

The embarrassment of riches: historians and wealth in modern Britain

The third Rothschild Archive Lecture, delivered by Professor David Cannadine,
Director of the Institute of Historical Research, 13 May 2002



I am both delighted and a touch intimidated to find myself here tonight, delivering the third annual Rothschild Archive Lecture. I am delighted because The Rothschild Archive is a magnificent enterprise in educational advance to the benefit of the public, and I hope in this lecture to do a little to explain those essential goals and further these admirable objectives. But I am also intimidated – in part because this is (quite appropriately) probably the most illustrious audience before whom I have ever lectured; in part because I shall be trying to tread in the footsteps of two exceptionally distinguished predecessors, either, let alone both of whom, is an impossible act to follow: the first, David Landes, himself a Trustee of The Rothschild Archive, and the most accomplished professor of history and economics of his generation, who for more than half a century has brought to his subject a brilliance of mind, a range of expertise, a cosmopolitanism of outlook, and a determined engagement with contemporary affairs that puts my generation of economic historians to shame (a point to which I shall later return); and secondly Niall Ferguson, whose many important works include his massive, pioneering history of the Rothschilds – a book so weighty that it is almost impossible to pick up, but also a book so fascinating that it is no less impossible to put down.¹

In their lectures, Professors Landes and Ferguson drew attention to two of the ways in which The Rothschild Archive can advance, and is advancing, educational endeavour to the broader benefit of the public. In the first place, and this was Professor Landes's prime point, it makes available the most extraordinary collection of documents and artefacts, generated by one of the great families and enterprises of the last two hundred years, which means there can be scarcely any major topic in the recent history of modern Britain, Europe and the wider world which these documents and artefacts do not illuminate and embellish – from the financing of Wellington's Army to the building of French railways, and from the settlement of California in the 1850s to the economic development of Brazil in the late nineteenth century.² But in addition, and this was the nub of Professor Ferguson's remarks, the sheer range of the Rothschilds' interests and activities is a constant reminder that we need to think, not only then, but also now, of the essential interconnectedness of economic, social, political and cultural activity – an interconnectedness which historians and policy makers are all too inclined to disregard.³

I am wholly in sympathy with both of these arguments, and I shall be saying much which will lend support to them. Like Professor Ferguson, I shall make some general observations on the way economic history is being done and ought to be done; like Professor Landes, I shall talk in some detail about the Rothschilds and their Archive; and like both of my predecessors, I shall urge that history matters, not only because of what it tells us about the past, but also because of what it tells us about the present.

As my title suggests, my general concern is to explore the essentially ambiguous nature of many historians' attitudes to wealth: they recognise it is important, and that it makes the world go round; but they are not always comfortable with it, and they are not altogether sure how to approach it. More precisely, I want to explore this concern by addressing three subjects. I shall begin by re-examining the debate over Britain's so-called "entrepreneurial culture": its supposed triumph in the nineteenth century, and its subsequent defeat in the twentieth, which saw (apparently) the defeat and marginalization of the forces of wealth creation. In the light of the continuing public and academic interest in this subject, I shall then turn to look at what may seem a surprising parallel development, which may best be described as the narrowing and weakening of the very discipline which should be most concerned with this debate and with the broader history of wealth, namely economic history. And in my final section, I shall seek to illustrate and explore these general themes with reference to the Rothschild history, the Rothschild family and The Rothschild Archive.

I.

The fluctuating fortunes of Britain's so-called "entrepreneurial culture" – otherwise known as the "industrial spirit" – have long pre-occupied Britain's politicians, pundits and academics, certainly since the late 1950s. Briefly summarised, the most famous and familiar version of this argument is as follows. From the 1780s until the 1870s, our nation enjoyed a golden age of unprecedented industrial advance, economic prosperity, imperial expansion and great-power grandeur, whose unrivalled wealth, efficiency and modernity were all appropriately celebrated at the Great Exhibition held at the Crystal Palace in 1851. And the key to all this was an unprecedented efflorescence of entrepreneurship, as heroic men of energy and resource – Boulton and Watt, Arkwright and Wedgwood, Stevenson and Cubitt – transformed the British economy, by invention, by innovation, by new modes of production, thereby creating the first industrial nation. And in so doing, they not merely transformed Britain: they also raised themselves up, from humble beginnings, to riches and respectability, buying landed estates, getting themselves elected to parliament, and successfully emulating the landed, titled, aristocratic elite. From this perspective, social ambition was the key to wealth creation, a view which found its most resonant expression in Samuel Smiles's book, *Self-Help*, one of the best-sellers of the mid-Victorian generation.⁴

But soon after (according to this interpretation), things began to go rapidly wrong. During the late nineteenth century, Britain lost its economic pre-eminence to Germany and the United States, and for much of the twentieth century, its decline continued, inexorable and irreversible – as the first industrial nation became the first to de-industrialise, as the British economy became the sick man of Europe, as Britannia ceased to rule the waves, and as the empire on which the sun had once proudly never set became one with Nineveh and Tyre. How, in turn, were these developments to be explained? Once again, the crucial variable was the entrepreneur, who now appeared in a very different guise from that of the heroic figure of earlier times. From the last quarter of the nineteenth century onwards, so this argument continued, British businessmen consistently underperformed, compared with their more ruthless, more ambitious, better-educated counterparts in Europe and north America. Instead of working hard, taking risks and maximising profits, as their forbears had done, they were seduced by the supine culture and anti-industrial attitudes of

gentrification: a culture exemplified in the critical writings of novelists and pundits, where businessmen were held up to scorn and ridicule; a culture propagandised in public schools and universities, which were deeply hostile to entrepreneurial effort and wealth-creation; and a culture classically (or infamously) exemplified by the irresistible allure of landed life and the country house. Thus did the effete and enervating culture of gentility erode and undermine those vigorous entrepreneurial virtues which had once made the nation great.⁵

This was, and remains, a powerful and resonant argument, which can be found in such works as Anthony Sampson's successive *Anatomies of Britain*, in Corelli Barnett's *The Collapse of British Power*, and in Martin Weiner's *English Culture and the Decline of the Industrial Spirit*.⁶ And it was powerful and resonant because it offered a coherent account of Britain's fluctuating economic performance across the last two hundred years, because it offered an explanation in terms of the ebb and flow of entrepreneurial energy and zeal, and because it offered a political and programmatic message which could be (and was) equally appropriated by the left or by the right. The left was never truly at home with entrepreneurs, regarding them either as hard-faced, exploitative, unscrupulous monsters, or alternatively as languid, gentrified amateurs. Hence Harold Wilson's "white hot revolution", which would replace incompetent, grouse-moor loving businessmen with planners, managers, scientists and the new technology. And hence, on the other side, Thatcher's determination to halt what she regarded as a century of economic decline by liberating and celebrating the entrepreneurial talent that had for too long been derided and constrained, thereby restoring the freer, more positive environment of Victorian values in which self-help could flourish and the industrial spirit thrive again.⁷

Since it has many adherents on both the right and the left, this is clearly a very appealing and plausible argument, the essence of which is that it is in a primordial battle over cultural values – fought out between anti-industrial gentrifiers and pro-industrial entrepreneurs – that national economic performance is determined. It has been much taken up by politicians and pundits, and to this day still retains many adherents. Less well known is the detailed scholarly research which, during the last two decades, has undermined virtually every aspect of the interpretation. To begin with, it is now widely recognised that that explanatory mechanism is deeply flawed and contradictory, and this in turn is not altogether surprising, since the thing that was ostensibly being explained does not, on closer examination, need explaining at all. Let me take each of these points in turn. The reason usually advanced for the economic success of the industrial revolution is that British entrepreneurs were socially ambitious, and wanted to join the landed elite and embrace gentry culture. But it is also the case that the favoured explanation for Britain's later economic decline is that British entrepreneurs were socially ambitious and wanted to join the landed elite and embrace gentry culture.⁸

A moment's reflection should suggest that there is something seriously wrong here, as the same casual mechanism – the desire for social advancement and the embracing of aristocratic cultural values – is being used to explain diametrically opposite outcomes: economic advance and industrial success in the late eighteenth and early nineteenth century, but economic retardation and industrial stagnation in the late nineteenth and early twentieth century. Intrinsically, then, this whole mode of explanation is deeply flawed. Nor should this come as any surprise, for on closer investigation, it also turns



out that Britain's economic performance did not lurch from success to failure in the way that Messrs Sampson, Weiner and Barnett so readily assumed. For it is far from clear that Britain's economic performance can be thus divided into two distinct and contrasted phases, somewhere around 1875, before which it was thriving, and after which it was declining. On the contrary, the most detailed and robust calculations that have recently been undertaken suggest that during the whole period, the British economy grew steadily but surely at about 2% a year. Historically, the British economy has always grown slowly, whatever British entrepreneurs may or may not have been doing.⁹

Nor are these the only problems with the argument that sees the industrial spirit defeated by the ethos of gentrification. It may, indeed, be true that there is a vast body of writing, from novelists, poets, pundits and politicians, that was hostile to business and enterprise between the years 1870 to 1970. But did this, as is so often alleged, help undermine the industrial spirit and erode entrepreneurial zeal? This, too, seems unlikely. For it is far from clear what the precise relation is between literary texts and economic activity, between those who write about businessmen and those who actually are businessmen. Moreover, there was a great deal of such anti-wealth-creation writing in what was supposedly the golden age of the Industrial Revolution, including Adam Smith, William Blake and William Wordsworth. And from the late nineteenth century onwards, there were far more vehement denunciations of businessmen to be found in Germany and the United States, those supposed bastions of entrepreneurial zeal and economic success, than have ever been discovered for Britain.¹⁰ As for the public schools: is it really true that they bear a major share of the responsibility for ruining Britain's economy, by instilling anti-industrial values into their pupils, and thus turning them into inept and incompetent entrepreneurs? Once again, the detailed evidence will not support such an argument: recent studies make plain that throughout the nineteenth century, only five per cent of middle class boys went to public school, including only a fraction of the sons of entrepreneurs. For in truth, the public schools did not intrude sufficiently into the economic life of the country to have a major influence on entrepreneurial performance.¹¹

'Pillars of the City'.
The heart of the
late Victorian
entrepreneurial world,
the Royal Exchange, in
a cartoon by Lockhart
Bogle, 1891. Lord
Rothschild, centre left,
in conversation

If all these qualifications are right, and it seems fairly clear that they are, then the whole thesis of a century-long British economic decline, brought about by the triumph of gentry and aristocratic values over the industrial and entrepreneurial ethos, is so discredited that it should sensibly be dispensed with altogether.¹² For the very notion of a manichean division between one group who were vigorous, upwardly mobile and profit maximisers on the one side, and a second who were lethargic, snobbish and leisured on the other, grossly over-simplifies the social, economic, behavioural and cultural variety of modern Britain. Far from there being two collective categories, built around two simple stereotypes, the reality – of Britain's social structure and economic performance – was always much more complex and nuanced. There never was a single "gentry culture", nor was there a monolithic "industrial spirit", locked in a battle where every advance by one side meant a retreat by the other. To maintain such a view implies that if and when fox hunting is abolished in this country, there will be a sudden upsurge in economic activity, as all the effort and energy previously lavished on gentrified pursuits will now be diverted to entrepreneurial endeavour. That is, to put it mildly, a very unlikely outcome. In explaining Britain's economic performance from the mid eighteenth to the mid twentieth century, the cultural polarities of gentrification versus the industrial spirit are mistaken, misleading, misguided and misconceived.¹³

II.

One way of describing the set of historical issues I have just been discussing is to say that they are all concerned with wealth: with the processes whereby wealth is created, with the character, background and motivation of those who create it, and with the broader consequences for society of such accumulations. Indeed, for those who take a positive view of things, and who always think that the proverbial glass is half full, economic history is all about wealth: how it was made, how it was distributed, and what were the consequences of that distribution. For those of a more pessimistic inclination (and many economic historians seem to be pessimists), who believe that the same proverbial glass is always half empty, then economic history is not about wealth but about scarcity, and about the processes whereby scarce resources have been allocated, and the consequences of such allocations. Either way, wealth (or scarcity) is (or ought to be) a central issue for economic historians. Yet the fact is that for much of the period during which economic history has existed as a recognisable intellectual activity in this country, that has not been so. Let me then, in this second part of my lecture, turn to examine economic history: how it has dealt (or failed to deal) with wealth, and how it has failed, as a result, to realise its full potential as what was once one of history's most vigorous sub-specialisms.

The beginnings of economic history in this country are usually dated from the 1880s, when anxious contemporaries began to fear that the British economy was indeed beginning to slow down, and when Arnold Toynbee gave his famous *Lectures on the Industrial Revolution*, which not only began discussion of the central subject in modern economic history in a recognisably modern way, but did so in a powerfully pessimistic manner.¹⁴ For Toynbee thought it had been a disaster, overturning an idyllic rural civilisation and condemning generations to the brutal servitude of factory labour and squalid city living. Far from seeing the Industrial Revolution as the harbinger and creator of unprecedented wealth, he saw it as the harbinger and creator



of unprecedented misery. This view was further embellished by J.L. and Barbara Hammond, who in a series of books about *The Village Labourer* and *The Town Labourer* offered more detailed validation of Toynbee's generalisations, insisting the Industrial Revolution reduced millions of people to degraded conditions of servitude and misery. Like Toynbee, the Hammonds were very uncomfortable with wealth, and this view was shared in the next generation by R.H. Tawney, author of a book on *Equality*, who once memorably observed that "what thoughtful rich people call the problem of poverty, thoughtful poor people call the problem of riches." And in the next generation, writing during the 1950s and 1960s, Edward Thompson and Eric Hobsbawm continued to put the pessimists' case, namely that for ordinary people, the Industrial Revolution had been a disaster and a disgrace, and that the only thing the proletariat had to show for it had been misery and suffering in life, and a large number of pages in the *Economic History Review* in death.¹⁵

By then, however, the pessimists were no longer having it all their own way, for in the decades after the Second World War, an alternative view was evolved which was much more positive and appreciative. From this perspective, the economic changes of the late eighteenth and early nineteenth century had been transformative and irreversible, as Britain became the first nation in the world which simultaneously increased its wealth, its population and its standard of living, thereby opening up the eventual and unprecedented prospect of a more abundant life for everyone. Thus, more optimistically regarded, the Industrial Revolution was the great divide in the history of the world, and the task which faced contemporary policy makers was to ensure that all other, developing nations, could cross it too. Here was a very different view of wealth – as something which could do more good than harm, and as something which should be increased and spread around as much as possible.¹⁶ (It was also in this optimistic interpretation of the Industrial Revolution that the entrepreneur was assigned an heroic place, as the person who made it all happen.)

The 1950s, 1960s and early 1970s were the heyday of economic history: it seemed (as Marx had long ago urged) to offer the most fundamental route to understanding how societies evolved and developed, as economic processes drove social processes which drove politics; it was therefore broadly conceived as being related to society and politics and culture, and being international rather than national; and it captivated

The enervating culture of gentility? The Rothschilds hunting in the Vale of Aylesbury, 1889, an engraving by Alan C. Sealy and Charles Spencerlaugh

scholars and policy makers alike, the former through the vitriolic debates on the standard of living, where the optimists and the pessimists confronted each other, the latter because it seemed to provide historical validation for their efforts to promote contemporary third world development. The result was a massive proliferation of the subject, coinciding with the massive expansion of higher education in the 1960s and 1970s. Departments and professorships of economic history were established, not only in the new universities, but also in the old; the membership of the Economic History Society and the size and circulation of the *Economic History Review* expanded almost exponentially; and so when Donald Coleman gave his inaugural lecture as Professor of Economic History at Cambridge in 1972, he was able to depict a subject in a state of unprecedented buoyancy and optimism.¹⁷

But as he himself warned, it could not, and did not, last. By the end of that decade, economic history was already in decline, which has continued unabated since, as professorships in the subject have vanished, as departments of economic history have been closed, as the membership of the Economic History Society has contracted, and as the British Academy abolished a separate section for economic historians, and declared graduate studies in the subject to be an endangered species.¹⁸ There are many reasons for this. One is that economic history has been overtaken as the cutting-edge sub-specialism – first by social history, and more recently by cultural history: developments well exemplified by the fact that the debate on Britain's supposed economic decline has been more undertaken by cultural and social historians than economic historians. Part cause part consequence of this is that economic history has become more insular and turned in on itself: less concerned with international or transnational issues, no longer connecting with social or political history, increasingly taken over by the quantifiers who have rendered it depersonalised, arcane and inaccessible, and in thrall to a dessicated theory of profit maximisation which leaves out whole tranches of human activity and experience. All this is well illustrated in the historiography of the Industrial Revolution, which in some ways stands proxy for economic history as a whole. Instead of being regarded and analysed as one of the great and fundamental transformations in modern history – whether for good or ill – it has recently been downsized and diminished into little more than a minor episode.¹⁹

The result is that in recent years, it has been *non-economic* historians who have been more interested in the broader issues and ramifications of wealth, especially the relation between national resources and international standing. Consider in this regard Paul Kennedy's famous study of *The Rise and Fall of the Great Powers, 1500–2000*, which advanced the argument that over the very long run, it was the wealth of nations which determined their standing in the great power league, and that it was the relative riches and resources of nations which ultimately determined the outcome of conflicts between them. To be sure, tactics and strategy mattered, but only in a secondary sort of way. Hence the succession of great powers, which was best explained in economic rather than military terms: Spain, France, Britain, the USSR, the USA. This was a broad-ranging, imaginative and original treatment (and, indeed, re-definition) of what might be called the sinews of power.²⁰ And more recently, it has provoked a response of which the same may be said: Niall Ferguson's *The Cash Nexus*, which essentially stands Kennedy's argument on its head. Not for him the economic determinism of rising and falling powers caused by rising and falling economies: on the contrary, as he sees things, it is politics which manipulates wealth

rather than the other way round. From this perspective, great power politics is primarily about the way in which states manage money, both domestically and internationally; and war is about flexible and innovative financing. Thus regarded, it is not the wealth of nations which explains the rise and fall of great powers, but the capacity of states to raise revenue and control money markets: the impact of politics on finance is greater than the impact of finance on politics.²¹

III.

I am in no sense sufficiently expert to adjudicate between these two carefully defined and elaborately documented positions. Nor, happily, for the purposes of my argument tonight is it necessary for me to do so. For I am more concerned with the shared and admirable characteristics of these books than with their disagreements. Both of them are preoccupied with the interconnectedness of economics and politics and society; and both of them venture far beyond the confines of a single state, taking in whole continents and international developments. Here is the largest, most imaginative conception of economic history – not as a narrow, parochial, ring-fenced and self-absorbed sub-specialism, but rather as an essential way in to understanding a far broader range of human history and activity, in which the material circumstances of wealth (and poverty) play a crucial, complex and multi-faceted part. Which brings me, finally, to the Rothschild family and to The Rothschild Archive. For what in a sense I have so far been doing is to provide the context within which we may better appreciate the history of the one, and the holdings of the other. How, to return to my first theme, does the whole issue of gentrification and the industrial spirit look when approached from the perspective provided by the Rothschild dynasty and documents? And how, to remind you of my second subject, does The Rothschild Archive enable us – indeed, demand of us – that we study economic history in the broadest, most imaginatively conceived way?

For anyone mistakenly in thrall to Messrs Sampson, Barnett and Wiener, and no less mistakenly minded to argue it, the nineteenth-century English Rothschilds may be presented as the paradigm example of the entrepreneurial spirit eroded, undermined, suffocated and stifled by the all-powerful gentrifying culture. Nathan Mayer Rothschild might have begun with relatively small resources and in grimy, industrialising Manchester in 1799, but within two generations, his family was well entrenched in the British establishment. From the 1840s, the Rothschilds bought up large swathes of Buckinghamshire, and took to fox hunting and stag hunting in a big way, and they also produced a Derby winner in 1869. They created palaces for themselves along Piccadilly, near Apsley House, and they bought and built great mansions in the Vale of Aylesbury, among them Mentmore and Waddesdon, which they adorned with magnificent pictures and furniture. They involved themselves in local politics, represented both Buckinghamshire and the City of London in the House of Commons, and in 1885 they obtained the first peerage ever given to a British Jew. And they delighted in hobnobbing with the great and the good of the realm, as exemplified by Hannah Rothschild's marriage to Lord Rosebery, the future Prime Minister, and by Natty Rothschild's close friendship with the Prince of Wales and future Edward VII. Not surprisingly, with so much effort and energy spent on high living, the bank's performance suffered: by the end of the nineteenth century, its great glory days were over.²²



Leopold de Rothschild from the series 'Racing and Sporting' by 'Spy' in *Vanity Fair*, 1884

Thus summarised, the history of the nineteenth-century English Rothschilds seems perfectly to bear out the thesis advanced by Messrs Sampson, Barnett and Weiner with which I began. But just as I have sought to suggest, in a general way, that their arguments are wrong, so, in a specific way, are such arguments wrong when applied to the Rothschilds. For despite the evidence which I have presented a moment ago, it is abundantly clear that the family was never overwhelmed by the gentrified culture of leisure and idleness.²³ When they bought land in Buckinghamshire, it was as a rational investment at a time of low prices and low interest rates, and because they wished to diversify their assets. When they bought pictures, it was in the confident belief that prices would rise, which they invariably did. When they took up fox and stag hunting, it was for much-needed exercise, and in a county which had a rapid rail link to London, so they could easily get back to work in the City. When they built great houses in London and in the country, it was primarily for dispensing what would now be called corporate hospitality rather than for living a leisured and languid aristocratic life. And when they sought out connections with the great and the good, it was because most of their business was to do with raising money for governments, and they needed to be politically well-informed.²⁴

Moreover, as Niall Ferguson has recently shown, the Rothschilds themselves remained good at business, at least until the end of the nineteenth century, while in the twentieth century, the family has, to put it mildly, continued to produce an astonishing array of high achievers - not only in banking, but in many other walks of life as well. For all their undeniable grandeur, the Rothschilds are not now, and never have been, supine slaves to the culture of gentility. Indeed, if the Rothschild experience is any guide, it is far from self-evident that rich families who buy land, build great houses, and fill them with splendid pictures and magnificent furniture, are thereby giving up on the entrepreneurial spirit and succumbing to the siren songs of gentrification. Nathan Mayer Rothschild might have bought the family's first country house, at Gunnersbury, but he didn't like agriculture: "grunt grunt, squeak squeak", was his view of farming animals. Lionel Rothschild lived magnificently in Piccadilly, but he was singularly unimpressed by the country houses of the aristocracy: he thought Castle Howard "rather a nice place, but nothing wonderful ... not worth putting oneself out to see." And for all his social links with the Prince of Wales and subsequent Edward VII, Natty first Lord Rothschild thought his conversation "commonplace and very slow", that he was "excessively fond of the chase", and paid insufficient attention to "war and peace and the state of politics" - activities the Rothschilds themselves never neglected or ignored.²⁵

Indeed, this argument may be carried (and corroborated) one stage - and also one continent - further. Consider, in this regard, what has rightly been called the "Rothschild style": best exemplified at Waddesdon, but also to be found in their other great houses in Buckinghamshire - that particular combination of Old Masters and eighteenth-century English paintings, of French furniture and porcelain of the same period, and of heavy golden cornices, damask-hung walls, and tasselled velvet curtains. This was how the Rothschilds decorated and embellished their many great houses, but it was a plutocratic rather than an aristocratic aesthetic, and it appropriately provided the model for the likes of Frick, Huntington, Carnegie, Vanderbilt, Astor, Rockefeller and Mellon, not only on Fifth Avenue, but also in the American countryside as well.²⁶ So far as I am aware, no one has ever reproached

the Fricks, Carnegies, Vanderbilts, Astors, Rockefellers and Mellons with being insufficiently committed to, or successful at, making money. For they, too, like the Rothschilds, and like many British entrepreneurs, also bought houses and pictures and other beautiful things, without any necessary diminution of the industrial spirit. Nor should we forget that these families endowed universities, libraries, museums and research foundations, and were interested in politics as well as philanthropy. Even for those denounced by contemporaries as "Robber Barons", there was always more to life than merely making money.²⁷

The nineteenth-century English Rothschilds, I have so far been suggesting, managed to be both vigorous and varied in their ways of living: indeed so vigorous and varied that they render wholly inadequate the attempts by many economic historians to focus only and exclusively on what are supposed to be (and what they clearly think ought to be) the profit maximising activities of individual businessmen. For as the history of the Rothschilds so eloquently demonstrates, *homo economicus* was little more than a dismal abstraction: in the nineteenth century, as in the twenty first, most people who were in business and making profits were doing many other things too, and an academic sub-specialism which pays scant attention to them is all too often lacking in any sense of human reality. For economic activity, as Adam Smith long ago pointed out, is not a distinct universe, a separate side of life: it is an integral part of the seamless fabric of individual activity and collective human endeavour, which it is the historian's job to recover, explain and evoke in all its varied diversity.²⁸

But this is not the only sense in which many economic historians err, by failing to recognise that for most people, economic activity is only one thread in a much broader human tapestry: it is also that the geographical space within which these varied activities were carried on was often far more broad and wide-ranging than the narrow confines of the nation state. In an earlier era, of Sir John Clapham or of David Landes, there was a general recognition that economic history should not be confined to the national past of any one particular country: that the creation and distribution of wealth took place on a larger scale and stage than that, involving individuals, institutions and ideas which belonged to many different national cultures. But today, economic history as practised in Britain is all too often restricted to the British nation, and pays insufficient attention to the broader continental and international world. Yet such a view is not only intrinsically mistaken and unsustainable: it is also wholly contradicted by a brief contemplation of the way the Rothschilds lived their lives. For they not only saw themselves as an international family, whose interests and loyalties in some ways far transcended those of the nation state: they also recognised that the economy worked in an international, indeed, transnational, way. And that recognition is one to which economic historians should give more attention than they now habitually incline to do.²⁹

IV.

The extraordinary diversity of human endeavour and achievement, the bewildering complexity and global extent of the economic past, a broader notion of the subject and substance of economic history, an apt recognition of the essential international perspective: all this is urged upon us by contemplating the history of the Rothschild family. And all this is to be explored in teeming, magnificent detail here in The Rothschild Archive itself: containing as it does more than two million documents, in



Halton, one of the Rothschild's Buckinghamshire houses built by Alfred de Rothschild in the early 1880s



The Rothschild arms,
adopted in Britain
in 1838

virtually every European language, and spanning the whole period from the 1800s to the 1970s. Here are to be found: the records of N.M. Rothschild and Sons; material relating to the Rothschild Banks in Frankfurt, Paris, Vienna and Naples; correspondence with Rothschild agents and representatives around the world; and the personal and estate papers of many members of the family. And what a magnificent treasure house this is. The letters between the five sons of Mayer Amschel Rothschild span the years 1811 to 1868, and throw new light on virtually every great historical episode in European history, from the defeat of Napoleon to the Revolutions of 1848, in many of which the Rothschilds themselves were closely involved. In the same way, the correspondence between the London bank and their Madrid agents is an unrivalled source for the history of nineteenth-century Spain, just as similar correspondence between London and Naples should prompt a major re-consideration of the Italian Risorgimento.

I could go on all evening telling you about the Rothschilds' involvement in the international tobacco trade, especially via Havana and New Orleans; about their part in the funding of the Szecheny Bridge linking Buda and Pest; about their crucial role in the financing of American railways; about their interest in the development of the Mexican economy; about their dealings with virtually every European government concerning loans and debts and bonds. But time is pressing, and I must decline. Suffice it to say that the recent establishment of The Rothschild Archive Trust, the completion of a comprehensive catalogue, and the relocation of the Archive here in this building, have made it possible for an ever-growing number of scholars to use the collection. Moreover, their researches are not only telling us more about the Rothschilds than we already know: they are also telling us about a much broader range of human activity, in all parts of the globe, thereby helping to bring about that broader conception of the economic past that I have been arguing for tonight. And this is not only a magnificent archive: it is also a constantly growing archive, as new discoveries are being made, as new materials are being added, and as the range of subjects on which it boasts important holdings continues to expand. Indeed, if this expansion continues, it may be possible to envisage The Rothschild Archive as the base from which to launch that fundamental re-thinking and re-energising of the whole study of the economic past which is now so urgently needed.

But such an endeavour would not be of importance exclusively for our better and broader understanding of the economic past: it would also be pregnant with possibilities for our better and broader understanding of the economic present. All of us – academics, bankers, civil servants, politicians, business men and women – are much less well informed than we ought to be about how, when and why the local, national, international and global economies of our own time have come to be the way they are. We urgently need a broad, imaginative, cosmopolitan account of the economic past which is adequate to the complexities of the economic present and the uncertainties of the economic future. And what better place is there to initiate such an enterprise than here in New Court.³⁰ The Rothschild Archive – in terms of what it is, what it is becoming, and what it might yet become – is thus not only an historical source and resource of the first order: it also has the potential for enhancing our understanding of ourselves in time and of our world today. That is why history and archives matter in general; and that is why this family, their history, and these archives matter in particular. Truly, these are riches by which no one should feel embarrassed.

NOTES

1. D. Landes, *Bankers and Pasbas: International Finance and Economic Imperialism in Egypt* (London, 1958); idem, *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present* (Cambridge, 1969); idem, *Revolution in Time: Clocks and the Making of the Modern World* (Cambridge, Mass., 1983); idem, *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor* (London, 1998); N. Ferguson, *The World's Banker: The History of the House of Rothschild* (London, 1998).
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