



The House of Rothschild: The World's Banker 1849-1999

Niall Ferguson

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A major work of economic, social and political history, Niall Ferguson's The House of Rothschild: The World's Banker 1849-1999 is the second volume of the acclaimed, landmark history of the legendary Rothschild banking dynasty. Niall Ferguson's *House of Rothschild: Money's Prophets 1798-1848* was hailed as a 'great biography' by *Time* magazine and named one of the best books of 1998 by *Business Week*.

Now, with all the depth, clarity and drama with which he traced their ascent, Ferguson - the first historian with access to the long-lost Rothschild family archives - concludes his myth-breaking portrait of one of the most fascinating and powerful families of all time.

From Crimea to World War II, wars repeatedly threatened the stability of the Rothschilds' worldwide empire. Despite these many global upheavals, theirs remained the biggest bank in the world up until the First World War, their interests extending far beyond the realm of finance. Yet the Rothschilds' failure to establish themselves successfully in the United States proved fateful, and as financial power shifted from London to New York after 1914, their power waned.

'A stupendous achievement, a triumph of historical research and imagination'

Robert Skidelsky, *The New York Review of Books* 'Niall Ferguson's brilliant and altogether enthralling two-volume family saga proves that academic historians can still tell great stories that the rest of us want to read'
The New York Times Book Review

'Superb ... An impressive ... account of the Rothschilds and their role in history'
Boston Globe

Niall Ferguson is one of Britain's most renowned historians. He is Laurence A. Tisch Professor of History at Harvard University and a Senior Research Fellow of Jesus College, Oxford. He is the bestselling author of *The Pity of War*, *The Ascent of Money*, *Empire*, *Colossus*, *The War of the World* and *Civilization*.

The House of Rothschild: The World's Banker 1849-1999 Details

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From Reader Review The House of Rothschild: The World's Banker 1849-1999 for online ebook

Augustas says

Diving deep in to high level politics that mixed with financing in 18-19th century, but time to time too many small details describing Rothschild family's daily life.

Eduardo says

BOOK REVIEW: FERGUSON, Niall - The House of Rothschild: Volume 2: The World's Banker 1849-1998

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Read April, 23 - June, 12th, 2017

The Continuing Adventures of the Founding Family of Modern Capitalism.

This second of two volumes on the history of The House of Rothschild, written by Harvard historian Niall Ferguson, continues the family's adventures from the third to the fifth generation, and then up to the turn of the 21st century. With exception of the epilogue, which draws on public materials, the Author's sources include the private correspondence of family members and is thus able to offer an original insight into the family's history. Despite Ferguson's clear and fluent prose, I sometimes felt lost in the narrative because of the growing number of family members, unable to know who was whom.

As the first volume, this sequence has fourteen chapters grouped in three parts, plus an epilogue: Uncles and Nephews (chapters 1-5: the quest for emancipation; the fast social transformations of 1849-1858; impacts of nationalism; of the transition to the gold monetary standard; and the death of James, the last surviving son, and events leading to the 1870 war); through those of Cousins (chapters 6-13: the aftermath of war; the distancing of fourth generation Rothschilds from banking; Zionism; diversification from banking and the building of the multinational mining empire; involvement with politics, mainly in Britain; imperialism; the Games of Alliances; the financing of the arms race preceding 1914), to the times of Descendants (chapter 14, about the apparent decline of the family between 1915 and 1945). The Epilogue covers the period from the War to the 21st century and hails a revival of the Rothschild role in the world.

The text is illustrated with graphs, tables, diagrams and figures; some sources are transcribed in the appendixes. Sadly, illustrations are difficult to follow on certain Kindle models, and notes were suppressed in the paper and Kindle editions. The scholarly reader should prefer the hardcover edition.

It is difficult to say which of the two volumes is the best one. As with the first, Ferguson seems keener on unmasking myths and giving his say, in the new light of the private correspondence, on every deserving question ever posed in the vast literature than on presenting new questions or contrasting the family with other banks and financial empires in order to understand how the family created value or what the several branches' roles were in the several multinational companies he mentions, when the Rothschild thrift and creativity outgrew financial markets. If this second volume offers perhaps less vivid depictions of the cousins and descendants personalities, it gains in detail and, maybe helped by more reliable sources, offers a somewhat sounder narrative.

I'm no Rothschild specialist and this is the first book I read on the subject, but it left me with the feeling this

set of books probably is the state of art on the subject. It was certainly a great read, albeit extensive. I do not hesitate in recommending it.

David Glad says

Think my favorite takeaways were on the brilliance of the family's strategy in the latter half of the 19th century. Essentially by playing it more conservative and versus smaller (as they all were) competitors, it meant they both were unlikely to take stupid risks that could jeopardize the business and also would be unable to be seen as making unusually high profits that could invoke the wrath of any government that might have been in such a position. Double-edged sword though was growing number of heirs who found their portions of a pie not as generous as desired and many wishing to pull funds out of the business.

Also a senior Rothschild in 1870 after Germany defeated France had the remarkable intuition that if reparations/peace terms were too harsh it would be bad for Europe's economy overall and could threaten stability -- an observation long predating John Maynard Keynes's observation on the Treaty of Versailles.

Not as interesting as the first volume, but you still might find something you like in it.

Romulus says

Z drug? cz??ci? zesz?o mi znacznie d?u?ej ni? si? spodziewa?em. Zw?ascz? ?e obiecywa?em sobie wi?cej ni? po cz??ci pierwszej. Dzieje Rothschildów s? zajmuj?c? lektur?, ale "dotkni?te" s? naukowo?ci? wywodu. To ksi??ka wcze?niejsza od znakomitego "Imperium", czy "Kolosa", a Ferguson nie u?atwia lektury czytelnikom. Pró?no tu szuka? "smaczków" - nie chodzi o skandale, bo na to nie czeka?em. Opisywanie rynkowych mechanizmów jest fascynuj?ce - szczegółowo w kontek?cie wojen. Po raz kolejny ujawnia si? prosta prawda, ?e wojny to drogi interes. Na którym mo?na dobrze zarobi?. A etyka to poj?cie dla frajerów. Aczkolwiek Ferguson nie popada w filozoficzne rozwa?ania, czy moralne oceny. To faktograficzna opowie?? o s?ynnej bankierskiej rodzinie przeplatana histori? operacji finansowych. I o jej nieuchronnym zmierzchu kiedy globalizuj?cy si? rynek rozmywa?a stopniowo rodzinne powi?zania, interesy a w ko?cu zosta?y na nim tylko korporacje. Bezobow?e, zdehumanizowane potwory. Pod koniec mo?na pisa? nawet o nostalgii patrz?c na zmierzch rodu. Nadal bogaci, stosunkowo wp?ywowi. Ale ju? nie dyktuj?cy warunków. W ka?dym pokoleniu pojawia?y si? jednostki wyr?niaj?ce si?, ale ju? bez mo?liwo?ci odciskania swojego pi?tna na paj?czej sieci rynków finansowych. Ale nie mia?bym nic przeciwko, gdybym by? pomniejszym Rothschildem, ?yj?cym jak rentier i prowadz?cym dla przyjemno?ci presti?ow? winnic? i produkuj?cym presti?owe wino pod rodow? nazw?.

Mike says

The House of Rothschild is a hefty tome covering 200 years and several generations of this family. It is published in two volumes, each about 650 pages long in small (?6 point?) type. In hard cover, each one qualifies as a kitten crusher; together they could harm a small pony.

Since they were published as a set, I will be writing a common review.

The author is **Niall Ferguson** an unrepentant booster of monetary systems and capitalism. You may remember him from the PBS series, “The Ascent of Money: A Financial History of the World” or “Civilization: The West and the Rest” both of which are also books. (Also broadcast on Channel 4 in the UK.) He is a historian and currently is a Professor of History at Harvard University and holds other postings.

I've watched the aforementioned series and thought he was interesting enough to look up his earlier works.

Because he is a historian and took that approach while researching and writing this history, there are tons of notes on the source material. Each volume has at least 100 pages of “end notes” detailing these sources and there are copious quotations (both in brief phrases as well as longer passages) throughout the books. Those hungry for details and justification of the author’s observations and comments will not go away disappointed.

I don’t intend to provide extension observations about each of these volumes. To do each one justice would require much more time than I can devote to the task. The author himself wrote that the creation of this history was much longer than planned for: I am not surprised given the wealth of material.

For those who want a quick answer, these books are excellent. As much as it seemed a slog at points I was caught up in the details of the family, their businesses, and their worlds. As I neared the end of volume 2, I spoke about them to a colleague who is now inflamed with a desire to read these books. I can’t imagine anyone doing a better job with the material. One thing that he does a lot of is debunk contemporary and current myths about the family.

Four and one-half (4.5) Stars (rounded down to 4.0 for Goodreads).

The House of Rothschild: Money’s Prophets 1798-1848

Theirs is a rags-to-riches story. The Jewish Ghetto of Frankfurt was one of the most repressive in Western or Central Europe. Begun in the 12th century it had not changed much in the 18th: the laws controlling the lives and livelihoods of Jews were very strict and repressive. The man who is considered the “founder” of the famous branch of the family, Mayer Amschel Rothschild (an Ashkenazi Jew) began life as the son of a respectable man, but not one of wealth. Both of his parents died before his thirteenth birthday and after an apprenticeship in Hanover, he returned to Frankfurt in 1764.

There he began a business career that made him a respectable, if not prosperous man. As the years went on, he trained his five sons in business and began to establish them in the cities that would house the five branches of the family bank: Frankfurt (Amschel), London (Nathan), Naples (Carl), Vienna (Solomon), and Paris (James).

As the history of Europe unfolded around them, the family was able to conduct business between countries and even warring states (their primary business during this period was lending to governments or rulers). Changes in the balance of power and rulership began to liberalize the laws in many countries, although the German states remained behind others. England was, by far, the most liberal at this time.

In setting up the branches and overseeing its operation, the father stressed cooperation and unity over all else. He also planned for the future of the family and designed a scheme whereby the firm’s “capital” would remain with the family and not diluted as new generations arose. Only male descendants were eligible to be partners. Daughters, while given generous gifts and dowries were excluded, as were their husbands.

Furthermore, in order to remain “concentrated”, family members began marrying within the family. For example the youngest son, James, married the daughter of his oldest brother. The 3rd generation had many cousin marriages. It was the family’s great good fortune that they did not carry any recessive genes. Such marriages continued into the 4th and 5th generations.

The family remained Jewish in faith and race. They may not have been the most devout, but they did observe the rules and laws and did not “convert” like many others (e.g. Benjamin Disraeli’s family.) When one of Nathan’s daughters did convert to marry, she was shunned by almost everyone including her own mother. They were seen as exemplars of successful Jews who also cared about their “co-religionists”; speaking out for tolerance and donating to community needs and causes.

Having survived the turmoil of the French Revolution and Napoleon, the family became involved in new markets. Although the English bank, N. M. Rothschild & Sons was less active (but they founded an insurance company), James (de Rothschild & Frères) was convinced that railroads (and their government subsidies) were excellent investments. His vision caused the consolidation and merger of small lines (his and his competitors) into major transportation networks. They also became involved in metals (mining and refining) initially as security for loans to unstable economies.

Despite the turmoil of these years, the family’s wealth grew and when Nathan died in 1836, his fortune was easily twice (and possibly as much as five times) that of the next wealthiest man in England in the 1830s-50s; thus, making him the wealthiest man in the world by far. At his death, brother James became the leading figure in the family until shortly before his own death in 1868.

The House of Rothschild: The World’s Banker 1849-1999

In this second volume, the author gives us in detail the history of the family until about 1918. For the period thereafter, he provides more summary than before (some of which is recounted as oral conversations instead of archived source material). For the years after World War II, an epilogue covers the effects of their losses (due to seizure and nationalization during the war years) and the transformation of the remaining branches of the business into the current modern forms (including the revival of a Frankfurt office.)

In the years before the end of the 19th Century, the family business continues to grow in size and in diversity. They invest in additional transportation (railways) and take interests in mines in the New World, including Rino Tinto a leading mining and exploration company (then and now). They also handle much of the gold supply coming into England. They had built much of their business (in Vol. 1) on gold bullion, gold coinage, and other metals (e.g. silver). They had even taken over a refinery from the Bank of England to control purity and retain more of the profits.

Although they had occasional setbacks (and better competitors), their relationships with policy makers and rulers, their courier system and news sources, and their use by others as a “back-channel” for diplomacy kept them well-informed. Their financial acumen and experience and ability to ship money between the houses made them very hard to beat. As their clients grew (and despite limited success in the USA) they truly were the World’s Banker for some 15-20 years.

Although an Austrian Emperor had elevated the brothers (hence the “von” or “de” designation), the English branch (Nathan) had not used the title. His son Lionel, although elected to the House of Commons in 1847, he was unable to be seated (there was a Christian oath required). After numerous re-elections, he was finally seated in 1858 as the first Jewish MP (Disraeli did not count having taken the standard oath). Although

proposed, Queen Victoria refused to elevate him to a peerage. In 1885 she made Lionel's son Nathan Mayer (more of a full-time politician than his father) the first Jewish member of the House of Lords,

In the second generation most of the family's wealth was spent "carefully". Property investments were selected partly for comfort but also for business (either client relations, banking, or as money-earning investments). In the third and later generations (and James, as he lived into these later years), they began to buy and create grander and grander estates. At this time they also acquired many of the works of art that were lost in the confiscations of WWII. Nathan's son, Nathaniel, who went and stayed in France, bought the vineyard today known as Mouton Rothschild in 1853. (Before the 1855 Classification of Bordeaux). Fifteen years later, Uncle James bought the much larger Chateau Lafite (Lafite Rothschild).

By the 4th and 5th generations, the Partners were spending fewer hours in the "counting room" offices and competitors were cutting into their traditional business. Different kinds of bank which raised funds via shares sold to investors (rather than retained family capital) were able to address old and new markets. These banks (at least some of them) also took on deposits (which the Rothschilds typically did very little of). By the onset of the First World War, although still a viable and profitable business they were no longer at the core of European banking. At this same time, American powerhouse banks (like Morgan & Sons) were beginning to finance the European countries needs. Investments that proved exceptional included further South African gold mines and shares in the Diamond Cartel known as De Beers.

And while not everyone in the family may have been financially astute (or even keen on making it their career), they became (like many other late-Victorian/Edwardian era gentlemen botanists, naturalists, and other forms of scientists – with many writing learned papers on their subject.

In 1919, as war time restrictions were relaxed or lifted, (including that of gold export from the UK), N. M Rothschild became the intermediary between the bullion market and the Bank of England. Thus, on September 12, 1919, the first "fix" (the world market price for gold) was set at 11 AM by an auction. This has continued (except during WWII) to the present day, with prices set now at 11 AM and 3 PM. Who knew? (One reason for this arrangement was that the South African mines supplied about half the world's supply at this time.)

There are as many interesting facts in this volume as in the first. Since the end of the 40s, the family has suffered some setbacks (such as nationalization of assets at low valuations) and internal strife. But as the end of the 20th Century approached, there was revitalization as both the banks' structures and the Partners changed. Today, the Rothschilds are still a wealthy family of bankers, but they also have non-family partners and raise money like many other investment banks (or hedge funds). They still retain many of the traditional assets (like the vineyards), but have branched out into all areas of finance and the economy. They even own Club Med.

anita Lauricella says

I really wanted to read this, but after 100 pages I realized I wasn't sure what he was saying most of the time. Also don't really like the "other people have written, but they were wrong" tone. Will probably give it up
Gave it up

Marks54 says

This was the second volume of Ferguson's biography of the Rothschild family. It is well written, generally sympathetic, and filled with details of how the various strands of the family fit into European history from the Crimean war up through the two World Wars. What is amazing about this set is how this family continue to keep itself organized, disciplined, and devoted to business for so long at such a high level of performance. There is nothing like this in journalistic accounts and the volume is so extraordinary precisely because the Rothschild family has been the focus of so much attention, hostility, racial antisemitic attacks and the like for so much of its history. Ferguson's skills are also on display in this book and it is not surprising that he proved capable of writing faster than most people can read.

Tim says

I loved this, though it is a dense read and really only for history buffs.

We see the recent history of Europe through Ferguson's lens of the Rothschild family. The sections on antisemitism and Nazi Germany were the hardest to read, though fascinating. It was also interesting to see how the social status of the Rothschilds rose over time as discrimination against Jews became less socially acceptable. The story of how Peerage was bestowed on the family was especially interesting.

In the last section Ferguson's insights into the family firm as different from the public firm is well thought through.

Rod Zemke says

Good, but too much detail.

Jaqui Lane says

If you ever wanted to know who runs the world...just read this book.
The bankers and financiers...but not in the way you necessarily think.
A detailed and insightful account of how the the Rothschild dynasty was created...pays to have a strong patriarch and more sons than daughters.
Sadly, probably still the case.

Hiro Hayashi says

This book was kind of hard to understand, but as I read through it I understood it little by little. I now understand why the financial crisis that has happened or is happening is occurring in the world, and it gave

me a better understanding of who really "runs" the world. The bankers and financiers they rule the world not only in the current world but since the past and this book explains how the Rothschild dynasty was created, and how dominant they were. Overall it was a hard book to understand, but it was a good book that taught me more about history and where we stand now.

His 40-book challenge

Czarny Pies says

The House of Rothschild: the World's Banker (1849-1999) is the second and concluding volume of Niall Ferguson's outstanding of the one the great families of Europe. The Rothschild's financed the British victory at Waterloo after Napoleon's wildly irresponsible return from Elba, Being in a position of utter dominance in Europe's bond market for the following 35 years, they did they the single most important force in keeping Europe at peace. While the rise of joint-stock banks significantly meant that there too many other sources of capital available, for the Rothschild's to be able to continue blackmailing governments into peace, they still tried with noticeably less success to exercise moral suasion in order to avert war.

In addition to running their banks, the Rothschilds continue to support artists, endow hospitals and purchase art works for the purpose of donating them to the public museums. The Rothschilds founded many agricultural communities in Israel, established an agricultural university and sent executives to assist the Israelis marketing their produce.

The problem was that times changed and the Rothschild's lost the ability to work their magic. Joint stock companies appeared giving governments intent on going to war alternate sources of financing. After WWI and the advent of income tax, governments had dramatic new means of raising funds which further impaired the ability of the Rothschilds to influence events. By the end of 1950s, the Rothschilds only means of influencing politics was through moral suasion which meant in effect that they had none at all.

This is wonderful book which should be read by anyone interested in the history of France, England, and Germany. Several shortcomings of this book however should be noted. Niall Ferguson is an Oxford history professor who mistakenly believes that his rudimentary knowledge of finance also includes a basic understanding of the theory of financial markets. It does not which results in Ferguson arriving at some quite laughable conclusions.

Let's look at the good side. Ferguson notes that the bonds issued by the Rothschilds would almost invariably rise and settle well above their initial strike price. Ferguson concludes correctly that this pattern was a clear sign of superior management. Indeed the Rothschilds chose their projects carefully. They underwrote responsibly which meant that their clients did not bankrupt themselves trying to pay debt beyond their resources but rather became richer because their borrowing costs were in proportion to their ability to pay.

When Ferguson notes that after 1850s, the new banks began to achieve higher profitability than the Rothschilds he decides that their responsible lending habits have become excessively conservative.

Apparently, Ferguson is so much in love with the myth in economics of the heroic risk-taking entrepreneur that even irresponsible risk taking becomes praiseworthy.

Similarly, Ferguson decries all use of modern financial risk management as indicating a lack of entrepreneurial risk taking. Ferguson obviously never heard of or did not understand the rule that governs most corporations in this century which is: Assume risk in your area of competence and hedge away risk that is not in your area of consequence. In practice it works like this: (1) a car company realizing that its best selling model is getting old decides to assume the business risk of designing and manufacturing a new model. (2) the same car company buys its materials at home and exports its finished goods. If the home currency depreciates against the currency of the export market, the car company earns a windfall. If,

however, the home currency appreciates against the currency of the export market, the car owner will suffer serious losses. This is why companies hedge against the currency cost which lies outside of their core competency of selling automobiles. Again, an undergraduate business student will learn this theory very early in his or her studies. Ferguson the historian had either never encountered this theory or failed to see how it applied to the Rothschilds.

Nonetheless what is most remarkable is not that historian Ferguson sometimes revealed a very poor understanding of financial market theory but rather just how few such gaffes he committed outside of his area of core competency that of doing historical research. Held against its tremendous virtues, the flaws in this book are really of very little consequence.

Read volume one before volume two.

Ranjeev Dubey says

As with Vol 1, there are insights enough if you are prepared to plough through the vast minefield of paper. For a general interest reader, it's too much data with too little reason to invest the time. I would recommend an abridged version of Vol 1 and 2 to anyone but this one...lets leave it to the focused student.

Alex says

Volume 1 of this book was really interesting. Second volume not so much. Even the history of the Rothschilds during Nazi Europe seemed to lack drama, and I suspect the story of their lives during that time could have been better told. A lot of the post war stuff seemed fairly tedious.

Mark says

I finally finished this book, a second in the series. It adds incredible perspective to today's financial crises around the world. Nothing has changed in 200 years - just different players.
