

Making Tracks: Promoting The Rothschild Archive as a Source for Railway History

Melanie Aspey (The Rothschild Archive, London, United Kingdom)

The Rothschild family's business began in the late 18th century, defined in a partnership agreement drawn up in 1810 by a Frankfurt merchant, Mayer Amschel Rothschild (1744-1812) the principles of which would be renewed and reaffirmed by his five sons and their descendants. His sons, five of them, are represented in a motif of five arrows that permeates Rothschild history. Amschel (1773-1855), the eldest, continued to be associated with Frankfurt. Salomon (1774-1855) founded a branch of the business in Vienna. Nathan (1777-1836) was the first to leave Frankfurt, travelling to England to found N M Rothschild & Sons. Carl (1784-1855) was stationed in Naples and James (1792-1868) founded the family's Paris branch.

Thanks to the adherence of the family to a pan-European business network information about business developments eventually found its way to London in one form or another and to a greater or lesser degree.

As an archivist I intend to concentrate on what I know best - the archives. I will briefly outline the history of the Rothschild family's involvement with railways before turning to an examination of the evolution of the Archive and its contents and how best it can serve the research community.

The story of the Rothschilds and railways takes us from the first rail in the Austrian Empire to the developments in privatisation in the UK. It is a history outlined in the booklet "Along Rothschild Lines"⁴ and it is also a history which is

⁴ Richard Schofield, *Along Rothschild Lines: the story of Rothschild and railways across the world* (The Rothschild Archive, 2002). Other main sources are Niall Ferguson, *The World's*

representative of significant threads of Rothschild history in general: government relations, communication and industrial investment.

While Nathan in London shied away from investing in British railways, N M Rothschild and Sons began to act as intermediaries for a number of British engineering firms seeking to export their products into the European market. Nathan's brother Salomon arranged for Professor Franz Riepl, the early Austrian railway enthusiast, to visit England in 1830. Riepl was the catalyst in converting Salomon to the cause of railway development. Salomon eventually secured the concession to construct the Kaiser Ferdinands Nordbahn to link the salt mines of Galicia, the iron and coal mines of Galicia and Moravia and the Witkowitz iron works to Vienna. He went on to realise his vision of developing a much wider network within the Austrian Empire and had already begun to acquire concessions from the government for further branches to major cities, as well as to plan for an extension of the line on to Trieste.

Information was also a commodity passed from Britain to Vienna. Following Nathan's death in 1836, the post of Austrian Consul General was inherited by his son, Lionel, whose reports to Metternich on the development of British industry survive in the Austrian state archives⁵.

In Paris, James was quick to follow, although in his case as a financier rather than a promotor and overseer of an entire project. Emile Pereire predicted correctly the importance of Rothschild investment in the railways from the beginning, writing in 1835, "The involvement of the Rothschild bank in the railway from Paris to Saint-Germain is not only of great importance for this

Banker: the history of the house of Rothschild (London: Weidenfeld & Nicolson, 1998); Conte Egon Corti, *The Rise of the House of Rothschild* (London: Victor Gollancz, 1928); Bertrand Gille, *Histoire de la Maison Rothschild* (Geneva: Librairie Droz, 1965 and 1967); Georges Ribeill, *La Revolution Ferroviaire*, (Paris: Belin, 1993); Jean Bouvier, *Les Rothschild* (Paris, 1960)

⁵ The Archive has acquired a series of these reports on microfilm. Corti makes extracts from some: "Since the Liverpool-Manchester Railway was opened in September 1830 up to December 1837, 48,716 journeys have been made, and about three million passengers have been carried, there having been only two fatal accidents...The engineer of the

particular venture, it will also necessarily have a determining influence on the later realisation of all the great industrial undertakings."

The 1840s saw the development towards securing coal and ferrous metal concessions. James became more engaged with railways in this decade. He visited England and the decade was the one in which the French northern line, the Chemin de fer du Nord, was born. He also invested in Belgian coal mines and he was a supporter of Paulin Talabot and the mines of the Grand Combe.

The first negative implications of a high profile engagement start to show in this decade: Anthony de Rothschild in particular was concerned about accidents on the lines. He wrote to his brothers in August 1846, "they call the Northern Line, Rothschild's line. I want them therefore to say, that it is as perfect as can be."

An accident on the Northern Line unleashed a protracted pamphlet war in France, following on from a vitriolic outburst by journalist Georges Dairnvaell. He used the Fampoux crash as a means to publish a critical account of the Rothschilds' involvement in France since their role in funding Wellington's army in its struggle against Napoleon. At least seven publications appeared in quick succession, some denouncing the Rothschilds, some defending them and others attempting impartiality. James, however, was not to be dissuaded, accusing the press of mindless agitation and judging that, "The world can no longer live without the railways."

By the 1850s James was controlling major routes north to Belgium and the Channel Ports and was involved as director with the Chemin de fer de l'Est's acquisition of Luxembourg railways, also taking a holding in the Paris-Lyon-Mediterranee line and Pereires' Chemin de fer du Midi.

The first major incursion into the development and financing of railways beyond the immediate geographical boundaries of the bank's bases came with the involvement in the Madrid, Zaragoza Alicante company in Spain. The growth of

Birmingham Railway is of the opinion that most railways will yield a profit of eight to ten per

the railways was also the motivation behind the creation of the Credit Anstalt, an institution that was to have the most dramatic impact on the business decades later.

Italy also offered considerable opportunities for investment and once again James and the Pereires clashed, this time over control of the new Imperial Lombardo-Venetian and Central Italian Railway Company. It was here, again, that the Rothschilds' access to the London capital market was crucial. When the company was launched in 1856, £1.2 million of its £6 million shares were taken by an English group led by the London house, which also undertook a £3.1 million bond issue for the company. The Rothschilds and their associates, as majority shareholders, now controlled over 600 miles of Italian railways, which were soon merged with the Austrian Sudbahn (bought by James from the Austrian government in 1858 for 100 million gulden) to form the South Austrian Lombardo-Venetian and Central Italian railway company.

The Rothschilds began to undertake share issues for international rail companies. Beginning with the 1858 Bahia & San Francisco Railway Company in 1858 they went on to raise loans for the Dom Pedro Segundo Railway, the Sao Paulo Railway, the Western of Minas Railway and the Rio Grande do Sul Railway. It was the development of these railway lines that provided the means by which Brazil's growing economy could flourish. In the 1870s, there is involvement with Russian railway lines; in the 1880s, India; South Africa in the 1890s and in the opening years of the 20th century through their agent August Belmont, the Interboro Rapid Transit Company in New York⁶. Nationalisation of

cent per annum.”

⁶ The rail business of NMR, the London bank, in the 19th century embraced the following: 1845 Northern of France Railway, f150m (c.£6m); 1845 Lyons, Paris, Lille Valenciennes Railway, f200m (c.£8m); 1854 Eastern Railway of France, f62.5m (c.£2.5m); 1856 Imperial Lombardo Venetian and Central Italian Railway Company, issue of £6m, concessions granted to the Rothschild houses; 1856 Imperial Lombardo Venetian and Central Italian Railway Company, issue of £3.125m of 156,250 3% obligations; 1858 Bahia and San Francisco Railway Company, issue of £1.8m; 1859 San Paulo Railway Company, issue of £2m, with P. Cazenove & Co.; 1860 Brazilian Government 4 1/2% Loan, £1.37m; 1862 Russian Government 5% Loan, £15m, with de Rothschild Frères, Paris; 1863 Italian Government 5% Loan, f75m (c.£3m); 1863 Brazilian Government 4 1/2% Loan, £3.85m; 1865 Brazilian Government 5% Loan, £6.9m; 1865 San Paulo Railway Company, £200,000

the two northern lines - the Nordbahn (1907) and the Chemin de fer du Nord (1937) took place at around the time the English Rothschilds became engaged with rail companies in England - those that developed the London Underground.

Today, Rothschild business features leading names such as SNCF, Railtrack and Eurostar – the Channel Tunnel was a project dear to the hearts of the family in the 19th century and they sponsored the Channel Tunnel Company loan in 1872 – and advises governments globally on rail privatisation programmes. The business remains interested in its past: you can't build a reputation on something that you are going to do, according to Henry Ford.

The Records

The Rothschild Archive has evolved in recent years at a fairly dramatic pace. Over the last decade, the status of the Archive has changed from bank department to independent trust and it is this new, evolving role and status which has enhanced the core collection.

There are three main areas that will be of interest to this audience as being relatively 'new' material. In 1994 records relating to the Rothschilds in Paris, taken from them by the Nazis and then removed to Moscow by the Soviet armies, were returned to the family in Paris who unanimously agreed that they should be added to The Rothschild Archive in London. They were joined in 2002 by the papers of the Rothschild family in Vienna, whose return was a more complex exercise. The Archive Trust's independence as a centre for Rothschild

7% debentures; 1866 South Austrian, Lombardo, Venetian and Central Italian Railway Loan, £6m, with de Rothschild Frères, Paris, and M. A. Rothschild & Sons, Frankfurt; 1866 South Austrian, Lombardo, Venetian & Central Railway Loan, £3.6m; 1870 Russian 5% Consolidated Railway Bonds, £12m, with de Rothschild Frères; 1871 South Austrian, Lombardo, Venetian and Central Italy Railway Loan, £15m; 1881 The Bengal Central Railway Company Limited, £1m, with Baring Brothers & Co.; 1882 The Rohilkund and Kumaon Railway Company Limited, £200,000; 1882 The Bengal and North Western Railway Company Limited, 4% Loan, £2.2m, with Baring Brothers & Co.; 1884 Bahia and San Francisco Railway Company Limited, £298,000; 1886 Bahia and San Francisco Railway Company Limited, £20,000; 1887 Chicago, Milwaukee and St Paul Railway 5% Bonds, \$4m (c.£800,000); 1887 Bengal and Nagpur Railway Company Limited, £3m; 1889 Russian Government 4% Loan, £27.7m, bonds issued to be applied to the conversion and repayment of railway loans of 1870, 1871, 1872, 1873, 1874; 1893 Western of Minas Railroad 5% Bonds, £3.7m ; 1896 Burma Railways Company Limited, £2.6m

history and research led the French family towards a groundbreaking step. The ownership of records of the French bank deposited in the Archives Nationales (Centre des Archives du Monde du Travail) was transferred to The Rothschild Archive from the family, thus uniting intellectually, if not physically, the records of the two surviving branches of the Rothschild business. This new situation offers opportunities for collaborations on research etc. We feel ourselves to be evolving from a bank department into a research institution and as such feel a positive (even more positive) push towards encouraging research. Initiatives include participation in seminars and conferences as well as the Rothschild Research Forum.

However, at the core of the Archive lie the records of N M Rothschild & Sons, in which, thanks to the interdependency of the family's businesses, can be found information on all of the banks activities to a greater or lesser degree.

Family correspondence

"There are three ways of losing money: women, gambling and engineering. The first two are pleasanter, but the last is much more certain." James de Rothschild (quoted by Eric Hobsbawm in *Industry and Empire*). To the lasting regret of the archivists, this anecdote cannot be attributed with certainty to Baron James.

A Rothschild opinion on any given business matter is never hard to find among the extensive family correspondence that survives in the Archive. Much of this correspondence forms the core of a major, ongoing project to transcribe and translate approximately 20,000 letters written between the brothers in the language they called "Jüdisch", i.e. those letters in which they expressed themselves in a rather colloquial German, written in Hebrew characters.

One of the earlier letters, written on 8 April 1825, from James to Nathan reveals, "The railways are to be issued here and so Laffitte has gone on his own with Hagerman to make some proposals and didn't say anything at all to me about it. Why not? Because it is a national affair and they are all linked together. I am cross about the scoundrels."

And on 11 June 1866, James writes to his nephews, “The Tsar of Russia has left, thank God, and I am pleased about that because it is usual to face great suffering together with the people. He does not want a loan but they will probably give away the railway route from Moscow to Petersburg. It is a very good piece of business and there is a lot of profit to be made. I believe Baring is spending time on it.” The Lombardo, MZA and others are all scrutinized by turn.⁷

Letters from agents

All of the Rothschild agents and correspondents were encouraged to write reports on the political and economic conditions of their country. These sources are often rich in detail but can frustrate the user when they are not in the expected language. The correspondence from Weisweiller & Bauer, for instance, agents in Madrid is written in German or French. The letters in German prove particularly taxing and have hardly been consulted by anyone. Summaries of letters in French are available for consultation on the Archive’s web site, arranged according to theme, such as political, financial or social news, and even – in a category of its own – railway news.

The letters for 1884 are typical. There is discussion on the creation of new lines especially the bureaucracy of the Spanish government; delays to Merida-Seville line; auctioning of a section of line from Villalba to Segovia; a rail disaster at Badajoz due to train derailment on Alendia Bridge and subsequent enquiry (the firm was convinced a criminal act caused the accident; they discuss also the public relations exercise with the press after the event); a plague of locusts on tracks at Ciudad Real; a train derailment on the Cuenca line due to subsidence, in which the driver was killed.⁸

⁷ Other members of the family in Paris wrote in more conventional form. Their letters are conserved in two series: RAL XI/101 and XI/109. Similar comments and assessments are to found in these series.

⁸ RAL XI/92

The letters of other agents cover the same range of business, such as the following: D L Goldschmidt in Amsterdam sent a prospectus, in Dutch, for the issue on behalf of the Lombardo-Venetian Railway, 1871; C F Hamond of Newcastle discusses the provision of coals from the city for the Madrid Zaragoza Alicante railway; Lambert in Brussels reports on the rail business that Baron James of Paris is so keen for him to pursue; Morpurgo & Parente send updates on the rails ordered by the Viennese Rothschilds.⁹

Prospectuses, bonds and contracts

Specimen bonds and prospectuses survive for the majority of NMR's business together with some contractual documentation, the latter of which has been studied by several legal and constitutional historians. One of the Rothschild archivists is preparing a guide to the Archive's sources on loan documentation, which will be published on our web site in the first instance¹⁰.

France, Austria – and France again

Railways feature in the Archive's 'new' material – records that have been added to the core of the collection over the last decade. The papers of Edouard de Rothschild that were taken by the Nazis contain reports of meetings of the presidents and directors of seven major railway networks 1928-1937, and references to railway management can be found throughout the collection.

Papers taken from the Viennese family under similar circumstances reflect their rail interests, especially in the territories of Austria-Hungary.¹¹

In a recent development, the business papers of the Rothschild bank in Paris that were deposited with the Archives Nationales, and which are now at the Centre des Archives du Monde du Travail in Roubaix, have become part of the

⁹ L Goldschmidt, XI/38/120-123; C F Hamond, XI/38/129; S Lambert, XI/78; Morpurgo & Parente, XI/79.

¹⁰ his project led on from our colleague's research into sources for the history of Rothschild and Brazil: Caroline Shaw, Rothschilds and Brazil: an introduction to sources in The Rothschild Archive in: *Latin American Research Review* vol. 40, no.1, February 2005

¹¹ see appendix for list of the major files.

Trust's collection. This change of ownership (though not of location) gives both parties the opportunity for a closer working relationship.

The Research Forum

The Rothschild Research Forum is a major initiative on the part of the Archive to make more information about its collections available to a wider range of researchers. We aim to make it a hub for Rothschild research.

Some of the more detailed resources already available are transcripts of family correspondence, which offers glimpses into every aspect of their lives, including railways. Examples include Leopold de Rothschild's description of a Russian railway carriage from his journey in 1867, including his own sketch of the train's layout, and his mother's report about a lucky railway guard. *Our train arrived at Shoreditch at 25 minutes past 8. but I did not meet with any adventure, a railway guard was being congratulated on his good luck, a passenger having by mistake given him a sovereign instead of a shilling.*¹²

Appendix

Papers of the Viennese Rothschilds, formerly held in the Moscow State Trophy Archive, Fond 637

Hungarian State loans

Pest-Semlin Railway
Correspondence and printed material, 1879-1881
1-45

Hungarian Railways

Priority loan of 1876, documentation relating to the 1880 issue
1-45

Buschterad Eisenbahn

Printed prospectus, information and telegrams re the extension of 20 million Krone 4% priority bonds, 1896¹³
1-90
Letters from Credit Anstalt to SMR re dealing in the bonds, 1896

¹² Charlotte de Rothschild, 23 November 1865.

¹³ The cover for B3 / 93 the Synagogue Bau in Frankfurt with writing by and signature of Salomon is in this file

1-91

Letters from Credit Anstalt and MAR to SMR about dealing in bonds and a printed notice of the Rothschild consortium about the bonds, 1899-1901

1-92

Letters from Credit Anstalt about Consortium II bond dealing, 1899-1900

1-93

Documentation about the taking over of the bonds of the 1896 issue, 1900-1901

1-94

Letters from MAR and Credit Anstalt about dealing in the converted bonds, 1900-1901

1-95

k.k. priv. Südbahn-Gesellschaft

Correspondence between SMR and the company, opening a credit in the name of a consortium (CA, BCA, SMR, deRF), 1897-1900

1-73

Correspondence between SMR and the company about credits, 1901-1903

1-74

Letters from Credit Anstalt to SMR concerning loans to the company and dealing in bonds, 1897-1899

1-75

Letters from Credit Anstalt to SMR re dealing in bonds, 1900

1-76

Letters from Credit Anstalt concerning loans dealing in bonds, 1901-1902

1-77

Letters from BCA to SMR about the extension of loans and dealing in bonds, 1899-1904

1-85

Letters from MAR to SMR re dealing in bonds, 1901

1-79

Letters from deRF to SMR concerning their participation in the consortium crediting the company, 1897-1900

1-80

Letters from deRF to SMR concerning the consortium, 1900

1-81

Letters from Neuburger of deRF to Langbain of SMR concerning the company, 1900-1903

1-83

Letters from deRF to SMR concerning the consortium, 1901-1902

1-82

Letters to SMR from de Rothschild Frères about participating in crediting the company, 1903-1904

2-4

Various agreements about the consortium, mostly in French, 1899-1901

1-86

Details of operational costs for the company, 1901-1902

1-88

Prospectus for 4% loan, printed documents and agreements, 1900-1903

1-87

Conversion of the 4% loan to 5% priority bonds, notes of meetings, agreements and drafts of public documents, 1898

1-84

Notes of repayment schedules, ordering of stock, e.g. locomotives, etc., 1902

1-89

Various Railway Loans

Erste Siebenbürger Eisenbahn

Statutes of the company and correspondence re the appointment to it of the SMR representative, Goldschmidt, 1866-1887 CHECK 1866

1-100

Österreichisch-ungarische Staats-Eisenbahn

Takeover of the 4% Schuldverschreibungen 1883, agreement and correspondence about the extension of the loans for 40 and 50 million Krone, 1883-1884

1-101

Second issue of 3% priority bonds 1886, 1885-1886

1-102

Information and correspondence about the issue of loans to the company, 1885-1900

1-103

Kaiser Ferdinands Nordbahn

Letters from Salomon and Anselm von Rothschild to Sichrowsky, General Secretary of the company. Two of the letters from Salomon are in Judendeutsch, 1844-1862

1-96

Notes and drafts re crediting of the company by the Rothschild consortium, 1862

1-99

Notes and accounts relating to the takeover in 1896 of the 1888 4% priority bonds, 1892-1897

1-107

Statements of the Credit Anstalt of transactions in the 4% priority bonds, 1892

1-108

k.k. priv. galizische Carl Ludwigsbahn

Correspondence and agreements about the Carl Ludwig Railway, a line from Krakow to Lemberg, including dealing in a loan of 1863

1-97

k.k. priv. Elisabeth Westbahn

Letters from subscribers to the loan of 1862

1-98

Agreement with the Austrian Finance Ministry about the conversion of the 5% priority obligations, 1890-1893

1-106

Arad-Temesvare Eisenbahn

Letters from the Austrian Credit Anstalt concerning the purchase of 5% priority bonds for 3.3 million Krone, 1888-1889

1-104

Süd-Norddeutschen Verbindungsbahn

Agreements, notes and correspondence about the conversion by the Rothschild consortium of the 5% priority bonds, and the participation of SMR, 1892-1893

1-106a

Kaschau-Oderberger Eisenbahn

Report and extracts of accounts relating to the consortium's investment loan, 1889-1891

1-105

Székler-Bahnen

Correspondence and agreement between SMR and the Hungarian General Credit Bank about crediting the company, 1894

1-109

k.k.priv. österreichische Nordwestbahn

Correspondence and printed documentation about the conversion by SMR of priority bond from
1871-1874, 1903

1-110

Railway company employees

Applications for financial aid from employees of the Südbahn and receipts for sums given, 1903
1-225e

Lists of employees of the Südbahn who received allowances from Albert, information about the
allowances they received from Albert and their signed receipts, 1906

1-225a, b, c, d

Miscellaneous correspondence, including letters from the Credit-Anstalt and the Danube-Save-
Adriatic Railways Company (formerly the Southern Railways Company) about the election
of Louis to the boards of these companies; from acquaintances concerning personal
matters; an identity card as a board member of the Danube-Save-Adriatic Railways
Company, 1911-1925

1-332