

Fraternity and endogamy. The House of Rothschild¹

'These Rothschilds harmonise with one another in the most remarkable fashion. Strangely enough, they even choose marriage partners from amongst themselves and the strands of relationship between them form complicated knots which future historians will find difficult to unravel.' Heinrich Heine.²

The House of Rothschild was far and away the largest bank in the world throughout the century between the end of the Napoleonic wars and the beginning of the First World War. A unique, pioneering multinational, it commanded the financial markets and held the fate of governments in its hands. And yet, as Niall Ferguson emphasises again and again in his magisterial study, 'this huge and powerful organization remained at its core a family firm. It was run as a private—indeed, strictly secret—partnership, with its main business the management of the family's own capital' (2: xxiii).

On the face of it, this is surely paradoxical. Family values are not market values. The family is not the place for cost-benefit analysis. Family relationships are not designed to maximise efficiency. Even in the nineteenth century, there were those who believed that any family business must therefore be fundamentally unstable. Meyer Amschel, the founding father of the House of Rothschild, warned his sons 'that Jewish fortunes as a rule don't keep longer than two generations for two reasons. One because the housekeeping and other expenses are not being considered, second because of Jewish stupidity' (1: 77). But of course there were more serious concerns: Oedipal conflicts, sibling rivalries, succession crises, the dilution of capital through inheritance. These were some of the classic weaknesses of a family business. Where a family did become rich through its business, the *Buddenbrooks* factor had to be reckoned with: gentrification, excessive cultivation and the consequent loss of entrepreneurial drive.

In the case of the Rothschilds, however, commentators have conventionally identified family solidarity as the key to their success rather than as a handicap. 'The prosperity of the Rothschilds was as much owing to the unity of feeling which alike pervaded all branches of that numerous family as in their capital and abilities', Disraeli

1 This essay is based on Niall Ferguson's monumental two-volume work *The House of Rothschild* (Volume 1, *Money's Prophets, 1798–1848*; Volume 2, *The World's Banker, 1849–1999*, published respectively in 1998 and 1999). This is the first study of the Rothschilds by a professional historian to be based on free access to the Rothschild Archive in London. Since most of the references in this essay will be to Ferguson, I will normally give only the volume and page number in the text. I am very grateful to Helen Harland for preparing the diagrams.

2 Quoted in Ferguson 1998: 184.

remarked. ‘They were like an Arabian tribe’ (1: 105). This view was shared by the Rothschilds themselves. In 1841, at a time when the third generation was being drawn into the business, Mayer Amschel’s oldest son reminded his partners that the bank’s success depended on their unity and cooperation.

I therefore request most urgently that you, beloved brothers and nephews, will always take care to implant in your heirs the same consciousness of concord and togetherness ... To do so will be of benefit both to you and to your descendants. It will prevent our business interests from being split up, and will stop others benefitting from our great efforts, our knowledge and the experience [we have] laboriously accumulated over many years (1: 79).

The structure of a family and the mechanisms by which it maintains cohesiveness (if it does) are not to be taken for granted. Deliberate, innovative strategies may be evolved to cope with specific circumstances. Certainly the Rothschilds did not rely on traditional kinship values and institutions. They forged new mechanisms of alliance, inheritance and succession, honed to the specific requirements of their very unusual enterprise. Indeed, they were as creative and entrepreneurial in the field of kinship as in more technical aspects of banking; and their kinship strategies yielded them a competitive advantage that may have been decisive.

The five arrows

In 1817, having been ennobled by the Emperor of Austria, the family submitted a design for a coat of arms. The fourth quarter showed a hand holding five arrows, symbolising the unity of the five sons of Mayer Amschel, the founder of the banking business, and the cohesiveness of the five branches of the House of Rothschild that they headed.

Mayer Amschel had started in business in partnership with his brother, Kalman. After Kalman’s death in 1782 he worked on his own until his sons were old enough to join him. At first they were merely his assistants. Officially in 1810, but probably

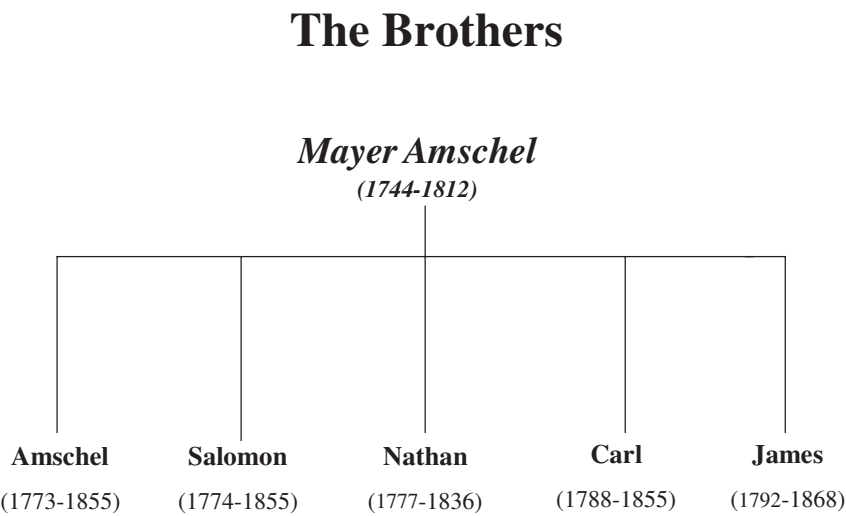


FIGURE 1. *The sons of Mayer Amschel.*

earlier in fact, Amschel, Salomon and Carl became partners of their father in Frankfurt. Another brother, Nathan, established himself in London. He may have become a partner at an early stage, but his legal relationship to the Frankfurt Rothschilds was kept secret during the Napoleonic wars. James, the youngest of the five, became a partner on attaining his majority, and established the bank in Paris.

After their father's death in 1812, the three Frankfurt-based brothers continued to work closely together. The eldest son, Amschel, took over as head of the original firm M. A. Rothschild & Söhne in Frankfurt. Subsidiaries of the Frankfurt bank were set up in Vienna, under Salomon, the second son, and in Naples under Carl, the fourth son. The other two brothers were more autonomous. Nathan Rothschild established N. M. Rothschild and Sons in London, and soon after their father's death the youngest brother, James, founded de Rothschild Frères in Paris. In 1818, however, a new partnership agreement was drawn up between the brothers which defined the structure of the House of Rothschild as "three joint mercantile establishments [conducted] under their said five partners' mutual responsibility" but at the same time "*form[ing] but one general joint concern*" (1: 110). The strength of the House was to be precisely its unity in diversity. 'If there was a single "secret" of Rothschild success,' Ferguson argues, 'it was the system of co-operation between the five houses which made them, when considered as a whole, the largest bank in the world, while at the same time dispersing their financial influence in five major financial centres spread across Europe' (1: 267).

Fraternity

The first principle on which the unity of the House of Rothschild was founded was fraternity. 'In the end,' Ferguson comments, 'there were authentic bonds of brotherly love, forged in the Judengasse, which no other ties could rival. "Did anyone promise us more when we all slept in one little attic room?" asked Salomon when Nathan was grumbling at having sold some consols too soon' (1: 109).

Mayer Amschel's will, written on his deathbed in September 1812, had urged his sons to maintain this fraternal amity. They would regularly invoke their father's words, particularly, of course, when they felt that they were the victims of decidedly unfraternal treatment, or at times of peril. Mayer Amschel had died as Napoleon's army was approaching Moscow. The political and financial crisis that followed the fall of Napoleon in 1814 rocked the Paris and Frankfurt banks and nearly destroyed the Rothschild partnership. At the height of the crisis, the oldest son, Amschel, admonished his brothers: 'I remember what our father, peace be with him, told me on his deathbed: "Amschel, keep your brothers together and you will become the richest people in Germany". This has almost come true' (1: 78).

The doctrine was impressed on to the next generation. The youngest of the five brothers, James, who died in 1868, urged his sons in his own last testament:

never to forget the mutual confidence and fraternal accord which reigned between my beloved brothers and me and which became the source of fruitful happiness in happy days, just as it was a refuge in times of trial. That fraternal union alone, [which was] the dying wish of my worthy and revered father, has been our strength and has been our protective shield, [and along with] our love of work and practice of probity, has been the source of our prosperity and public reputation (2: 157).

Mayer Amschel had ruled his sons in classic patriarchal style, keeping the largest share of the capital in his own hands when the partnership was established. After Mayer Amschel's death, the brothers were legally equals, but in fact there was always a *primus inter pares*. The eldest brother, Amschel, was his father's successor in Frankfurt, but the leadership of the business passed to the third son, Nathan. He was the head of the London house, which had emerged as the most successful of the Rothschild banks at the end of the Napoleonic wars, but Nathan dominated his brothers largely because of his imperious personality. His brothers referred to him as the commanding general, and he was also the *Finanz-bonaparte*. His tendency to boss his brothers about caused tensions, particularly in the dangerous years 1814–15, when it seemed as though the failure of one of the continental branches might sink the whole bank. However, the structure was maintained, partly because the other brothers ceded extra capital shares (and so income) to the London branch. This allocation of shares was made more palatable to his brothers by the argument that Nathan was entitled to a larger share because 'He has a big family, he needs more' (1: 268). The capital shares were regularly reallocated to reflect the relative success of the branches, and the earlier system of equal shares was restored in 1825, when the other branches had recovered.³ There were similar tensions and adjustments after the political perturbations of 1830. Following Nathan's death in 1836, the youngest brother, James, exercised a degree of leadership. Although he never enjoyed the power that Nathan exercised and was forced to concede considerable autonomy to the London house, he steered the bank through the turbulence that followed in the wake of the 1848 revolutions, when the Paris and Vienna houses nearly went under and had to be bailed out by London, with some help from Naples and Frankfurt.

Next to the spirit of fraternity, or perhaps logically following from it, came the strict Rothschild rule that only Rothschild men were eligible to be partners, a rule that was maintained until 1960. In the first partnership agreement, in 1810, it was agreed that in the event of the death of a partner, his wife and children would not be allowed to view the bank's ledgers. Mayer Amschel's will went further. It excluded from active participation in the bank Rothschild women and their husbands or children as well as the brothers and fathers of the partners' wives.⁴ This strict patrilineal system of succession was even more exclusive than the typical rule followed by the European aristocracy, who generally allowed title and property to pass through the female line in the absence of an heir in the male line. On the other hand, all sons were treated equally. Primogeniture was not a Rothschild principle (Hansert 1994: 167).

This restriction of the field of partners to Rothschild sons imposed a constraint on the expansion of the business. At times this rule even threatened the prosperity of the bank. Amschel had no children and none of Carl's three sons had a son of his own,

3 An incidental effect of the allocation of capital shares to each branch was that members of the next generation inherited more or less shares due to the number of siblings they had in addition to the (fluctuating) share of their branch in the total capital.

4 Mayer Amschel's will set out this principle in the clearest terms: 'I hereby decree and therefore wish that my daughters and sons-in-law and their heirs have no share in the capital of the firm "Mayer Amschel Rothschild & Sons" and even less that they are able or are permitted to make a claim against it for whatever reason. Rather, the said firm shall exclusively belong to and be owned by my sons. None of my daughters and their heirs therefore has any right or claim on the said firm and I would never be able to forgive a child of mine who, against this my paternal will, allowed themselves to disturb my sons in the peaceful possession of their business' (Ferguson 1: 74).

although they produced ten daughters between them. The absence of an heir in Carl's line was perhaps the main reason that the Naples house was wound up in 1863. Similarly, the eventual demise of the Frankfurt house, in 1901, was largely a result of the fact that although the two last Frankfurt Rothschilds, Mayer Carl and Wilhelm Carl (who died in 1901), had ten children between them, they were all girls. In the fourth generation too there was a preponderance of daughters over sons: 27 to 17 (2: 223; Hansert 1994: 175).

The problem was not only that sons were in short supply. By the third generation, it was apparent that not all qualified Rothschilds were competent or enthusiastic bankers. Ferguson concludes that the five brothers 'trusted five of their sons ... enough to groom them as their successors, but the others insufficiently to give them the major responsibility of setting up new houses' (1: 282). By the fourth generation, the *Buddenbrooks* effect was unmistakable. Several young Rothschild men now preferred other avocations to banking (2: 220–34). After 1874, it became necessary to introduce distinctions between executive and sleeping partners (children of partners, who were not willing or able to serve as executive partners). The shortage of suitable candidates for executive partnerships explains the most serious mistake the Rothschilds made, which was not to set up a branch in the United States of America. Plans to establish new houses in Madrid or St Petersburg also came to nothing. At the crucial moment, no eligible Rothschild partner was available for these postings.

And yet despite the attenuation of the hereditary vocation, the partnership survived for a century. Indeed, Ferguson argues that the weakening of the bank's unitary structure, which became apparent during the 1860s and 1870s, was mainly due to great changes in the political and financial environment following the rise of Prussia, the division of the Austro-Hungarian empire and the defeat of France, and the contemporaneous rise of joint-stock banks. The Rothschilds now had to adapt to a more nationalist and competitive world, in which the various branches of the House of Rothschild found that they were obliged to do more and more business with other banks in their home countries. In consequence, 'by the end of the 1870s co-operation between the four houses was not much greater than co-operation between each house and its local allies' (2: 238). In short, the environment changed and by the 1870s had become less hospitable to the Rothschild system, but the family system held up as long as it was required. This remarkable structural continuity was facilitated by a major Rothschild innovation in the field of kinship: the invention of a particular strategy of endogamy.

Endogamy and exogamy

For the first three generations, the unity of the five branches was carefully nurtured. The shareholdings of the partners were intertwined, and most of the business of each branch was conducted with the others. Indeed, when the partnership began to fray in the 1860s, one ominous sign was the settlement of all the Vienna house's debts to Frankfurt and then to London. But when the partnership was in its heyday the fortunes of the partners were inextricably linked. Profits were shared, but losses were also borne collectively. Mutual trust therefore had to be absolute: so much so that, for instance, Salomon would sometimes forge Nathan's signature to bills he had neglected to endorse (1: 109).

Various techniques were developed to sustain family solidarity. The brothers constantly visited each other and held regular conclaves. Holidays were arranged jointly,

and there were regular pilgrimages to Frankfurt while Mayer Amschel's widow, Gutle, lived. (She died in 1849, aged 96.) Partners' sons were posted to work as apprentices in other branches of the bank. The most unusual and effective policy was, however, introduced only in the third generation. A radical new policy of marriage alliance was imposed, a system of endogamy that was effectively binding on the sons.

The Jewish tradition insisted on endogamy within the religious community. In addition, the European ghetto system itself imposed a high degree of local endogamy. The law (*Stättigkeit*) which governed Jewish life in Frankfurt until the very end of eighteenth century imposed a range of humiliating conditions on the daily life of the inhabitants of the ghetto, very similar to those that applied to blacks in South Africa under *apartheid*. The law also constrained mobility and marriage opportunities: 'the Jewish population was restricted to just 500 families; the number of weddings was rationed to just twelve a year and the age of marriage fixed at twenty-five. No more than two Jews from outside were allowed to settle in the ghetto each year' (1: 37). In consequence, the great majority of marriages were contracted within this circle of five hundred families; and they were presumably concentrated within an even smaller circle of local families that were of similar status. Mayer Amschel himself married the daughter of Wolf Salomon Schnapper, court agent to the Prince of Saxe-Meiningen, and his children married into the small local community of wealthy Jewish financiers (two of his daughters marrying a pair of brothers from the Beyfus family, a Frankfurt family of similar standing to the Rothschilds at the time).

Intermarriage between gentiles and Jews was prohibited by the city authorities in Frankfurt until 1820. When the ban was lifted, even some enlightened Frankfurters expressed outrage. Johann Wolfgang von Goethe, born in Frankfurt six years after Mayer Amschel, complained: 'This scandalous law will undermine all family sense of morality, intimately associated with religion as it is' (1: 141). The Rothschilds welcomed the normalisation of the status of the Jews, but in private they may have had some appreciation of Goethe's sentiments. When Nathan's second daughter, Hannah Mayer, married a Christian, Henry Fitzroy, in 1839, she was effectively ostracised by the family. It was not until the 1870s that such marriages (usually into aristocratic families) began to be tolerated, but only Rothschild daughters were involved, and they more usually preferred to marry other Jews. The first marriage by a male Rothschild to a non-Jewish woman occurred in the fifth generation. This was Guy de Rothschild's second marriage, contracted in 1957.

Yet Rothschild endogamy cannot be explained simply in terms of religious doctrine or legal constraints. The Rothschilds instituted a distinctive policy of family endogamy which went far beyond anything that was customary among European Jews. In the Jewish tradition there is no objection to marriages between first cousins, or even between uncles and nieces, and marriages of this sort were common enough in the nineteenth century,⁵ but the Rothschilds were nevertheless exceptional in their overwhelming preference for marriage with other Rothschilds. This policy of Rothschild endogamy seems to have been considered at times – at least by the family elders – as a logical extension of the rule that Jews should marry Jews. After all, where else could a Rothschild find a partner of equivalent status who was also Jewish? The only social and economic equals of the Rothschilds were members of the European

5 For an account of cousin marriage in the Anglo-Jewish Ashkenazi establishment in the nineteenth century, see Chaim Bernant, *The Cousinhood*.

aristocracies. These people were often friends and associates, but they were Christians, and so were regarded by the Rothschilds as unmarriageable. If the Rothschild children were to marry Jews of equivalent status, the chances were that they would have to marry Rothschilds.

Hannah Mayer's shocking marriage in 1839 to the son of an English aristocrat inspired James to write a letter to her brothers, his London nephews, which nicely elided the tradition of Jewish endogamy with the new Rothschild doctrine that Rothschilds should marry Rothschilds. The 'main point', he insisted, was 'religion', but he then immediately passed on to the constraints imposed by the Rothschild destiny:

I and the rest of our family have ... always brought our offspring up from their early childhood with the sense that their love is to be confined to members of the family, that their attachment for one another would prevent them from getting any ideas of marrying anyone other than one of the family so that the fortune would stay inside the family. ... Do you really think that all the nicely conceived projects [will come to fruition] – that is, that Mayer will marry Anselm's daughter, that Lionel's daughter will marry the child of another member of the family so that the great fortune and the Rothschild name will continue to be honoured and transmitted [to future generations] – if one doesn't put a stop to this? (1: 321–2).

Marrying cousins

Marriages between Rothschilds reinforced the bonds between the various branches of the family, and the weddings were occasions for the reassertion of filial devotion. While Mayer Amschel's widow, Gutle, was still alive, family weddings tended to be celebrated in Frankfurt. 'In ceremonial fashion, the engaged couple would be officially introduced to Gutle – despite the fact that they were members of the family and well known to her.' Until the late nineteenth century, the honeymoon was spent visiting relatives (Heuberger ed., 1994: 95–6). But the Rothschilds were not simply inclined to marry close relatives. They introduced something quite new: a policy of virtually exclusive lineal endogamy.

The marriage in 1824 of James, the youngest of the five brothers, to the daughter of his elder brother, Salomon, inaugurated the new strategy. Between 1824 and 1877, 36 of the sons, sons' children, and sons' sons' children of Mayer Amschel got married. Thirty of them married close consanguineal kin. Of these, 28 married first or second cousins to whom they were related through the male line only. In addition, two Rothschild men married cross-cousins (a mother's brother's daughter and a father's sister's daughter respectively). During this period, only four Rothschild women and two men married people to whom they were not related. The preference for marriage with patrilineal cousins was remarkably stable, even though, as the generations succeeded one another, marriages united cousins who were related in more than one way. This was largely incidental. The preference was always clearly for a marriage between two Rothschilds who were related through males.

Given the structure of the House of Rothschild, this meant that the preferred marriage united children of two partners. More specifically, the preference was for a marriage between cousins whose fathers were partners in different branches of the bank. This suggests that the marriages were designed to sustain the links between the five branches of the bank. 'The first and most important reason for the strategy of inter-marriage,' Ferguson writes, 'was precisely to prevent the five houses drifting apart' (1: 188). The mechanism can be specified more precisely. The particular pattern of

Rothschild endogamy was determined by the distinctive features of the partnership: its restriction to descendants in the male line of the founder, Mayer Amschel, and the dispersal of the partners over the bank’s five branches (in five countries). Marriages between their offspring bound the partners together, and these marriages were systematically arranged in order to maintain the cross-cutting links between the banks.

As Fig. 2 shows, the resources, the sons and daughters of the partners, were disposed in such a way as to establish a balanced series of alliances between the descendants of the four brothers who had children. There is one apparent anomaly in the pattern revealed in this table. Four descendants of Nathan married four descendants of Carl, which seems to be exceeding the ration. However, even this slight deviation from the pattern can be explained in terms of the apparent desire to balance marriage alliances between the branches. Nathan had four sons. One of the sons, Nathaniel (known as ‘Nat’), had been sent off to be a partner of the youngest of the Rothschild brothers, James, in Paris. (‘Ultimately, it was Nat’s fate to live and work almost all his life in his Parisian uncle’s shadow, never quite ceasing to be a disgruntled English gentleman in exile . . .’ [1: 281]) Nat married a daughter of James. When their son married one of his Frankfurt cousins, she joined her husband in Paris. Although genealogically a marriage between the lines of Nathan and Carl, this marriage should probably be counted as one that joined the Paris and Frankfurt branches of the bank.

This reading of the marriage pattern also accounts for the timing of the institution of the system, in 1824, which was when the five branches were firmly established, each under one of the five brothers; and also for the timing of its cessation, in 1877. As Ferguson argues, the radical transformations that occurred in the European political and financial environment in the 1870s meant that the traditional Rothschild system was no longer viable (See Ferguson 2: 236; 284–317). There is also a clear association of marriage alliances with particular occasions of tension between branches, as I shall suggest later.

Marriages between the branches

- A. Descendants of Nathan (London)
- B. Descendents of Carl (Frankfurt and Naples)
- C. Descendents of Salomon (Vienna)
- D. Descendents of James (Paris)

Marriages with	A	B	C	D
A	-	2	2	2
B	2	-	4	2
C	2	4	-	2
D	2	2	2	-

FIGURE 2. *Intermarriage among the grandchildren of Mayer Amschel.*

Endogamous marriages of *Salomon's* Children

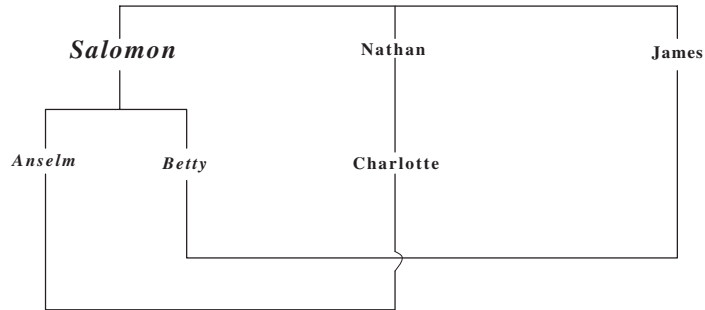


FIGURE 3. *The endogamous marriages of Salomon Rothschild's children.*

Who married whom?

A more detailed review of the consanguineal marriages in the half century after 1824 reinforces the impression that the marriage alliances were systematically ordered. Amschel, the oldest of the five brothers, was childless. Salomon, the second brother, had a son and a daughter. It was his daughter, Betty, who married the youngest of the five brothers, James, in 1824, the union that inaugurated the new pattern of Rothschild endogamy. Salomon's son, Anselm, the first-born child of the five brothers, contracted what was to become the classic type of Rothschild male marriage, when he married the eldest daughter of his father's next brother, Nathan, in 1826.

Endogamous marriages of *Nathan's* children

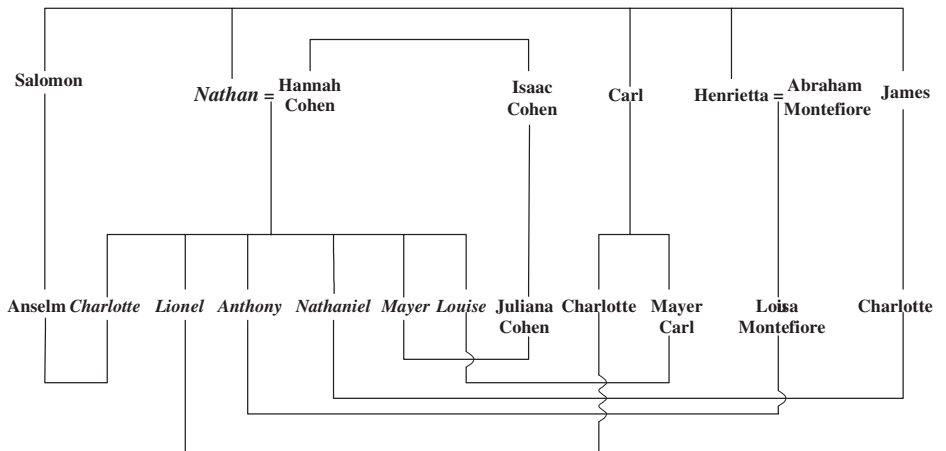


FIGURE 4. *The endogamous marriages of Nathan Rothschild's children.*

Nathan's elder son, Lionel, married the eldest daughter of the next of the brothers, Carl, in 1836, and in 1842 his younger daughter married Carl's older son. His second son, Anthony, married Louise Montefiore, his father's sister's daughter, but his third son, Nathaniel, contracted the now preferred form of alliance when he married the eldest daughter of the youngest of his uncles, James, in 1842. (As already noted, he then resigned himself to living permanently in Paris.) Nathan's fourth and youngest son, Mayer, married his mother's brother's daughter. Finally it was Nathan's remaining daughter, Hannah Mayer, who contracted the shocking marriage with a Christian, Henry FitzRoy, in 1839.

The fourth brother was Carl. We have already noted the marriages of his eldest son and eldest daughter with children of Nathan. His second and third sons married women of the next Rothschild generation. Their wives were sisters, daughters of Salomon's son Anselm, who had been the first to marry a Rothschild cousin.

The fifth and last brother, James, was born in 1792, eighteen years after his older brother, and father-in-law, Salomon. His wife, Betty, his brother Salomon's daughter, was born in 1805. Their six children were born between 1825 and 1845. His eldest daughter married Nathan's third son, but hardly surprisingly his other children tended to marry into the next generation of Rothschilds. Three of his sons married a father's brother's son's daughter. If we identify their spouses by line, the first child married a granddaughter of Nathan, while the other two married granddaughters of Carl.

James's third child, Gustave, married Cécile Anspach in 1859, returning to a pattern more typical of the European Jewish elite – which became common in the next generation of Rothschilds – where marriage partners were sought from other wealthy Jewish families. However, even among the older children of the fourth generation there were a number of marriages between Rothschilds. Some women of the fourth

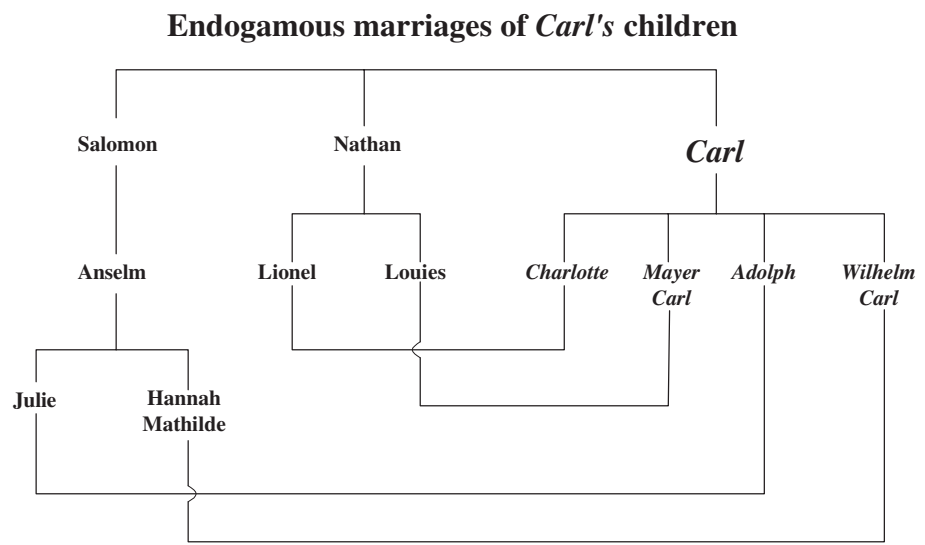


FIGURE 5. *The endogamous marriages of Carl Rothschild's children.*

Endogamous marriages of *James's* children

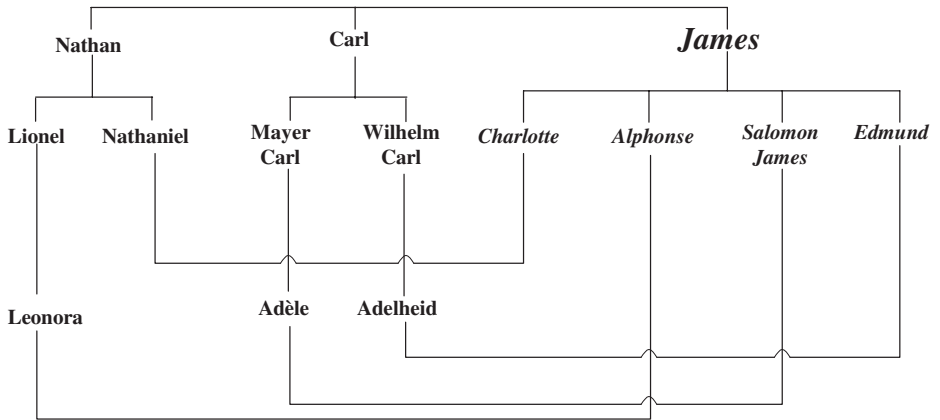


FIGURE 6. *The endogamous marriages of James Rothschild's children.*

generation were married to men of the third generation. Others continued the now familiar pattern. Salomon had just the one son, Anselm. Two of Anselm's sons survived to adulthood. One married a granddaughter of Nathan, the other a granddaughter of Carl. Both the women stood in relationship to their husbands as father's father's brother's son's daughter, but one was also her husband's mother's brother's daughter.

Nathan's first son, Lionel, succeeded him as head of the London bank. Lionel had five children, the first three of whom married Rothschild cousins. His oldest son, who succeeded him in turn as head of the London Rothschild bank, married Carl's oldest son's daughter, who was related to him through his mother as well as through his father. (She was his mother's brother's daughter and also a direct descendant of Mayer Amschel in the male line.) Lionel's oldest daughter married a cousin in the line of James (her father's father's brother's son). The second daughter married a cousin in the line of Anselm. They were both descended in the male line from the founder, but because of a previous consanguineal marriage she was also her husband's mother's brother's daughter. Finally, as previously described, the son of Lionel's brother Nat married another granddaughter of Carl. She was his father's sister's daughter as well as being related to him through an exclusively male series of links, as his father's father's brother's son's daughter.

As a consequence of previous consanguineal marriages, the relationships between the cousins had become very complex. Consider, for instance, the relationships between Alphonse, James's eldest son, and his wife, Leonora. She was the daughter of Lionel, who was the son of Nathan, one of the original five brothers. Her grandfather was therefore the brother of her father-in-law, James. Consequently, her father and her father-in-law were nephew and uncle to one another. But Alphonse's father, James, had married a daughter of one of his other brothers. Leonora's mother-in-law was therefore her father's father's brother's daughter. Moreover, Alphonse's sister had

The marriage of *Alphonse* and *Leonora*

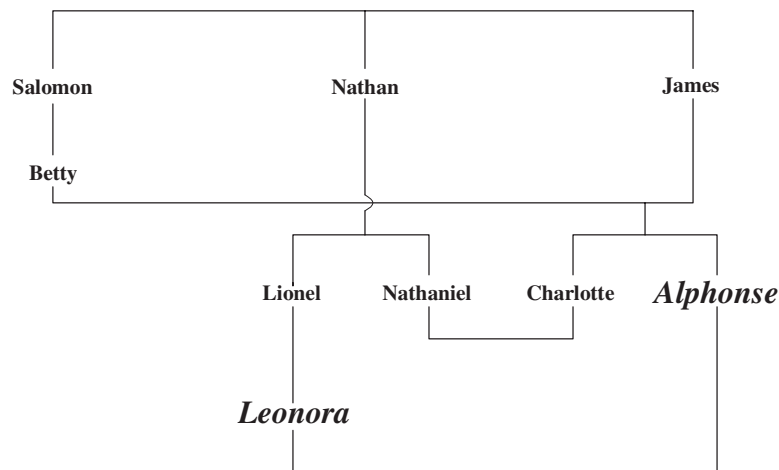


FIGURE 7. *The Rothschild's ancestry of Alphonse and Leonora.*

married Nathaniel, the brother of Leonora's father, Lionel. Leonora's sister-in-law was therefore also her aunt. Leonora's father, Lionel, had married the daughter of another of his brothers, so her mother was her husband's aunt, both by blood and by marriage. Moreover, two of Leonora's siblings and three siblings of Alphonse married Rothschild first or second cousins, who were, of course, also cousins of their own spouse. Even this is somewhat simplified, since other connections could also be traced between husband and wife, but enough has been said to illustrate the overlapping connections between members of the family in the third generation.

The last of these endogamous Rothschild marriages, contracted in 1877, united the youngest son of the youngest of the five original brothers, James, with his father's father's brother's daughter, another granddaughter of Carl. This marriage ended the astonishing series of marriages between direct descendants of Mayer Amschel, which had been inaugurated in 1824. Fittingly enough, the final classic Rothschild-Rothschild marriage was a structural reprise of the marriage that had inaugurated the series, between James himself and the daughter of his elder brother, Salomon. Both the first and the last of the endogamous marriages were between men from the Paris bank and women from the Frankfurt branch of the family.

The Rothschild women busied themselves with the marriage prospects of their children, but it appears that in the last resort it was the partners who decided. Consider, once again, Alphonse's marriage to Leonora in 1857 (Fig. 7). Alphonse's mother, Betty, was effectively a generation senior to the other Rothschild wives of her day, since she had married her uncle James, one of the original five Rothschild brothers (Fig. 2 above). Betty had considerable influence in marriage negotiations within the family, but she had to turn down a marriage proposition which was brought to her by Charlotte, the wife of her brother Anselm, and the daughter of the founder of the

London bank, Nathan. Charlotte's plan was that Betty's sons, Alphonse and Gustave, should marry her own two daughters. Betty's husband, James, vetoed this cosy arrangement. In 1849, Betty wrote to her son Alphonse:

Papa, frank and honest man that he is ... brought up the subject without beating about the bush. He expressed all his regrets to the poor mother ... and he undeceived her of illusions that the desire for success might encourage wrongly, and he asked her in her own interest and for the happiness of her daughter to look elsewhere (2: 12).

Instead, as we have seen, Alphonse married Leonora, the daughter of Charlotte's brother, Lionel. (Charlotte's daughters married two sons of another of the five original brothers, Carl.)

Why did James veto perfectly appropriate cousin marriages for his sons? Charlotte's husband Anselm had taken over the Vienna branch of the bank from his father, Salomon. However, the Vienna bank was not in good shape. Salomon had lost huge amounts of money in 1848, and although Anselm gradually restored the branch's fortunes, it is hardly surprising that in 1849 James should have resisted marital entanglements with Vienna. On the other hand, the London branch of the bank was dominant at that period. It seems plausible to suppose that James wanted to cement relationships between Paris and the chief of the London branch, Lionel. In 1850 and 1851 he was writing to Lionel's wife (another Charlotte Rothschild, the daughter of Carl), urging on her the importance of family solidarity. 'I assure you, the family is everything: it is the only source of the happiness which will God's help we possess ...' (2: 9). James was a powerful personality and the most important of the partners, but perhaps his bargaining position was improved by the fact that while there were significantly more daughters than sons in the third and fourth Rothschild generations, he had five sons and only one daughter. (The daughter married Lionel's younger brother, Nathaniel.)

Each marriage was carefully planned and negotiated, and reflected among other things the balance of power between the branches at any particular time. Several marriages also coincided with moments of particular tension between branches, or with significant transitions within the firm. One of the critical meetings between the partners to revise the partnership agreement occurred in 1825, the year following James's marriage to his brother's daughter. This was when the decision was taken to admit the first member of the next generation as a partner: Salomon's son, Anselm. A year later, Anselm married Nathan's daughter, Charlotte, in the first of the Rothschild marriages with a father's brother's daughter. In the wake of the 1848 revolutions, the Vienna house was on the verge of insolvency, and it was heavily in debt to Frankfurt, which made the already precarious position of Frankfurt look very serious indeed. 'Salomon pledged all his houses and estates as securities for the money he owed the Frankfurt house' (1: 464). And in 1849 and 1850, the only two marriages between Vienna and Frankfurt were arranged. Later the fortunes of the Vienna branch recovered, and in 1865 a son of Anselm, the head of the Vienna bank, married a daughter of Lionel, the head of the London bank. The wedding:

was one of the supreme moments of Rothschild endogamy. The post-nuptial dinner at 148 Piccadilly was attended by 126 people including Disraeli, the First Lord of the Admiralty, and the Austrian and French ambassadors. ... It was intended and interpreted as a renewal of the ties between the London and Vienna houses [the groom's mother was Lionel's sister] and the couple planned to divide their time between Piccadilly and Schillersdorf (2: 242).

It is consistent with this analysis that the consanguineal marriages petered out in the 1870s, just when the bonds of the partnership began to loosen, following changes in the external political and financial environment.

Conclusion

In a letter written to his nephews in London in 1850, James made one of his characteristic pleas to them to maintain the family structure of the firm. The example he offered is instructive:

We must not delude ourselves: the day when a [single] company no longer exists – when we lose that unity and co-operation in business which in the eyes of the world gives us our true strength – the day that ceases to exist and each of us goes his own way, then good old Amschel [the oldest of the brothers] will say, ‘I have £2 million in the business [but now] I am withdrawing it,’ and what can we do to stop him? As soon as there is no longer majority [decision-making] *he can marry himself to a Goldschmidt* [the Goldschmidt banking house was a competitor] *and say, ‘I am investing my money wherever I like,’* and we shall never stop reproaching ourselves. (2: 9, emphasis added).

For James, it was apparent that the structure of the bank – its division into national branches which nevertheless cooperated closely – was tied up inextricably with the policy of Rothschild endogamy. More commonly, however, explicit Rothschild rationalisations of their marriage strategies – at least those that are available – are frustratingly vague. They talk first, in very general terms, of keeping the wealth in the family, an explanation echoed by some commentators. (See, for example, Ferguson, 1998: 188; Hansert, 1994: 166.) It is true that Rothschild brides brought with them considerable dowries, and it is unlikely that Rothschild men could have married other women as well-endowed as their cousins, but this consideration applied only to private wealth and not to the collective assets of the bank, since only the sons of partners held shares. In any case, the financial attractions of such unions were not sufficient to prolong the practice of intra-Rothschild marriage after 1877.

Another consideration voiced by some Rothschild matriarchs and taken up by commentators is that there were no other eligible partners of equivalent standing available to marry Rothschilds (1: 188; 2: 13). Again, this was no doubt a serious consideration, although in every generation there were marriages between Rothschild women and men from other élite Jewish families such as the Montefiores. But once again, this consideration was not sufficient in itself to prolong the practice of Rothschild endogamy once the branches lost their interdependence.

Finally, it is sometimes suggested that the Rothschilds were following an established model. One favourite idea is that they were behaving like a European royal family (presumably a Protestant royal family, since Catholics were not permitted to marry cousins). It is true that the Rothschilds sometimes seemed to think of themselves as the royal family of the European Jews, and ‘other Jews came to regard the Rothschilds as a kind of Hebrew royal family: the “Kings of the Jews” as well as the “Jews of the Kings” (2: xxvi). (‘I could see how strangely like a Royal family the Rothschilds are in one respect,’ commented the more sceptical Sir Charles Dilke in 1879, ‘they all quarrel with one another, but are united as against the world.’⁶) But

6 Used by Ferguson as the epigraph of a chapter he entitled ‘The Caucasian royal family’, which was a description employed by at least one Rothschild matriarch (2: 220, 252).

whatever the force of this comparison, no European royal family particularly favoured marriage between cousins related in the male line only (Fleming 1973).

Notwithstanding Disraeli's comparison of the family to an Arabian tribe, it is equally implausible that the Rothschilds were faithfully reproducing an ancient Middle Eastern preference for marriages of this type. It is true that there is a long-standing preference in many Arab communities for marriage with the father's brother's daughter, but so far as is known no other modern European Jews exhibited the same specific preference for marriages between cousins related exclusively in the male line. The fact is that the Rothschild marriage pattern was not shared by European royalty, European Jews or indeed by other European banking dynasties. The best explanation for their distinctive system of marriage alliance is that it was a creative adaptation to the unique structure of the multinational family bank.

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