

Future plans

The Archive looks forward to working with colleagues from the Frankfurt Jewish Museum, which will close for a period of two years from summer 2015, as they develop their concept for the interpretation of the history of the Jews of Frankfurt in a new gallery. The Museum is currently housed in a former Rothschild property on the Untermainkai, which will be the base of the Museum's future permanent exhibitions.

The staff of the Archive looks forward to developing knowledge of the collections on deposit at the ANMT in Roubaix, and to making them better known to the research community.

Above, from left
Back cover from the 1846 attack on the Rothschilds. See p.12. RAL 000/1604

Surviving papers of the Jewish War Services Committee. See p.36. RAL 000/358

NOTES

1 www.womeninscience.net/?page_id=297

2 www.womeninscience.net/?page_id=462

3 Illustrated on page 56.

4 www.gemeentemuseum.nl/en/exhibitions/rené-lalique-1860---1945

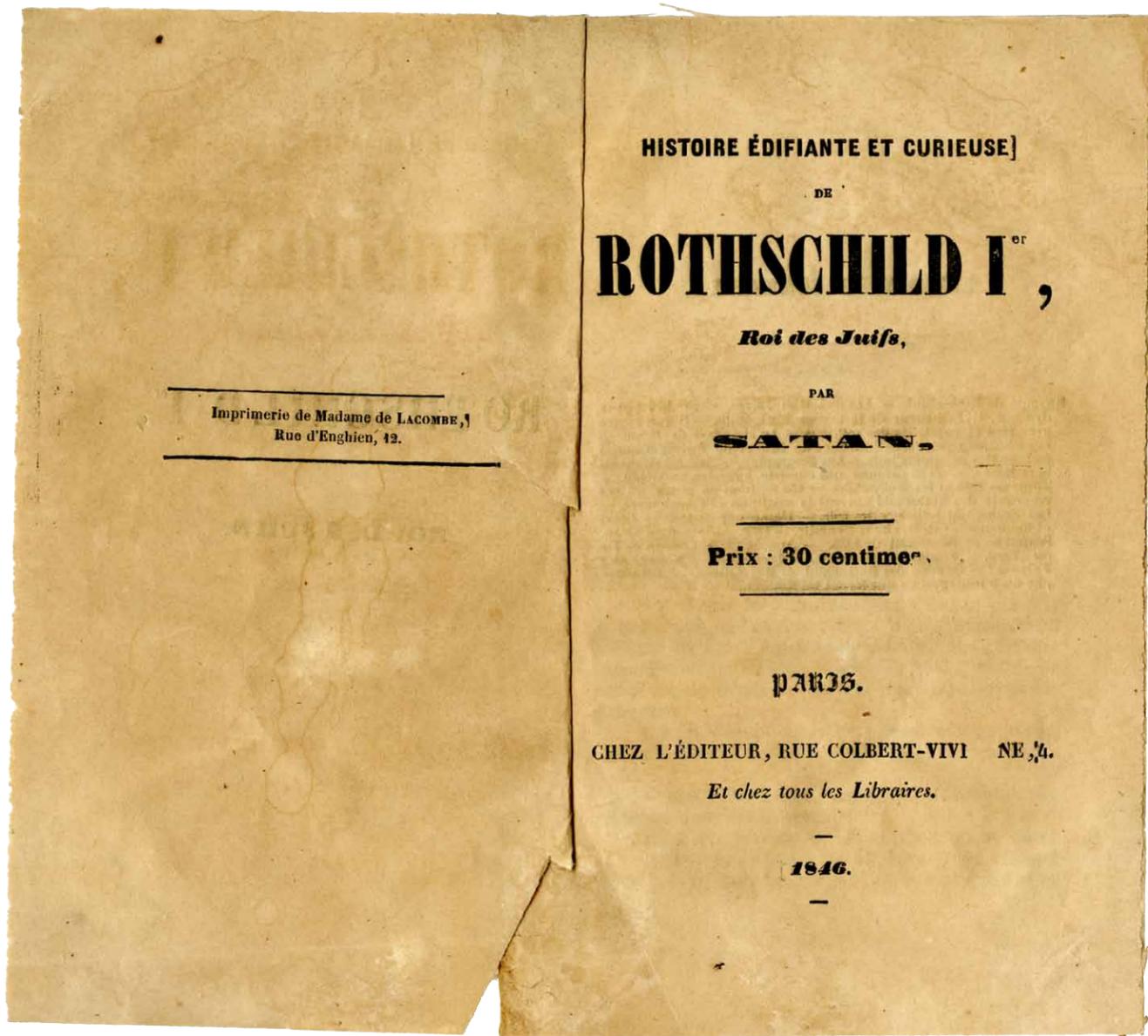
5 www.archivesnationales.culture.gouv.fr/camt/ and www.rothschildarchive.org/collections/history_of_the_collections/history_of_the_business_records_of_de_rothschild_freres_paris

Nathan Rothschild and the Battle of Waterloo

Brian Cathcart explores an enduring myth about a key period in Rothschild history.



That Nathan Mayer Rothschild (1777–1836) was the first person in London to know of Wellington's victory at Waterloo in 1815 has been asserted so often it is widely accepted as a historical fact. No less a historian than Elizabeth Longford repeated the claim in her great biography of the Duke in the 1970s, and more recently it appeared in Niall Ferguson's official history of the Rothschild family.¹ A second assertion is just as widely known: that Rothschild exploited his exclusive knowledge to make a killing on the Stock Exchange, probably employing some kind of deception to augment his profits. Versions of this have appeared in the *Encyclopaedia Britannica* and the *Dictionary of National Biography*, in scores of histories of Waterloo, of the Stock Exchange and of British Jewry, in works on business practice and intelligence, and in novels.² In a more sinister vein it formed the basis of a 1940 Nazi propaganda film, *Die Rothschilds: Aktien auf Waterloo*, and it continues to find favour on neo-Nazi and anti-Semitic websites.



HISTOIRE ÉDIFIANTE ET CURIEUSE]

DE

ROTHSCHILD I^{er},

Roi des Juifs,

PAR

SATAN,

Prix : 30 centimes

PARIS.

CHEZ L'ÉDITEUR, RUE COLBERT-VIVI NE 3/4.

Et chez tous les Libraires.

1846.

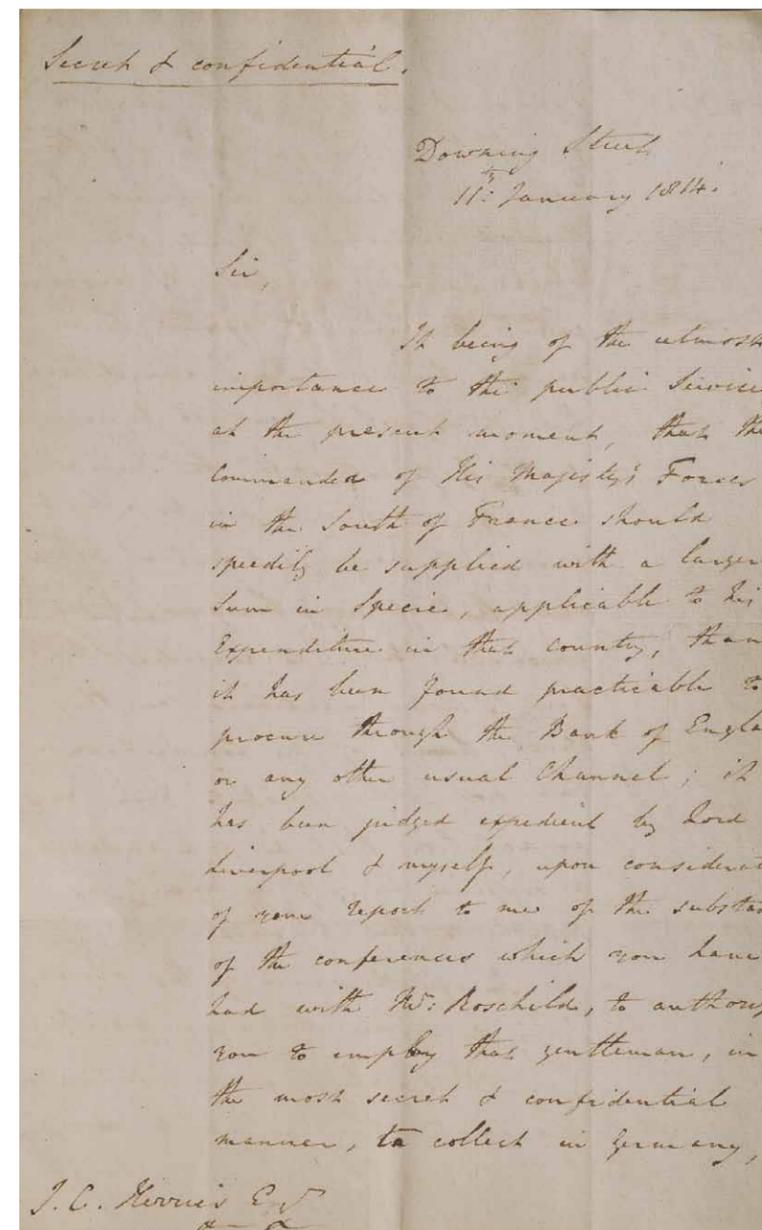
Imprimerie de Madame de Lacombe,
Rue d'Enghien, 12.

The story is more legend than fact. Not only is there nothing in the surviving historical record to suggest that Rothschild was the first in London to know of Waterloo, but we can say with some confidence that another man had that distinction. As for Nathan Rothschild making a killing, while it is likely that he made profits that week any gains can only have been modest by comparison with the fortunes made by others. And there is no question of trickery.

How such an ill-founded tale managed to gain currency and respectability is a curiosity in its own right, and there is no escaping the influence of anti-Semitism. As Victor, 3rd Lord Rothschild (1910–1990) found when he investigated these matters, the decisive event was the publication in Paris in 1846 of a pamphlet entitled *Histoire Edifiante et Curieuse de Rothschild Ier, Roi des Juifs*, whose author signed himself simply 'Satan'.³ An attack on James de Rothschild (1792–1868) as a ruthless capitalist and enemy of the French people, it sold across Europe by

Above
Title page from the 1846
attack on the Rothschilds.
RAL 000/1604

Previous page
Nathan Mayer Rothschild
by Moritz Oppenheim.
NMR 234



Secret & confidential.

Dorset Street
11 January 1814

Sir,

It being of the utmost importance to the public service, at the present moment, that the Commander of His Majesty's Forces in the South of France should speedily be supplied with a larger sum in specie, applicable to his Expenditure in that country, than it has been found practicable to procure through the Bank of England or any other usual channel; it has been judged expedient by Lord Liverpool & myself, upon consideration of your report to me of the substance of the conference which you have had with Mr. Rothschild, to authorize you to employ that gentleman, in the most secret & confidential manner, to collect in Germany,

J. C. Herries Esq

Above
Letter from Vansittart to Herries, 11 January 1814, commissioning Nathan Rothschild to become the Government's agent.
RAL XI/52/30

the tens of thousands and it included the lurid tale of how James's brother Nathan profited from the deaths of Frenchmen at Waterloo. Nathan, it was said, witnessed the battle in person and rode in haste to the coast, where he bullied and bribed a fisherman into ferrying him to England through a terrible storm. In this way he reached London twenty-four hours before the official news and 'gained twenty million in a single coup' on the stock market. Such cynical opportunism at the expense of French people, insisted 'Satan', was typical of the Rothschilds: 'This family is our evil genius.'

As the wealth and fame of the Rothschilds increased in the subsequent decades, so did the curiosity and envy of others, and the 'Satan' story was frequently repeated and just as frequently embellished. Notably, the element of trading subterfuge was added. No sooner had Nathan reached the City of London, it was claimed, than he deliberately provoked a collapse



in stock market confidence by encouraging rumours that Wellington had been defeated. Only when prices were near to rock bottom, and after many investors had been ruined, did he begin to buy, and in this way he was able to double the gains he made when the victory became known. One historian remarked: ‘We cannot estimate how many liveried servants, how many Watteaus and Rembrandts, how many thoroughbreds in his descendants’ stables, the man by the pillar [Rothschild] won that single day.’⁴

This enhanced version of the story appeared in a 1913 history of the Rothschilds by the German author Ignatius Balla, but by then the narrative was under some stress.⁵ One problem was that the *dramatis personae* of Waterloo were well established; anyone with knowledge of the battle was aware that Nathan Rothschild wasn’t there.⁶ Another was that the Rothschild family and its friends were increasingly uncomfortable about this ugly tale. Alternative stories now surfaced to explain Rothschild’s early knowledge. Some of these, such as the claim that the news travelled by pigeon, were pure fantasy – there was no organised use of homing pigeons in England in 1815, nor is there any record of them in The Rothschild Archive at this time, or of the considerable infrastructure needed to support them. Two other stories, however, merit scrutiny, not least because they have proved the most enduring.

The first is that Nathan Rothschild had arranged a rapid communications channel from Brussels – relays of couriers overland and a fast cutter waiting off Dunkirk – to bring him news from the war front. This idea was promoted early in the twentieth century by Lucien Wolf, a journalist and historian who was friendly to the Rothschild family, and Wolf asserted that the evidence lay in the Rothschild records. His version appeared to be supported by the entry for 18 June 1815 (the day of the battle) in the diary of James Gallatin, an American then

In a familiar pose, Nathan Rothschild is depicted in this cartoon of the Rothschild Exchange by I.R. and G. Cruikshank, 1821. RAL 000/707

visiting London. This spoke of great public anxiety and noted: ‘They say Monsieur Rothschild has mounted couriers from Brussels to Ostend and a fast clipper ready to sail the moment something is decisive one way or the other.’⁷ The Gallatin diary, however, has been shown to be a fraud concocted towards the end of the nineteenth century. Furthermore, nothing has been found in Rothschild’s business correspondence to support the notion that before Waterloo was fought he made arrangements for a fast communications channel.⁸ The Lucien Wolf version of the story therefore fails the evidence test.

More complex is what might be called the Wellington version. On a number of occasions in the 1820s and 1830s, well before the ‘Satan’ story entered circulation, the Duke of Wellington asserted privately that the news of Waterloo was brought to Nathan Rothschild by an agent who learned of it at Ghent in Belgium, where the exiled French king, Louis XVIII, was staying. On the morning after the battle this agent saw a messenger deliver to Louis a letter announcing the victory and so he rushed to London by way of Ostend to inform his employer. Rothschild then did some profitable trading on the Stock Exchange before informing the government of what he knew.

This story, which only reached a wide public with the publication of various memoirs towards the end of the nineteenth century, has some foundation in recorded fact. Newspapers of the week that followed Waterloo reported that a ‘Mr C of Dover’ was present in Ghent when the news reached Louis XVIII on Monday 19 June and that he hurried to London, which he must have reached during the night of Tuesday to Wednesday – perhaps as much as twenty-four hours before the official word of the victory. This Mr C therefore has the distinction of having been the first person in London to know the French had been beaten – so far as the known, contemporaneous historical record states. But there is nothing in that record to connect Mr C with Nathan Rothschild. Only Wellington’s table talk provides that link, and Wellington, very obviously, was not in London when these events occurred. His evidence is hearsay at best, and analysis shows that his tale improved with the telling: early versions of it did not mention Rothschild at all.

Further, Mr C’s actions once he reached London scarcely accord with Wellington’s tale, because he appears to have shared his information freely and at the first opportunity. Again the newspapers of those days are our witnesses and they record that the gentleman who had come from Ghent was telling his story publicly in the City on Wednesday morning – reports of it were in print as early as noon. This is not consistent with suggestions that Rothschild exploited the information for purposes of insider trading. (There is a further tradition which identifies the gentleman from Ghent as John Roworth, a known employee and messenger for Nathan Rothschild. But a letter in The Rothschild Archive leaves no doubt that Roworth was in London on that Monday and so could not have been in Ghent.)⁹

A further reason exists for believing that Mr C was not, as Wellington claimed, a Rothschild employee. One surviving newspaper from the relevant days mentions Rothschild, and tells us that he did indeed receive early information of the battle. This was the *Caledonian Mercury* of Edinburgh, whose London correspondent wrote the following on the Wednesday evening, a few hours before Wellington’s messenger reached town with the official confirmation of the victory:

Good news – to be relied upon – Lord Wellington was joined on the 18th by 20,000 Prussians under Bülow and beat Bonaparte completely, taking nearly the whole of his artillery. Omnium is now up at 6. This I have from good authority – one who has seen a letter from Ghent, received by Rosschild, the great stockbroker whose information is invariably the best. He is now at the Foreign Office.¹⁰

Nathan Rothschild therefore received a letter from Ghent (and not a messenger) some time on Wednesday, 21 June. And significantly the piece of information cited in the newspaper report – relating to the Prussians – is not information that is attributed to Mr C in the earlier reports. In short, Rothschild had a different informant who sent him different information.

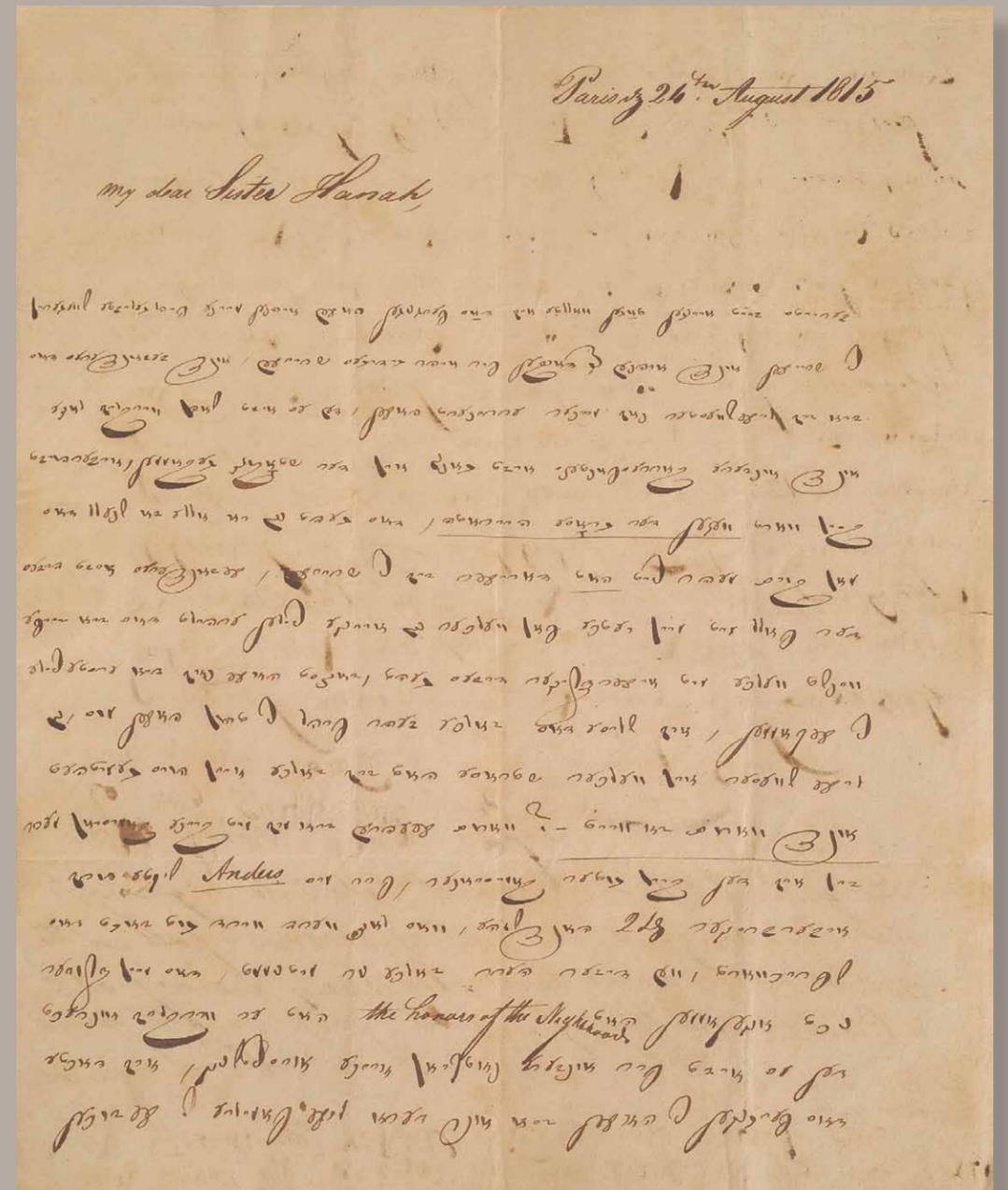
Let us take stock. Nathan Rothschild was not at Waterloo. There is no evidence to support the suggestion that he made special arrangements to have early news of the battle, whether by pigeon post or more conventional means. There is nothing in the historical record to suggest that he was the first person in London to know of the victory, indeed the evidence points firmly towards Mr C. Nor, despite Wellington's later assertions, do we have reason to believe that Mr C brought his news to Rothschild. What we do know, on the basis of contemporaneous evidence, is that Rothschild was one of a number of people in London who received private information about the battle before Wellington's official dispatch was delivered at about 11pm on Wednesday.

At what time on Wednesday he received his letter from Ghent we can't be sure. The *Caledonian Mercury* correspondent almost certainly composed his report with the view that it should be up to date to about 7.30pm, so that it could depart on the 8pm mail coach to Edinburgh. No news of Rothschild's letter had appeared in the London evening papers, which were avid for such information but which closed their final editions between 3pm and 4pm. Moreover the *Mercury* report speaks of Omnium, a government security, being 'up at 6', a price it did not attain until the afternoon.

A further clue indicates that it reached him before the close of trading on the Stock Exchange. John Roworth, the Rothschild employee mentioned above, subsequently travelled to Paris on bank business, and in late July he wrote a letter to Nathan which included the postscript: 'I am informed by Commissary White you have done well by the early information which you had of the victory gained at Waterloo.'¹¹ It is nothing more than an aside and it presumably refers to the letter from Ghent, but it may shed light on timings. For Rothschild to have 'done well by' the early information in the conventional, financial sense, he must have had time to conduct some business on the Stock Exchange on Wednesday. Thursday morning, after the overnight official confirmation of victory had sent stocks sharply upwards, would have been too late. In sum, the various clues suggest that Rothschild's letter from Ghent reached him in the course of Wednesday afternoon.

Consideration of Roworth's postscript brings us to the suggestion that Rothschild manipulated the market, and once again there is no evidence for this. In particular, the often-repeated claim that he engineered a panic and a slump in prices by spreading word of a defeat is disproved by the progression of the price of Omnium on the Tuesday and Wednesday. This was the government security whose movements were most closely linked to success or failure on the battlefield, and it never slumped. According to the daily stock reports in the *Morning Chronicle*, Omnium opened on Wednesday at 4-3/4 per cent premium, climbed to around 6 per cent and then slipped back to 4-3/4 per cent at the close. Why did it slip back? It is true that there were rumours of a defeat (as well as further reports of victory), and we also know that there was profit-taking, but the decline should be seen in context: Omnium fell no lower than its opening price on the day, and that in turn was the highest price it had reached up to that date. A stock that dips below its peak is not the same as a stock that slumps.

It appears likely, from Roworth's postscript, that Rothschild bought stocks on Wednesday afternoon. If he did so at around 5 per cent premium then he could have sold the next day at 8 per cent or more – a very handsome overnight return fully worth the description 'doing well'. But again context is required. Many investors made far larger profits that week. The original contractors to that month's government loan – at that time the largest ever raised –



In this letter of 24 August 1815 Nathan's brother James expresses his disbelief that Nathan could have turned down a knighthood offered by a grateful British Government in the weeks after Waterloo. He briefly abandons the Hebrew alphabet and German language to write 'the honors of the Nighthood' – third line from the bottom.

RAL XI/109/2/49

the honors of the Nighthood

had acquired Omnium at par and were able to take on holdings as large as they chose. Some made fortunes on a scale which Rothschild, arriving late in the market, was in no position to match.¹² In short, while Rothschild probably made a profit from his early news of Waterloo, it was by no means exclusive early news (Mr C's story could already be read in at least three newspapers), he did not engineer a market panic, and he did not make a great killing. If any of this had been true it would surely have surfaced in his correspondence with his brothers elsewhere in Europe, but it did not. Nor was it mentioned in any newspaper report during his lifetime, or in his obituaries. And the evidence in The Rothschild Archive that Nathan was offered a knighthood a few weeks after Napoleon's defeat (an honour he rejected) strongly suggests that he had done nothing that the government could have considered disreputable or potentially embarrassing.¹³

The legend of Nathan Rothschild and Waterloo is just that: a legend. As with most legends, there are underpinning elements of truth: he had relatively early information and he seems to have profited by it. The rest, however, is fiction, and not harmless fiction. The Nathan Rothschild of the legend is a Shylock, a Fagin, a Jud Süß – scheming, cynical, secretive and fanatically greedy. To stamp that character in the public mind was the aim of the writer who called himself 'Satan' and of the makers of *Die Rothschilds: Aktien auf Waterloo*. Of course others have repeated the tale with no anti-Semitic intent, but given its pedigree and the absence of supporting evidence it is probably time historians relegated this legend to the margins and the footnotes.

Brian Cathcart is professor of journalism at Kingston University London and is the author of The Case of Stephen Lawrence (1999) and The Fly in the Cathedral: How a small group of Cambridge scientists won the race to split the atom (2004). He was also a founder of the campaign group Hacked Off. His latest book, The News from Waterloo: How Britain learned of Wellington's triumph will be published by Faber & Faber in April 2015.

NOTES

- 1 Elizabeth Longford, *Wellington: Pillar of State* (London: Weidenfeld & Nicolson, 1972), 7–8; Niall Ferguson, *The House of Rothschild* vol.1: *Money's Prophets 1798–1848* (London: Penguin, 1998), pp.98–9.
- 2 See for example Bertrand Gille, *Histoire de la Maison Rothschild* vol.1 *Des Origines a 1848* (Geneva: Droz, 1965); Rory Muir, *Britain and the Defeat of Napoleon 1807–1815* (Yale University Press, 1996); Neville Thompson, *Earl Bathurst and the British Empire 1762–1834* (Barnsley: Cooper, 1999); Encyclopaedia Britannica, 11th ed., vol. xxiii (Cambridge: Cambridge University Press); Encyclopaedia Americana vol.23 (New York: Americana Corp., 1977); Dictionary of National Biography (Oxford: Oxford University Press, 1897); Richard Bookstaber, *A Demon of Our Own Design: Markets, Hedge Funds, and the Perils of Financial Innovation*, (New Jersey: Wiley, 2007); William J. Bernstein, *The birth of plenty: how the prosperity of the modern*

- world was created* (London: McGraw-Hill, 2004); Aaron Levine, *Case studies in Jewish business ethics Library of Jewish law and ethics* vol.22. (Hoboken, NJ: KTAV publishing, 2000). In modern times the story has been challenged in two works: Victor Rothschild, *The Shadow of a Great Man* (London: privately published, 1982) and Herbert H. Kaplan, *Nathan Mayer Rothschild and the Creation of a Dynasty 1806–1816* (Stanford CA: Stanford University Press, 2006).
- 3 Rothschild, Shadow; 'Satan' was Georges Dairnvaell, a well-known left-wing activist and writer.
- 4 Frederic Morton, *The Rothschilds: A Family Portrait* (London: Secker and Warburg, 1962), p.54.
- 5 Ignatius Balla, *The Romance of the Rothschilds* (London: Eveleigh Nash, 1913).
- 6 See Notes and Queries v2, 4thS, (38) 19 September 1868, p.283.

- 7 James F. Gallatin, ed., *A Great Peace Maker: The Diary of James Gallatin, Secretary to Albert Gallatin* (London: Heinemann, 1914), p.76.
- 8 Raymond Walters, jnr 'The James Gallatin Diary: A Fraud?' *American Historical Review* LXXII July 1957, 878–85.
- 9 Letter from Nathan Rothschild to Carl Rothschild, 20 June 1815. RAL XI/82/7. The reference to Roworth is a post-script.
- 10 Caledonian Mercury, 24 June 1815.
- 11 RAL XI/112/51 and T3/341.
- 12 David Ricardo and Bridges Trouwer were among those who made large sums. See Piero Sraffa, ed., (1951–73) *The Works and Correspondence of David Ricardo* (Cambridge: Cambridge University Press, 1951–1973).
- 13 Letter from John Roworth, Paris, to Nathan Rothschild, London, 27 July 1815, XI/112/77.

An Absolute Passion: The Rothschilds' orchid collections at Gunnersbury Park, Tring Park, Exbury Gardens – and London's East End

Francesca Murray reveals an unexpected link between nurseries and a refinery in her study of the Rothschild family's passion for orchids.

Orchids held a special fascination for the Rothschild family throughout the nineteenth and twentieth centuries. They were amongst a number of plants that the family collected; however, the orchid was exceptional, providing the beauty and varieties of form with the horticultural challenge of its cultivation, which made it a cherished family asset. The rarity of the orchid and its high price at auction was a fitting trophy for the richest family in England and its exotic flowers complemented the lavish interiors of the Rothschild houses. The orchids were also a pleasurable distraction from the business of banking and for sharing with friends.

The provision of manpower and horticultural expertise, together with the installation of the latest glasshouse technology needed to grow the orchids, was a demonstration of the wealth of the family and the high standards of excellence espoused by its members. But it also revealed their personal devotion to these new, peculiar plants that flooded into the nurseries of the early nineteenth century. Early exposure to orchids as a child led to Ferdinand de Rothschild's (1839–1898) patronage of the orchid expert Frederick Sander (1847–1920) and ensured the family were at the vanguard of the introduction of the genus into Europe and England.¹ Indeed some orchids were named after family members in appreciation.² It appealed enough to 1st Lord Rothschild, Nathaniel de Rothschild (1840–1915) and his son Walter (1868–1937) at Tring Park and later Lionel de Rothschild (1882–1942) at Exbury to join the group of orchidologists of the Royal Horticultural Society, namely the Orchid Committee, which gave them an opportunity to be involved scientifically. As orchid species became more rare, and in order to extend the orchid flowering period for cutting, orchid hybridisation became the objective in the professional and amateur glasshouses of England and Europe. The Rothschild gardeners were no exception, cultivating numerous orchid hybrids, which won many RHS awards.³ A further step taken in the early twentieth century by Lionel de Rothschild at Exbury was to experiment in the germination of orchid seed, a field that had been thus far unsolved.

All of these were more than enough reasons for a Rothschild to become passionately attached to this genus. But, perhaps more fundamentally there was an emotional connection in England between the family and the imported orchid plants. Both the family and the orchid genus were outsiders, seen as exotic, curious and yet ultimately fascinating. Both were expensively bound in their uniqueness, subjects of envy, tricky to look after, with seemingly eccentric characteristics that needed special care and handling.⁴ When cultivation and treatment of these exotic specimens was fruitful, the results were often breath-taking. Orchids collected from distant lands by plant collectors who often risked their lives searching for these unique specimens were part of global networks that as bankers the Rothschilds shared.