm. A wild panic seized the crowd; in a few minutes 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 disillusioned faithful, thirsting for vengeance, cast from their pedestals and trod under foot.

Meaning the deathly-pale man at the column laughed in his sleeve. While sympathetic souls expressed their concern for Nathan Rothschild, he was thinking of the 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.

**DYSPEPTIC PHILOSOPHY**

You can always tell when a girl is a prude. She is always looking for something to shock her.

When a woman says "It's no use talking," don't jump to the conclusion that she isn't going to.

It isn't defective sight that causes the freckled girl to wear specks.

Even the fellow who takes things as they come may hate to let go of them.

If a man falls at being successful, he can at least succeed in being a failure.

Man cannot add to his stature, but tight shoes will increase a woman's girth.

Love may be blind, but where the engagement ring is concerned it is never stone blind.

Many a fellow has backed in the sunshine of a girl's smile until she has given him a look that wilted him.

When a young man is courting he should smoke only strong cigars. They don't break so easily in the pocket.

Virtue is its own reward. The fatted calf would gladly have changed places with the Prodigal Son.

The egotist is all I's, and expects the rest of us to be all ears.

The man who agrees with nobody thinks everybody else is in the wrong.

Would you say that travel has a broadening effect on people who simply go away to spend themselves?

Bonds sometimes fluctuate in value, even the holy bonds of matrimony.

Virtue hasn't much market value unless it has been put to the test.

All that glitters isn't inspired by the Golden Rule.

The man who has no enemies is his feet under ground.