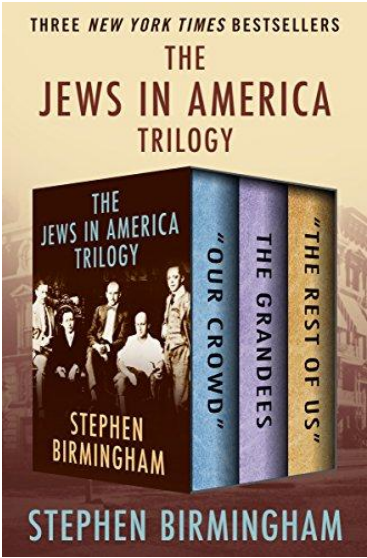




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The Jews in America Trilogy: "Our Crowd," The Grandees, and "The Rest of Us"

van Birmingham, Stephen

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Mr. Lewisohn's friend and neighbor, Felix Warburg, had a squash court in his city house, another in his country house—which also had a polo field—a yacht, a full Stradivarius string quartet, and a set of black harness horses identically marked with white stars on their foreheads. When Mr. Warburg was depressed, he had a gardener build him a platform high in a tree; from there, Warburg would consider the possibility of clearing another of his famous “vistas” from the surrounding woods. Yet he was so inordinately domestic that, upon checking into a hotel room in a foreign city, the first thing he did was to rearrange the furniture into the coziest possible “conversational groupings.” He liked to give away a million dollars at a clip to a list of some fifty-seven different charities, and yet when his children asked their father how much money he had, he would make a zero with his thumb and forefinger. It was a world, in other words, that gave equal weight to modesty and dignity as to pomp, comfort, and splendor. Jacob Schiff, for whom one private Pullman was seldom ample, could therefore send his son home from a party because the boy's suit was too “flashy.” Mr. Willie Walter, whose daughter was married to Granny Goodhart's son, owned a custom-built Pierce-Arrow which he kept constantly replenished with new Packard engines. An astonishing piece of machinery, it was tall enough for a man to stand in. Mr. Walter suffered from glaucoma, and believed that it was the result of striking his head on the ceiling of a low car. There was, therefore, a practical reason for the automobile's imposing proportions. The tallest car in New York was always driven with its window shades down, and, both inside and out, its decor was restrained; every bit of chrome was oxidized so that it would have no glare, out of consideration for Mr. Walter's sensitive eyes. Though the Pierce-Arrow could be seen coming from blocks away, its head high above the heads of others, Mr. Walter also believed that toning down the car's trimmings made it less “conspicuous.” (After Willie Walter's death, his heirs sold the Pierce-Arrow to James Melton, a classic-car enthusiast; Melton painted it, polished it, added all sorts of shiny gadgetry, and sold it to Winthrop Rockefeller, who added even more. You should see it now.) To the city outside, this world seemed exotic and remote. It was envied misunderstood, resented, but more often than not it was simply ignored, which was exactly what members of the Jewish upper class preferred. Overlooked, the group flourished and grew. It developed an outer shell that was opaque and impervious to prying. Within, a territory existed as intricately designed and convoluted as a chambered nautilus, a particular principality cloistered inside the world of the very rich. To those who lived there, it was all there was. It was New York's other Society—a citadel of privilege, power, philanthropy, and family pride. What was not so apparent was that it was also a citadel of uncertainty and fear. Under the seemliness there was bitterness, jealousy, warfare—no more and no less than in any society. One had to be brought up in the castle to realize that. For even murder, when it occurred, was politely kept “within the family.” Among the people Granny Goodhart visited were the Loebes, Sachses, Guggenheims, Schiffs, Seligmans, Speyers, Strauses, Warburgs, Lewisohns, and of course other Lehmans and Goodharts. There were also the Baches, the Altschuls, the Bernheimers, Hallgartens, Heidelbachs, Ickelheimers, Kahns, Kuhns, Thalmanns, Ladenburgs, Wertheims, Cahns, Bernhards, Sheftels, Mainzers, Stralems, Neustadts, Buttenwiesers, Josephthals, Hellmans, Hammersloughs, Lilienthals, Morgenthau, Rosenwalds, Walters, and Wolffs. With the exception of the Guggenheims—who came from German-speaking Switzerland—all these families trace their origins to Germany (a surprising number to Bavaria). They have referred to themselves as “the One Hundred,” as opposed to “the Four Hundred.” They have been called the “Jewish Grand Dukes.” But most often they have simply called themselves “our crowd.” The men of our crowd made their fortunes as merchants or bankers or—in the now somewhat antique phrase—as “merchant bankers.” Their business monuments include R. H. Macy & Company (Strauses), 2 Abraham & Straus (Abrahams, Strauses, and Rothschilds—“the Brooklyn branch” of the European Rothschilds), and a number of celebrated investment and banking houses in Wall Street, including

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In the first American generation, a number of founding fathers married their own close relatives. Joseph Seligman and his wife were first cousins, and in the next generation Joseph's brother's daughter married Joseph's sister's son. Meyer Guggenheim married his stepsister, and a Lewisohn married his own niece—and had to go to Europe to do it since such a union was, at that time, against the law in the United States—and as a result of this match he became a great-uncle to his children and his brother's son-in-law. Three Seligman brothers married three sisters named Levi; several other Seligmans married Walters, and several married Beers. The Seligmans also followed the Jewish practice of offering widows in the family to the next unmarried son, by which process several women became double Seligmans. Double cousinships abound. Seligmans have also married Hellmans, Loeb, Lewisohns, Lilienthals, Guggenheims and Lehmans; Lehmans, who have married first-cousin Lehmans, have in addition married Lewisohns, Bottenwiesers, and Ickelheimers; Ickelheimers have married Stralens; Stralens have married Neustadts; Neustadts have married Schiffs; Schiffs have married Loeb and Warburgs; Warburgs have married Loeb, who, of course, have married Seligmans. Today the intermarriage within the crowd presents a design of mind-reeling complexity. But envision a dewy cobweb in the early morning on a patch of grass. Each drop of dew represents a great private banking house; the radii that fan out are sons and daughters, grandsons and granddaughters, and the lacy filaments that tie the whole together are marriages. Kuhn, Loeb & Company was originally composed of a particularly tight network of love—with Kuhn and Loeb (who were brothers-in-law) both related to Abraham Wolff, another K-L partner whose daughter married yet another partner, Otto Kahn. A Loeb son married a Kuhn daughter, and another Loeb daughter married another partner, Paul Warburg, while Jacob Schiff's daughter Frieda married Paul Warburg's brother Felix (a partner too). This turned an aunt and her niece into sisters-in-law, and made Paul his brother's uncle. At Goldman, Sachs, two Sachs boys married Goldman girls, and another Goldman girl married Ludwig Dreyfus (a G-S partner), who was related by marriage to the above-mentioned Loeb, and a Sachs daughter married a Macy's Straus, while another Sachs daughter married a Hammerslough whose sister was married to a Rosenwald of Sears, Roebuck & Company. (Not surprisingly, when Sears puts a new stock issue on the market this is done by Goldman, Sachs & Company.)

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For many years Wall Street firms such as these obeyed a kind of Salic law, with partnerships descending only to sons and sons-in-law. This discouraged outsiders and encouraged intermarriage. “In the old days on the Street,” says one stockbroker, “your relatives were the only people you could trust.” There was another reason. In the old days, if you were a Jewish immigrant, the only person you could turn to if you needed money was a relative. For forty-four years after its founding in 1867, Kuhn, Loeb & Company had no partners who were not related by blood or marriage to the Loeb-Kuhn-Wolff family complex. For nearly fifty years after Goldman, Sachs was founded, all partners were members of the intermarried Goldman and Sachs families. The Lehmans hardly seemed to need intermarriage at all; until 1924, nearly seventy-five years after the firm was founded, all the partners were named Lehman. Two firms one might suppose had sprung from the same forebears—Kuhn, Loeb and Carl M. Loeb, Rhoades—did not. The Loeb of Kuhn, Loeb are no kin to the Loeb of Loeb, Rhoades, who are no kin to Harold Loeb and no kin to Gerald Loeb, the financial writer who works for E. F. Hutton & Company, nor to Leopold and Loeb who were a thrill-killing team from Chicago. The two New York banking families are always getting mixed up, even by the New York Times, which is usually most careful about such matters, but the descendants of Solomon (Kuhn, Loeb) Loeb, an earlier immigrant and founder of the more venerable house, are known in the crowd as “the real Loeb.” Presumably, the descendants of Carl M. (Loeb, Rhoades) Loeb are unreal Loeb. The Rhoades name came in as a result of a nonmarital merger. Nobody knows quite why the name is retained (there are no Rhoadeses in the firm), unless for its overtones of Scholars and the Colossus of almost the same name. But by taking a tortuous route through Lehmans and Seligmans, it is possible to get these two Loeb families related to each other, by marriage.

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Another member of this first generation of German Jewish immigrants—though he was never a part of the Old Guard “crowd”—was August Belmont. As German Jewish life became fuguelike, his influence provided an odd and troubling counterpoint. Such names as Lewisohn, Schiff, and Thalmann belong to a younger generation who migrated to New York soon after the Civil War. The Warburgs and Otto Kahn belong to a third, still younger group who came in the 1890’s. Kahn, Schiff, and the Warburg brothers became imposingly rich, and all three names became polarized around Kuhn, Loeb & Company. There is a general feeling that these youngsters did not have to work quite so hard for their money as the Old Guard did. A split began to develop within the crowd, between the bright, young, very rich “new group” and the settled, established, not-quite-so-rich “older group.” It was not only a difference in ages, but a difference in how the two groups “did things.” Though they all saw each other and entertained each other, there were—emotionally, at least—two crowds. The Warburgs like to point out that the Warburg family were well-to-do bankers in Germany long before any of the Seligmans or Lehmans, who were poor, even dreamed of coming to America. The Lehman-Seligman camp is apt to say, “The Warburgs weren’t anybody until they married into the Schiffs, and Schiff wasn’t anybody until he married into the Loeb, so there you are.” The Warburgs say loftily, “We came to America and showed all the others how to do it.” To this, one of the Lehmans has replied sharply, “They tried to tell everybody how to do it, is what they mean. Our family never had much to do with that Schiff-Warburg group. We considered them terribly bossy. Of course there were some people who tried to play their game. It was called ‘Keeping up with the Schiffs.’” “It must be terrible,” Lord Lionel Rothschild is supposed to have said, “to be a Jew and not be named Rothschild.” Clearly he was unaware of what was going on across the Atlantic in New York.

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biting wit. A university, for an education or for polish, had no appeal for him whatever. He wanted to make money. At thirteen he went to Frankfurt—it is likely that he ran away from home—and went to work as an unpaid apprentice for the Rothschilds, the leading Jewish banking house in Europe. How he managed to get his toe in the Rothschild door is unclear. There is evidence that the Rothschilds were appalled by Schönberg and yet fascinated by him. He was to exert this double effect on people throughout his life—aversion and, at the same time, attraction. He could be rough-spoken and abrupt, and he could be sweetly charming. One thing quickly became apparent to the Rothschilds—he was a financial genius. His first duties were sweeping floors, but he was soon admitted to discussions in the partners' room. Yet as Schönberg's value grew, he became something of an embarrassment to the Frankfurt Rothschilds. He did not fit the aristocratic Rothschild "image," and so, still in his teens, he was transferred to Naples, where he became very Neapolitan and handled financial negotiations with the Papal Court. At the age of twenty-one, he was reassigned to Havana, where the news of the New York Panic of 1837 reached him. A panic, to Schönberg, suggested a use for his money-making talents. He wound up his Havana business quickly and hurried to New York, arriving the same month as Joseph Seligman, traveling, of course, first class. With Rothschild money, he began buying in a splendidly depressed market. But some strange sea change had taken place. He was no longer August Schönberg but August Belmont, the French equivalent of Schönberg (meaning "beautiful mountain"). As August Belmont, furthermore, he was no longer a Jew but a gentile, and no longer German but, as people in New York began to say, "Some sort of Frenchman—we think." New York City in 1837 seems in many ways to have been waiting for a man with August Belmont's talents and tastes to come along. Certainly it was an auspicious moment for a young man eager to make his fortune in banking to descend upon the city, and Belmont arrived with the tremendous influence and backing of the House of Rothschild behind him. The city's mood was up; it was the beginning of the so-called Golden Era, which would see New York change from a provincial port into a giant metropolis. The War of 1812 had given the country confidence in itself, had strengthened its credit abroad (up to then the Rothschilds had considered the United States too unprofitable an enterprise to merit an American agent), and the great age of railroads had begun. The railroads opened up outlying land and carried people there. Railroads carried products back to port cities like New York where, in turn, they were traded to pay for the European imports the newly opened country needed. New York, by 1837, though it still resembled a steeped and gabled Dutch village sprouting from the Battery at the tip of Manhattan Island, had become the chief financial center of the nation and its major port, through which passed commerce to be financed, goods to be auctioned, and the inland producers' bills of exchange, drawn on British merchant banks, which, to provide cash, had to be discounted. New York, until then, had stood a poor third to Boston and Philadelphia. It had remained under the influence of the Dutch, whose chief economic interests had been limited to up-Hudson furs and their own vast estates outside the city. New York had not developed the tightly knit commercial and financial power groups of the older Eastern cities. There were not, as there were in Boston, such family complexes as the Cabot-Lowell-Lawrence group, which controlled and financed textile companies, or the Lee-Higginson-Jackson alliance, which dominated the money market. New York had not assumed the rigidity of Philadelphia, with its position as the seat of the only national banks the country had ever known. New York, in other words, was ready for the private banker—Pennsylvania in 1814 had passed a law outlawing private banking—it was a city for the entrepreneur, a city flexing its muscles and feeling young and big and strong. All this August Belmont was quick to sense. New York was a merchant's city. It had become the chief wheat and flour market of the nation, shipping over a billion sacks of flour a year to Europe, and dispatching the major share of the country's cotton. It was also a gambler's city, and the young arriving immigrants—immigration itself was one of

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In the Panic of 1837 Belmont was able to perform a service which he would repeat in subsequent panics, and which helped make him a friend to bankers and to the United States Government. By negotiating large loans from the Rothschilds, he was able to shore up United States debtor banks. In other words, he was able, thanks to the hugeness of the Rothschild reservoir of capital, to start out in America operating his own Federal Reserve System.

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The first recorded Jewish settler in Manhattan was a man named Jacob Barsimson who arrived early in 1654. He was an Ashkenazic, or German, Jew. No one knows what happened to Mr. Barsimson, and his importance to history has been eclipsed by the arrival, somewhat later that same year, of twenty-three Jewish immigrants aboard the bark St. Charles, often called “the Jewish Mayflower.” The St. Charles had carried its passengers from Recife, Brazil, but actually the little band’s journey had begun thousands of miles farther away and years before in fifteenth-century Spain and Portugal. There, after the violence of the Inquisition—and, by a prophetic coincidence, in the same year that Columbus discovered the New World—the Catholic monarchs had ordered all Jews to adopt Christianity or depart the Iberian Peninsula. Those who would not convert had fled and scattered—to Italy, Turkey, Hamburg, and to various Baltic ports. Many had been drawn to the tolerant atmosphere of the Netherlands, and when the Dutch conquered Recife in 1630 and urged settlers to go to the new possession and form colonies, many Jews had migrated to South America, where they found a few years’ peace. But in 1654 Recife had been reconquered by the Portuguese, and Brazil was no longer safe for Jews. They fled once more. The St. Charles passengers were on the last stage of an exodus of the ancient Sephardic culture from medieval Spain. In the unwritten hierarchy of world Jewry, the Sephardim are considered, and consider themselves, the most noble of all Jews because, as a culture, they claim the longest unbroken history of unity and suffering. The arrival of twenty-three Sephardim in New Amsterdam was not auspicious. When he discovered they were penniless, Governor Peter Stuyvesant threw the lot of them in prison. There they might have stayed, but, fortunately for them, many stockholders of the Dutch West India Company were Jewish and so Stuyvesant was persuaded to release the twenty-three on the condition that “the poor among them” be no burden and “be supported by their own nation.” Within a year most had established themselves as merchants, trading in tobacco, fish, and furs, though they were not admitted as freemen until the next century. As a group, the Sephardim were proud, diligent, but an aloof and somewhat crusty people, and they were once labeled “the obstinate and immovable Jews.” The great Sephardic families of New York, many of them descended from the St. Charles arrivals, include the Hendrickses, the Cardozos, the Baruchs, the Lazaruses, the Nathans, the Solises, the Gomezes, the Lopezes, the Lindos, the Lombrosos, and the Seixases. By the beginning of the nineteenth century a number of the Sephardim had become quite wealthy. Old Harmon Hendricks, for instance, had a copper store in Mill Street (now South William Street) and a factory in New Jersey which was the first copper-rolling mill in the country. He died in the 1840’s, according to one report, “immensely rich, leaving over three millions of dollars” and a great deal of valuable real estate. His daughter was married to Benjamin Nathan, a stockbroker in Wall Street, and, in fact, Hendricks copper shares were considered among the blue chips of the era. In *The Old Merchants of New York City*, published in the 1860’s, Joseph A. Scoville reported that

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In New York the Sephardic families and their temple, Shearith Israel, had a distinct and special status. Many of their men had fought on the side of the colonists in the American Revolution, and as merchants and bankers they had helped finance the war and provision and outfit its armies. Haym Solomon, who had come from Poland, worked closely with William Morris and the Continental Congress as a broker, and helped raise a particularly large sum for the Revolution. For his services he was given the official title of “Broker to the Office of Finance.” Even earlier, Jewish bankers had lent money to Lord Bellamont, a particularly improvident eighteenth-century colonial Governor of New York, helping to keep the colony financially on its feet, and New York’s first Lutheran church was built with money advanced by Jewish bankers—among them Isaac Moses, who helped establish the Bank of North America in 1781.

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The Sephardim had become successful businessmen and—to their way of thinking, certainly—sophisticated and cultivated city dwellers. The Germans, on the other hand, particularly after the fall of Napoleon in 1815 and the beginning of European reaction, were for the most part poor, soiled-looking, and underfed. Most of them were arriving, like Joseph Seligman, in steerage. When they could manage the language at all, they spoke English with heavy and guttural accents. Most had had little education. They seemed uncultivated, and—because they were poor—aggressive. They were an embarrassment. The Sephardim were merchants and bankers; the Germans were going off as foot peddlers. And so by 1837 the doors of the Sephardim—and of Temple Shearith Israel—were closing to Germans. August Belmont, né Schönberg, may, with his usual acuity, have realized this also. His quick and complete apostasy—and his determination to climb into the gentile society of the Morrises and Mrs. Van Rensselaer—may be explained by the fact that the best class of Jews in New York would not have asked him to their picnics, hunts, and parties.

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New England Puritanism, with its literal interpretation of the Old Testament, was a sort of neo-Judaism—a Judaism translated into Anglo-Saxon terms. The Puritans coming to America had identified themselves with the Israelites in search of the Promised Land, and King George III was equated with the Pharaoh. They called the new land Canaan and frequently referred to the Covenant they had made with God. Early in New England the Hebrew language became a major subject taught in colleges, and even secondary schools. To refer to a fellow New Englander as “a good Jew” was to pay him the highest compliment; it meant that he was pious and industrious; it had nothing to do with his blood or his religion. New England parents gave their children Old Testament names—Moses, Joshua, Abraham, and so on. New England Protestantism was considered an outgrowth, or extension, of Judaism, and New England preachers spoke continually of Zion and Jerusalem, of “the God of Israel” and “the God of Jacob.” The Puritans were also convinced that the second coming and final judgment were at hand, and knew, as an article of faith, that the conversion of the Jews would precede these cataclysmic events. It had become a New England tradition to cherish the people who would play such an important role in Puritan salvation, and to encourage their conversion. This lingering belief that Jews were worthy of special respect and honor would stand them in good stead when they began to enter the financial community of Wall Street, a world whose dominant figures were men whose roots extended back to Puritan New England.

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only fortune that may outweigh the Guggenheims’ is that of John D. Rockefeller. It seems senseless to quibble. The Guggenheims became immensely rich. But one of the great “problems” with the Guggenheims, socially, in New York had less to do with their foot-borne origins and their wealth than with their curious proclivity for surrounding themselves with scandal. Several Guggenheim men have had the misfortune of dying on the doorsteps of strange ladies’ houses, or of becoming involved in spectacular breach-of-promise suits.

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In the years since his arrival Belmont had been so successful at channeling Rothschild funds into the United States Treasury in return for government securities that he was rewarded, in 1844, by being appointed United States Consul General to Austria—a move designed not only to provide Mr. Belmont with prestige but also to place him close to the Vienna House of Rothschild where he could be of further usefulness. Things, of course, did not always go smoothly. When the state of Pennsylvania defaulted on \$35 million worth of state bonds held by British investors, including the Rothschilds, Belmont, in Paris trying to place another U.S. Federal Government loan, was icily told by Baron de Rothschild, “Tell them you have seen the man who is at the head of the finances of Europe, and that he has told you that they cannot borrow a dollar. Not a dollar.” Still, the United States was too good a customer of Europe’s—buying such items as railroad ties, which lack of American know-how still made difficult to produce here, in return for American cotton and wheat—for the Rothschilds to remain angry for long. Also, Belmont was too canny a trader to let such upsets damage his friendships on both sides of the Atlantic.

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The Seligmans’ importing-retailing days were almost over. In New York their most profitable import had become gold from California. From New York, gold that was not traded on the market traveled on to Europe to purchase new supplies for the Seligman stores. The Seligmans still dealt in dry goods, cotton, hides, boots, shoes, pots, pans, cigars, undershirts, and whiskey, but as buyers and sellers of bullion they found themselves, almost before they knew what had happened to them, in the banking business. By 1857 over \$500 million worth of gold had made its way eastward from the California hills, a good deal of it passing through the hands of the Seligmans.

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Through the early 1850’s the American economy spun upward in a giddy spiral. Led by the flood of gold from California, stocks on the New York Stock Exchange climbed higher and higher. The boom was on in Western lands and railroads, and shares in these companies were used as collateral for loans, which were used to buy more shares, which were used as collateral for loans—and on and on. The Bank of England was expanding, tariffs were rising, and New York’s commercial banks kept easing credit and then easing it some more. The stock market seemed to know no top. Never before had New York women been so extravagantly dressed. Gambling at large private parties suddenly became a factor in New York social life, and everyone gossiped about this or that great fortune that had been lost, or won, at whist, poker, or roulette. Mansions marched up the side of Murray Hill, and newspapers fretted about parties of the newly rich which turned into “orgies of Pompeian license.” The stock of a railroad company, meanwhile, that existed nowhere but in a promoter’s mind climbed from twenty-five cents a share on Monday to \$4,000 a share on Friday. These were busy days for the Seligmans. One bright morning in 1857, however,

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In later years, Joseph Seligman's bond-selling efforts in Europe during this period became one of the most highly debated points in the Seligmans' career. According to Linton Wells, "In March, 1862, Joseph went to Washington and consulted President Lincoln and Secretary of the Treasury Chase regarding the placing of [Union] bonds in Frankfurt and Amsterdam."* Then, says Mr. Wells, Joseph left for Europe with a clutch of Union bonds and "achieved success far beyond his dreams. Not only did he dispose of substantial quantities of government bonds and treasury notes, but he was able to arouse considerable sympathy for the Union cause ... and did more than anyone else on record to establish and maintain its credit abroad.... He ... placed enormous quantities of bonds in Frankfurt, Munich, Berlin, and Amsterdam ... a small amount in Paris ... a fair market for them in England." Wells winds up saying that of the \$510 million worth of bonds placed between February, 1862, and June, 1864, "more than \$250,000,000 were placed abroad, and the Seligmans disposed of more than half this amount, contributing to the sale of a major portion of the other half by their incessant propaganda in favor of the Union cause." This account has become further inflated by another historian, W. E. Dodd, who has called Joseph's bond-selling "equal perhaps to the service of the general who stopped Lee at Gettysburg." Linton Wells has also written that Joseph Seligman, during a visit with President Lincoln, "persuaded" Lincoln to put Grant in charge of the Union forces, which Lincoln of course did. These constitute sizable claims, and subsequent Seligman generations have cooperated with Messrs. Wells and Dodd in carrying on the legend that Joseph Seligman won the Civil War by paying for it. Unfortunately, no records exist which quite bear out these claims. Treasury records for the Civil War period are incomplete, and Seligman records on this score are now lost. Joseph did visit Lincoln and Chase in 1862, but the subject and outcome of their conversation were not recorded. (Joseph may very well have gone to beg them to stop paying him with Union bonds.) Joseph was in Europe during the months following, but if he was achieving success "beyond his dreams," his letters home don't show it. He hardly mentions Union bonds at all. He seems much more interested in an idea that had been growing in his mind—to set up an international Seligman banking house, a house designed along the lines of the House of Rothschild, a house whose style was represented in America only by August Belmont. But first Joseph would have to wait out the war. In January, 1864, he wrote: "Should we conclude to go into Banking, my presence in Europe during this summer and winter may be necessary to put things into train for the Banking business. The fact that I have done little or nothing up to this time is no proof of my inability to effect something, but arose out of our cautiousness not to enter into anything during war time." ("Up to this time," of course, includes the time Joseph supposedly had sold Union bonds in the hundreds of millions' worth, yet Joseph seems apologetic, almost defensive, about having done "little or nothing.")

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This much, however, of Joseph's Union bond-selling is known. Early in Lincoln's second administration, in 1865, William Fessenden, who succeeded Chase as Secretary of the Treasury, announced a \$400 million issue of new government notes. Joseph Seligman headed a group of German bankers in New York who wished to underwrite \$50 million worth of these notes, but the Secretary would not accept the terms of the syndicate. Thereupon, the Seligman brothers took an active part in selling these Federal securities themselves, and it is recorded that they sold over \$60 million worth. But this, of course, was in another part of the Civil War forest: the tide of the war had already turned against the South; the Union's financial climate had brightened both in the North and in Europe; and it was a different bond issue. For

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Among Mayer Lehman's close friends were such Confederate celebrities as Thomas Hill Watts, wartime Governor of Alabama and, for a time, Attorney General under President Jefferson Davis (Watts called Mayer Lehman "one of the best Southern patriots"). Another friend was the Confederate political leader, Hilary A. Herbert (after whom Mayer would name his youngest son, Herbert H. Lehman). As Joseph Seligman had done in the North, Mayer offered his services to the Confederacy "to assist in every way possible."

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Marcus was doing what Solomon Loeb was doing, what the Lehmans were doing with their cotton bills, and what the Seligmans were doing on a somewhat grander scale with their bonds (which in essence are simply government, or industry, promises to pay). Marcus, however, didn't seem to need partners. From the very beginning, he was able to sell as much as five million dollars' worth of commercial paper a year. Bertha Goldman was able to afford, in 1869, one of the "sumptuous turnouts with liveried servants" described by Mr. Strong to take her on her morning rounds of shopping and errands. But Marcus chose to walk. So did Solomon Loeb. So did the Lehmans and the Seligmans. "Trading on the Street" meant just that. As the pedestrian bankers met each other, they bowed to each other solemnly. On their daily tours they appraised the altitudes of each other's hats.

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Joseph took the assignment, and the bonds sold well, but in the meantime he looked around for more exciting ways to make money. One piece of business floating around New York in 1867 was \$450,000 worth of stock in the New York Mutual Gas Light Company, an early ancestor of the Consolidated Edison Company. Nobody thought much of this stock, which sold for pennies a share. Shares were traded for drinks at local saloons. But two men thought the stock had promise. One was Cornelius Vanderbilt, Sr. The other was Joseph Seligman. Joseph began buying up New York Mutual shares from bartenders as he made teetotaling rounds about the city. Presently the company was laying twenty-four-inch gas mains under the city streets. The value of the stock climbed to five million dollars and was selling for \$100 a share. The Seligmans and “Old Vanderbilt,” as Joseph affectionately called him, made a tidy million dollars each. It wasn’t any special “shrewdness” that

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This was a period which has been labeled “one of the most sordid of United States political and economic history,” what with the carpetbaggers in the South and, in the North, a high tolerance for “bribery, political gangsterism, and wild speculation.”* Gould and Drew and Jim Fisk were, from that standpoint, very much in tune with their times. Gould admitted that he used bribery and blackmail to buy up Erie Railroad stock options from towns along his routes, and that he used Fisk’s force of “plug-uglies” to take over by force and violence when other methods failed. Gould, furthermore, was by his own admission a raider and a ruiner. He had no interest in managing or improving railroads. He merely liked to drive a railroad’s stock up, with rumors and with trading, and then sell it and let it collapse of its own inflated weight. The Seligman firm, in Joseph’s words, did “an enormous amount of business” in the Gould manipulations of the Erie stock, selling short for their own account whenever Gould or Fisk or Drew sold short—as they did consistently—letting the triumvirate’s operations provide the pattern for the Seligmans’ own. In almost no time, the Seligmans had let the name of their old friend President Grant be linked with one of the most spectacular and scandalous financial coups of the decade—Jay Gould’s attempt to corner the gold market. The scheme boggled the minds of some of the brightest financiers of the day, and perhaps, in fairness to Joseph and his brothers, they never quite grasped what Gould was up to. Certainly President Grant was slow to realize what was afoot, as Gould had expected he would be. In essence, it was a two-part plan designed to fill Gould’s pockets by selling inflated gold shares and by collecting higher freight rates on his Erie Railroad.* Gould planned to start buying up gold and then, as the price climbed, to go to Grant—with the aid of the Seligmans and their entree to the White House—and persuade him that there was a shortage of gold. “What shall we do?” Grant was intended to ask, whereupon part two of the scheme was to go into effect. In order to build up the American gold supply again, it would be suggested that Grant step up United States grain sales to Europe, which would be paid for in gold. (This would be good for the American farmer, Gould pointed out charitably, though farmers were a class of Americans in which he had never shown much interest previously. It would also be good for his Erie Railroad, which was the major grain shipper from the Midwest to Eastern ports.) Gould’s stratagem was to raise the price

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Had Grant tipped his old friends off? It was never proved, but this was widely assumed to be the case. One thing was certain: though Jay Gould emerged from the scuffle not quite so rich as Fort Knox, he was some ten to twenty million dollars richer than he had been, and the Seligmans, though no figure for their profits exists, cannot have done badly even if they made no more than a straight commission. When Gould's role in the "gold conspiracy" was discovered, he was attacked by an angry mob and barely escaped being lynched. As an almost anticlimactic aftermath, it turned out that Gould had double-crossed his old partner, Jim Fisk, by not letting him know that it was time to sell.

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There was more than the difference between finished and unfinished roads that Joseph Seligman did not understand. But the above letter pinpoints one area of the Seligmans' railroad difficulties: J. P. Morgan and his bank and friends. In allying themselves with Gould, the Seligmans had made a powerful enemy of Morgan. To be sure, Morgan, in return for a favor (but never otherwise), would sometimes help them out. But the Seligmans' opportunities to perform favors for Morgan were rather few. Aligned with Morgan was August Belmont, a man never particularly eager to see the Seligmans succeed. Morgan, Belmont, and the Rothschilds formed an axis of financial power that Joseph Seligman was finding it increasingly difficult to beat. *Curiously, when Joseph spoke of land-buying

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In the end it usually fell to Joseph to untangle family matters when they became too intricately knotted, when the “our dear Babette” syndrome made its familiar presence felt. Joseph sent Abraham, his best-natured brother, to San Francisco, and also hired Frederick F. Low, a former Governor of California, to comanage the bank with Abraham and Ignatz. Joseph had always wanted a gentile name on the bank’s roster, and, interestingly enough, Low’s name was now given top spot on the letterhead. Abraham didn’t mind. Why didn’t Ignatz? A sum—£3,000—was credited to Ignatz’s personal account to get him to accept second billing. Joseph directed that this should be subtracted from his own share of the profits (but his brothers insisted that the £3,000 be deducted from all of them equally). Regine Seligman got her diamond necklace. Though a family rule forbade private speculation, an exception was made in William’s case. He was allowed to speculate in a certain stock; it went up, and there was enough from the profit for the jewels—and for more parties. Richard G. Sneath vanished from financial history. The Panic of 1873 subsided, and the economy started up again. But the trouble the Seligmans had opening their first commercial bank was prophetic. In the long run, the Anglo-California Bank was not so much a financial loss as a time-consuming nuisance. In a few years they relinquished control of the bank, though they held on to some of its stock. It exists today as the Crocker-Anglo Bank. Joseph Seligman went on becoming more Americanized, more gentilized. His letters home to his wife during his 1873 inspection tour to San Francisco revealed a wholly new—for him—appreciation of the value of land. Along with the beauties of California scenery, he pondered the joys of real estate:

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The Southerner had felt a little odd and out of place at the party “among the Jewish haute bourgeoisie,” as he wrote later. To Joseph, it was part of his new picture of himself. He had already served on boards (of the “Katy,” for instance) with men like George C. Clark and August Belmont. His firm had begun to cosponsor multimillion-dollar issues with J. P. Morgan, who was becoming a major financial figure. With Felix Adler he had discussed founding the Ethical Culture Society, which Joseph did not think of as a “conversion” from, but perhaps an American substitute for, Old World Judaism. Having lunch at the White House or a gentile to dinner; commercial banking; Mrs. Potter Palmer’s laughter; California’s wheatfields, sixteen-quart-a-day cows, and fast-growing century plants; his wish to own his own house; caring for Mrs. Lincoln; even his hectic activities with “the d—d railroads” that were growing across the American landscape even faster than the fastest-growing century plant—in Joseph’s mind they all added up to a perfectly assimilated Jew in America.

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The Sephardic merchant families, “remarkable for their haughtiness, high sense of honor and their stately manners,” according to a contemporary chronicler, occupied a quiet but secure place in society, Ward McAllister notwithstanding. A number of men of old New York gentile society, including a Hamilton and a DeLancey, had married Sephardic Jewesses. There were Sephardim in all the best clubs. The Union Club, New York’s most exclusive, contained several Hendrickses, Lazaruses, and Nathans, along with Mr. McAllister. (In 1863 a group of dissident members resigned when the Union Club refused to expel Judah P. Benjamin, not for being a Jew but for being a Southerner and one of the financial wizards of the Confederacy; this group then organized the Union League Club and, in a flourish of Northern patriotism, immediately took in the North’s financial wizard, Joseph Seligman.) Moses Lazarus, father of Emma, had been a founding member of the Knickerbocker Club, New York’s second-most exclusive. The Sephardim made the most of their entrenched position, and, if German Jews found the gentiles in New York society indifferent, they found the Sephardic Jews almost unapproachable. The German Jews, by the 1870’s, were called “Forty-Eighters,” after the pivotal year of their migration from Germany. A careful distinction was drawn between Jews of the “Nathan type,” and those of the “Seligman type,” between “the better class of Jews” and “vulgar Jews,” between “Sephardic” and “German,” and, finally, between “refined Hebrew ladies and gentlemen” and “Jews.” The more the Germans insisted that they were “Hebrews,” not “Jews,” the more the Sephardim tried to disassociate themselves from the accented newcomers by stressing their ancient Spanish heritage.* In 1872 a New York society journal featured the news of a “fashionable Hebrew wedding,” pointing out that the bride and groom were both members of “old American Sephardic families.” It began to be clear that, no matter how much they might wish to be, immigrant Germans were not really quite “American.” In exactly the same fashion, and for the same reasons, native New York Catholic families looked down on the newer-arrived Catholics from Germany and the “shanty Irish,” who had come to escape the potato famine.

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Emma Lazarus had written her lines, “Give me your tired, your poor ...” to be inscribed upon the base of the controversial gift. Miss Lazarus’ lines had a majestic ring. But—or so it seemed at the time—they also conveyed a somewhat condescending tone. Seligmans, Lehmans, and Goldmans may have arrived tired and poor, but did not enjoy being called “the wretched refuse” of some teeming European shore. Many German Jews in the 1870’s, perhaps overquick to sense a slight where none was intended, interpreted Miss Lazarus’ words as a snide comment on their own humble immigrant beginnings. Subscribing funds for the statue’s erection on Bedloe’s Island became largely a Sephardic project, eschewed by Germans. Such forces served to draw the Germans even closer to one another, into their own “Hebrew Select,” with their own exclusive standards. There was another force building against

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Something of an exception in their approach to education—as indeed they often were to other things—were the Seligmans, led by Joseph, whose longing for Americanization was overpowering. Several of his brothers had early Americanized their first names. Henry was originally Hermann, William was Wolf, James was Jacob, Jesse was Isaias, and Leopold was Lippmann. As parents, they began naming their children after the great heroes of their adopted land. Joseph's sons included George Washington Seligman, Edwin Robert Anderson Seligman (after Robert Anderson, the defender of Fort Sumter), Isaac Newton Seligman, and Alfred Lincoln Seligman—a quaint compromise. Joseph planned to call the boy Abraham Lincoln Seligman, but decided the name Abraham was too Judaic to perpetuate in America. At the same time, Joseph and his brothers named their oldest sons David, after their grandfather, following the Jewish tradition, and the oldest daughters Frances, after Fanny. William Seligman's David was David Washington. James modified David to DeWitt, thereby naming his first son after the first David Seligman as well as DeWitt Clinton. James also had a Washington and a Jefferson.

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The connection was established, and Goldman, Sachs & Company were almost deliriously grateful to Belmont “for so generously indorsing us”—an indication of the awe in which Belmont was held on Wall Street.* When Joseph Seligman was readily acknowledged as the leading Jewish banker in New York, equaling, if not exceeding, Belmont's influence, Joseph made several suggestions to Belmont that “you introduce us” to the Rothschilds, suggestions which Belmont ignored. William Seligman tried to meet the Rothschilds in Paris, and Joseph, on his European journeys, tried in London. But the Rothschilds maintained their customary aloofness. Cultivating a Rothschild in Europe seemed every bit as difficult as cultivating a Sephardic Jew in New York.

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the loan—a syndicate, in other words. He suggested “some strong European house,” and though he did not say so in so many words, his implication was clear—he wanted the Rothschilds. Politely Joseph questioned “the propriety of giving the Rothschilds a participation,” since they had given the Union such scant support during the Civil War. But the war had faded in everybody's memory, and Bristow stood firm.

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Joseph's fears were well founded. The Rothschilds were the greatest private bank in the world and were unaccustomed to enter any deal they could not dominate. Joseph would have to come off his high horse a bit. Bristow contacted the Rothschilds, who replied from their citadel that they would handle the bond issue only if they were given a five-eighths share of it. The Seligmans, "or any other reliable house," could have the "remainder." Joseph tried to bargain. This, he replied, was acceptable provided the Seligman name was included in all newspaper advertisements for the bonds in New York and "either in Paris or Frankfurt." It was an important point. The position of a firm's name on the "tombstone," as a financial-page advertisement is called, is an indication of status.

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Isaac had had no qualms about confronting President Lincoln at a White House reception about Seligman coats, suits and uniforms. Now that the terms of the Rothschild-Seligman deal were set, Isaac marched off to Baron Lionel Rothschild's mansion in Piccadilly. This crusty Baron, when elected to the House of Commons, had for eight years refused to swear his oath of admission unless the Old Testament was substituted for the Holy Bible, and the words "upon the true faith of a Christian" were omitted. When he finally won, he sat in Parliament for fifteen years without saying a word. At the Baron's house, Isaac was passed through footmen and butlers to the Baron's drawing room where the Baron sat. It was a Saturday, and the Baron rose stiffly from his chair and said, "I am a better Jew than you. You go to business on Saturdays. I do not. My office is closed." It was a dismissal, and it was a snub, but Isaac looked quickly around the room and saw that the Baron's table was strewn with financial-looking documents. Said Isaac, "Baron, I think you do more business in this room on Saturdays than I do during the whole week in my office." The Baron looked briefly flustered. Then his lips curved upward. That evening Isaac wrote home to Joseph: "Old Rothschild can be a jolly nice chap when he wishes."

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Then, in the autumn of 1874, Baron Rothschild summoned Isaac Seligman to his office to give him a piece of news. Some \$55 million worth of United States bonds were to be offered for sale, and, the Baron suggested, the issue might be backed by a combination of three houses—the House of Rothschild, the House of Morgan, and the House of Seligman. For the first time, August Belmont would act as agent for both the Rothschilds and J. & W. Seligman & Company. Needless to say, Isaac accepted. The Seligmans were now participating in the most powerful financial combination in the history of banking. At last the Seligmans were able to consider themselves the Rothschilds' peers. The Seligman-Belmont-Morgan-Rothschild alliance, furthermore, was so successful that by the end of the decade there were complaints on Wall Street that "London- and Germany-based bankers" had a monopoly on the sale of United States bonds in Europe—which they virtually did. The Seligmans were now being called "the American Rothschilds," and Joseph, beginning to believe his own splendid myth, went so far as to suggest that his brother Isaac should be knighted.*

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In Philadelphia the Guggenheims were not doing at all badly. Meyer Guggenheim had sold his stove-polish and lye company for \$150,000 and was branching out in other directions—importing herbs and spices, Swiss laces and embroidery. He had also done some speculating in the stock market. He invested \$84,000 in the Hannibal & St. Joseph Railroad, which, he had heard, Jay Gould had his eye on. Guggenheim bought in at \$42 a share, and soon had the pleasure of watching his stock soar to over \$200 and then selling his holdings for half a million. His wife was beginning to long for the headier atmosphere of New York, too. In

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There were also several young men who had recently arrived in New York from Germany. There was one particular bright and handsome boy who, barely out of his teens, had opened his own brokerage house. His name was Jacob Schiff. Of course there were two schools of thought, among the ladies, as to whether it was wiser for a daughter to marry a German-born or an American-born boy. The German-born might at any moment decide to return to Germany, bearing off the daughter with him, forever. It was risky. The ladies were not the only ones who were interested in young Jacob Schiff. American industry and government still relied heavily on European financing. New York bankers worked hard to cultivate European contacts, and looked over young banking talent from Europe with particular care. Here, very definitely, was talent of an unusual sort. At the same time, any young man with talent enough to enter the banking business was also expected to be able to enter the family. Jacob Schiff has been described by one contemporary as "a patient, skillful man, a suave diplomat with a complex Oriental nature." Complex, yes, but out of the complexity of his character an extraordinary single-mindedness emerges as his most marked trait. From the very beginning, he seems to have known exactly what he wanted.

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The Schiffs of Frankfurt-am-Main often compared themselves to the Rothschilds of the same city. (Jacob Schiff was of a younger generation of immigrants than the Seligmans, a generation that was coming not from poor country families but from wealthy city ones as well.) In the eighteenth century the Schiffs and Rothschilds shared a double house in the Frankfurt Judengasse where the identifying house signs, “Zum Schiff” and “Zum Roten Schild,” hung alongside each other until one of the Schiffs, already prosperous enough to move to London, sold the balance of the house to the first rich Rothschild, Meyer Amschel. If pressed, Schiffs usually admitted that, though not so collectively wealthy as the Rothschilds, theirs was the more august family. The Rothschilds were known only as big money-makers. The Schiff family tree contained not only successful bankers but distinguished scholars and members of the rabbinate. There was, for instance, the seventeenth-century Meir ben Jacob Schiff, composer of notable commentaries on the Talmud, and David Tevele Schiff, who in the late eighteenth century became chief rabbi of the Great Synagogue of England. The Schiffs can also demonstrate that they are a much older family than the upstart Rothschilds. The Schiff pedigree, carefully worked out in the Jewish Encyclopedia, shows the longest continuous record of any Jewish family in existence, with Schiffs in Frankfurt going back to the fourteenth century. Jacob Schiff actually traced his ancestry even farther back than that—to the tenth century B.C., no less, and to none other than Henriette Seligman’s ancestor, King Solomon and, thence, to David and Bathsheba, where he chose to stop tracing. Jacob Schiff took his descent from the King of Israel seriously, and a comparison of the careers of the two men, nearly three thousand years apart, is helpful. Like Jacob Schiff, Solomon was skilled in foreign commerce, importing, on a lavish scale, “gold, silver, ivory, apes and peacocks.” Solomon, too, sought to make his position more secure by allying himself with his larger, more powerful neighbors and, to cement his relationship with Egypt, married the Pharaoh’s daughter. From

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Jacob Schiff’s approach to railroad financing was, in other words, very like that of J. P. Morgan. Schiff set himself up from the beginning as a friend of railroad management, as a champion of those whose money was actually invested in the stocks and bonds of the carriers. He stood opposed to the speculators and entrepreneurs and promoters, and to the deliberate wreckers of railroads such as the Seligmans’ old client, Jay Gould. Schiff, furthermore, who was ten years younger than Morgan, was also able to get a significant head start on Morgan when it came to railroads. Morgan’s first railroad achievement of any size was his ability, in 1879, to dispose of 250,000 shares of William H. Vanderbilt’s New York Central, quietly, in London, so that the stock’s price would not plummet on the New York market. For this sale, which totaled \$36.5 million, Morgan received a fee of \$3 million along with an elaborate tea service from a grateful Mr. Vanderbilt. But Jacob Schiff, two years before this, in 1877, had achieved a notable, if somewhat less profitable, feat of his own for the Chicago & Northwestern Railroad. His fee: \$500,000.

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Cassel was an unlikely sort of man for Schiff to have as a friend. He had become an elegant and an epicure, though his background was similar to Schiff's. Cassel was also, like August Belmont, a complete apostate of his faith. Schiff could be quite tiresome on the subject of religious observances. Schiff despised Belmont, whom he once called "an oyster, without a shell." Yet the very Belmont-like Sir Ernest became Schiff's chief financial contact in London and, as the years went by, his personal arbiter of taste in clothes, painting, furniture, and even table linen and silverware. Apparently the two never discussed religion. If Joseph Seligman had virtually invented international banking in America, it was Jacob Schiff who took the invention, refined it, and made it an art, and his alliance with Sir Ernest Cassel is another example of Jacob's more up-to-date, streamlined approach. Joseph Seligman had devised a Rothschildesque, one-for-all, all-for-one, family-business setup, with a brother stationed in each important European capital. It had worked well enough for the Seligmans, particularly in the days before the radiotelegraph and the Atlantic cable, when blood ties across the sea with men you could trust were essential. By Jacob Schiff's time, however, this had become an old-fashioned, countrified system. In this faster, more competitive age, it was too rigid, too inflexible.

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Jacob had brothers, too. (His brother Herman had gone to London and into banking, while the youngest Schiff boy, Ludwig, had remained in Frankfurt as a stockbroker.) But Jacob preferred informal contacts with correspondents and business friends, and this system enabled him to move unencumbered through the complicated reaches of international finance. "He was a man," said one associate, "who moved fast because he always traveled light."

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At the height of the Seligman-Hilton affair, there were unpleasant hints that wishes for business revenge were as much behind the affair as anti-Semitism. In the Schiff-Peabody exchange Wall Street rivalries may also have been involved. Peabody had close connections on the Street; he had worked in Wall Street himself for a while, and his father had been a partner in Morgan's London office. Morgan himself was a cornerstone of the school. Jacob Schiff may have thought that Kuhn, Loeb could gain if its gentile rival—Morgan—could be discredited and embarrassed over an issue such as Groton. Perhaps, if Schiff did briefly consider creating a Seligman-like affair, he remembered that the Seligman affair had ended in a thoroughly undignified and unamiable way. Schiff cared a great deal about deportment. Or perhaps he was not quite ready to do battle with the great Morgan. Morti had never wanted to go to Groton; all he wanted to do was to go to Harvard. And so, to Morti's distress, as soon as his father abandoned the Groton idea, he announced that he wanted Morti to go to Amherst. Schiff's opposition to Harvard is even harder to fathom than his flirtation with Groton. Harvard had already become something of a tradition in the family (Solomon Loeb's boys had gone there). Charles W. Eliot, Harvard's president, was a close personal friend of Schiff's, who admired Eliot enormously, quoted him endlessly (the heavily accented Schiff was fond of saying, "As President Eliot said to me in that peculiar New England accent of his ..."), and the two men were frequent summer hiking companions in the hills around Bar Harbor. Yet he was adamant. Harvard, he said, was "too large," and "too many wealthy boys" attended it, both of which assertions showed a strange lack of understanding of what Harvard really offered in those days. Desperately, Morti wrote to President Eliot and asked him to intercede with his father, and Eliot tactfully mentioned to Jacob that he hoped Morti would "give a thought to Harvard." Huffily, Jacob replied that it was out of the question. Jacob said that Morti was showing signs

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Warburg family genealogy, prepared in 1937 and updated in 1953, fills a volume very nearly the weight of Webster's International Dictionary, and the Warburgs take their family with even heavier seriousness. The Warburgs put the lie to the much-repeated claim that "all the best Jews are from Frankfurt" (whence, of course, come Schiffs and Rothschilds). The Warburgs are from Hamburg. The family is said to have originated centuries ago in Italy (many Warburgs have a Latin look), where the name was del Banco, "the bankers," since Jews were not permitted personal surnames. Recorded history first places them, however, in Warburgum (or Warburg), a small town in central Germany, from where, over three hundred years ago, they migrated north to Hamburg. The Warburg claim to being one of the world's noblest Jewish families (and the Warburgs are far too proud to actually make such a claim; they let it be made for them) is based on many things. A great many Warburgs are wealthy, and have been for several hundred years, but the splendid ring of the Warburg name has more to it than money. The family bank, M. M. Warburg & Company in Hamburg, was an ancient affair, founded in 1798, which lasted well into the Hitler era, when it was forcibly confiscated in 1938 by non-Jews. The Warburgs have also been distinguished in fields other than banking; they are a particularly rounded family. There have been Warburgs prominent in the military, in manufacturing, medicine, politics, book publishing, diplomacy, education, and the arts. There have been Warburg authors, scientists, composers, critics, inventors, and professors. There are Warburgs today in every corner of the world—from New York to London to Shanghai to Tokyo to Melbourne. One family habit, which helps keep the Warburgs straight in various parts of the globe, is to give Warburg children first names appropriate to the countries where they were born. Thus Elena, Oliviero, Gioconda, Francesca, and Italo Warburg are all Rome Warburgs. Eva and Charlotte Warburg, who became Israeli Warburgs, have children named Dvorah, Gabriel, Benjamin, Tama, and Niva. Ingrid is a Stockholm Warburg. When Renata Warburg was married to Dr. Richard Samson, she tried hard to conform to his mystic Indian cult of Mazdasnan and lived for a while with the Maharaja of Indore. Their child, Matanya, is therefore a Zoroastrian Warburg, or at least a Warburg from his mother's maharaja period. She later divorced Samson, left India, married a man named Walter Strauss, moved to Glasgow, and named her next child Carol.

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From Mannheim, Kahn had gone to London in 1888, where he became a British subject and worked for the English office of the Deutsche Bank. Within a year he had become the bank's vice manager, and was hobnobbing with such intellectual and theatrical figures of the day as Richard Le Gallienne, H. G. Wells, Beerbohm Tree, Maxine Elliott, Henry Irving and Harley Granville-Barker. He went to parties with the Prince of Wales, whom he had been told he resembled. He also knew the London Warburgs and, for a while, shared a bachelors' flat with Paul Warburg during the latter's stay in England on family business. At the invitation of Speyer & Company,* Kahn had come to New York in 1893. He was then twenty-seven. There he met Abe Wolff's daughter Addie, and in 1896, a few months after Frieda Schiff's marriage to Felix Warburg, he entered Kuhn, Loeb & Company in what was becoming a time-honored way, by marrying a partner's daughter.

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in fact, found himself getting along with Harriman even better than Schiff did. It was surprising, really, because Kahn's nature was smiling and expansive, Harriman's dour and withdrawn. But because Kahn seemed to understand him and respect him, and was willing to converse with him, Harriman liked and respected Otto Kahn. Jacob Schiff was happy to watch this unusual friendship ripen. He himself had always regarded Harriman more as a business associate than as a friend, and since the Union Pacific reorganization this relationship had been secure.

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And who had really won? At best, the Battle of the Giants must be considered a draw. Hill and Morgan came out with a majority of the Northern Pacific's common stock. But Harriman and Schiff had a majority of the preferred and a majority of all the shares outstanding. One thing was certain. Morgan had finally met his match in Jacob Schiff. Never again would one man control the finances of the country. From that point on, there would be another to consider.

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few days after that terrible Black Thursday, Jim Hill appeared at the Kuhn, Loeb offices and asked to see his old friend Schiff. Felix Warburg came out to meet Hill and explained that his father-in-law was temporarily indisposed. "How is he?" Hill wanted to know. "Not very happy," said Felix politely. "Is he still mad at me?" asked Hill. "Yes," said Felix, "I would say so." Hill, with another little wave of his hand, said, "Oh, Schiff takes these things too seriously." A week to the day after the collapse of the market, Jacob Schiff, gently glorying in his new position as Morgan's equal, wrote Morgan a long and masterly letter, full of delicate irony, in which, almost apologetically, he called Hill a double-crossing liar. He had, Schiff wrote, perhaps misconstrued Hill's words and intent; for this he would beg to be forgiven. The letter concluded on this note of almost fawning suavity:

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The Guggenheims, in fact, never seemed quite to "fit in" with the crowd, no matter what they did. They always seemed just a bit outside of things. There are several possible reasons for this. For one thing, the Guggenheims were Swiss, not German. For another, they were quite opposed, in their financial philosophy, to men like the Seligmans (though they were closer in their thinking to Jacob Schiff). But the best reason for their special position, perhaps, is that the Guggenheims as a family group managed to make more money—in barely twenty years' time—than any other individual in the United States, if not the world, with the possible exception of John D. Rockefeller. (It is very likely that the Guggenheims made more money than Rockefeller. But when one deals with hundred-million-dollar fortunes, accurate figures become very hard to get.)

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By 1900 the Guggenheims had made so much money that the two youngest brothers, Benjamin and William, decided to give the family enterprises less attention. Having been assured that, for sentimental reasons, they would continue to partake of the profits, both boys retired, leaving digging, smelting, and exploration to Isaac, Daniel, Murry, Solomon, and Simon. Meyer, meanwhile, according to William Guggenheim, “kept books of small neat figures,” enjoying the fact that each new entry “improved his financial status.” He had laid the foundation for what

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As news of the Lewisohns’ and Guggenheims’ mining successes reached the Seligmans in New York, their old enthusiasms for adventures underground were rekindled. Not that they had ever really died down. Dreams of hitting a bonanza had kept them sending good money after bad in any number of mining ventures. They had bought mines, despite their lack of knowledge of the productive end of mining. They had financed operations they had never seen. At the height of the Panic of 1873, the most severe the country had ever known, the Seligmans cheerfully invested in a totally worthless gold mine, the Oneida, and went on holding a number of other valueless mining shares. But mining shares were becoming nearly as glamorous as railroads, and the Seligmans were unable to believe that they would not soon find a winner. In the 1870’s Joseph had written to his brothers: “I want no more mines at any price! Even for nothing! As the assessments* are always the worst!” But of course he had gone right on buying mines. In fact, one of the greatest credits to the Seligman firm is that it was able to remain solid and afloat, without visible financial injury, despite its many mining losses.

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While debates about canal routes were continuing in Washington, the Seligmans approached a friend of theirs, Senator Mark Hanna. A committee called the Inter-Oceanic Commission had been appointed to study possible canal routes, and the Seligmans asked Hanna to ask the Congress to make no recommendation until the commission's report was in. Hanna agreed, and Congress, at his request, agreed to wait. Then, to the Seligmans' disappointment, the commission delivered its report—overwhelmingly favoring Nicaragua. Now, in a costly desperation move, the Seligmans in New York and Paris approached a man named Philippe Buneau-Varilla. Buneau-Varilla has been called “the man who invented Panama,” and yet, in a sense, it was the Seligmans who invented, or helped invent, M. Buneau-Varilla. He was a suave, mustachioed little man who had first caught the attention of the Seligmans through his activities in the Dreyfus case.* To the Seligmans, M. Buneau-Varilla seemed uniquely talented when it came to shocking the public into a change of heart. By the most delightful coincidence, it turned out that Buneau-Varilla had been devoted to the idea of a canal through Panama since the age of ten, ever since hearing of De Lesseps' feat at Suez. Without hesitation, he agreed to take the job. He arrived in the United States and immediately launched into a heavy schedule of speechmaking. Nevertheless, a few months after Buneau-Varilla's arrival, Congress voted unanimously in favor of the Nicaragua route. Now, backed by the Seligmans, Buneau-Varilla moved into high gear in a last-ditch attempt to swing the Senate. Buneau-Varilla fought so hard and made so many heated speeches that the French Foreign Minister in Washington wired Buneau-Varilla's brother in Paris, saying that Philippe's activities were embarrassing to France, and suggesting that Philippe had lost his mind. The brother hurried to America, only to discover that Philippe was out to win and would not be stopped. An Old Testament Deity stepped in to help the Seligmans and then-chief propagandist. A volcano on the island of Saint Vincent in the West Indies erupted, killing several thousand people. Two days before that, the supposedly dead volcano of Mount Pelée erupted on Martinique, and thirty thousand people died. Nicaragua had a volcanic history. Panama did not. Buneau-Varilla suddenly remembered something he had once seen. He rushed to a stamp store and there, sure enough, was a five-peso Nicaraguan stamp depicting the smoking mountain of Momotombo. Buneau-Varilla bought ninety volcano stamps, affixed each to a letterhead, and wrote below each: “An official witness of the volcanic activity of the isthmus of Nicaragua.” He mailed one to each Senator three days before the balloting. He and the Seligmans waited. The Senate declared in favor of Panama with only eight dissenting votes. The Seligmans cheered. Buneau-Varilla then bought enough volcano

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Bunau-Varilla then went quickly back to the Seligman offices. At a desk in the partners' room he wrote a Panamanian Declaration of Independence and a constitution. He went to Macy's and bought silk for a Panama flag, which he had designed himself and, at James Seligman's summer house in Westchester, he spent a long evening stitching his new flag together. The following Monday he boarded a train for Washington and, as he said later, "I called on President Roosevelt and asked him point-blank if, when the revolt broke out, an American war ship would be sent to Panama to protect American lives and interests [including Seligman interests]. The President just looked at me; he said nothing. Of course, a President of the United States could not give such a commitment, especially to a foreigner and private citizen like me. But his look was enough for me." And of course the warship Nashville did go to Panama to oversee the crisis. It stood offshore, and its presence was a considerable morale factor for the seceding Panamanians—and helped persuade the Colombians to put down their weapons. The day was won for Philippe Bunau-Varilla, and for the Seligmans. The hand-stitched flag fluttered aloft, saluting one of the greatest public-relations triumphs of the age. The Seligmans, understandably, were eager to show their gratitude to their new friend. They made a series of discreet suggestions to certain of their friends in Washington, and presently the most implausible event in an altogether unlikely career had come to pass: Philippe Bunau-Varilla, a citizen of France, was appointed the first Ambassador of the Republic of Panama to the United States. Old Jesse Seligman had, in the meantime, withdrawn almost completely from the Panama Canal and its problems. After the failure of the first canal company, and the ordeal of the Congressional investigation, he too had begun to fail. Now Jesse's pride was assaulted again—from a place that wounded him even more. The situation in New York's private clubs had become, in the 1890's, as it continues to be today, a complicated one. The Knickerbocker had a Jew among its founding members—Moses Lazarus, the father of Emma. The Union Club, older and far grander, had several Sephardic Lazaruses, Nathans, and Hendrickses. It had also had August Belmont, and it now had his sons—August, Jr., Oliver, and Perry—and it had at least one acknowledged German Jew, the banker Adolph Ladenburg. Though James Speyer campaigned vigorously against organizations which discriminated against Jews, he himself was considered "the only Jew in the Racquet Club." For years, the most steadfastly anti-Jewish club in New York was the University, though the Yale seal, partly in Hebrew, on the club's McKim façade, often led people to suppose otherwise. The University Club had reciprocal privileges with the Bath Club in London, to which Isaac Seligman, and several of his sons, belonged. Yet when Isaac Seligman visited New York and attempted to stay at the University Club, he was advised against it. Other clubs operated on policies that were consistent only in their inconsistency.

* The Union League was Jesse Seligman's

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The great era of J. & W. Seligman & Company, as a firm, was also over. It had really ended fourteen years before when Joseph died and was no longer there to tell his brothers what to do. Joseph and his brothers had many children, but who would carry on? The company was beginning its long decline, from a great international banking house with offices in New York, San Francisco, New Orleans, Paris, and London to what it is today—a small, prestigious investment house with but a single office in New York.

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The Lehmans were lucky. All three of the original brothers had competent sons, and by the 1890's there were five Lehmans in the firm: in addition to Mayer and Emanuel, there were Mayer's son Sigmund, Emanuel's son Philip, and a nephew, Meyer H. Lehman, the son of Henry Lehman who had died in the South. The Lehman firm had been cautiously expanding—investing money in an early automobile company, a rubber manufacturer—but it was still a commodity house, trading in cotton, coffee, and petroleum, and was therefore ranked far below other New York banking houses in prestige and importance. Solomon Loeb, on the other hand, had founded a banking house that now rivaled the Seligmans'. Forced into the background by his brash son-in-law, Jacob Schiff, Solomon's one hope had been that the Loeb name could be perpetuated in the firm through his two sons, Morris and James, who, by the time they reached their twenties, began to collapse under the weight of their parents' towering ambitions and to wilt from the intensity with which they had been trained as children. Morris Loeb ran away from home, was

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reflected in his approach to business. In 1898 Adolph and his brother decided to join forces with William Rockefeller and Henry H. Rogers, one of the guiding lights of Rockefeller's Standard Oil, to form, with some five million dollars' capital, the United Metals Selling Company. The Lewisohn contribution to this combine consisted of their Perth Amboy copper works and all the copper interests of Lewisohn Brothers. The Rockefeller-Rogers group contributed the Amalgamated Copper Company, which controlled Anaconda and other copper producers. Adolph Lewisohn was made president of this trust, and Rogers' son-in-law became treasurer. The merger was almost immediately successful, and soon 55 percent of all the copper produced in the United States was being sold by the United Metals Selling Company.

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The success of the selling trust led Adolph to the next step—the formation of a smelting trust. Including again the Rockefeller-Rogers group, this was a far more ambitious project with a capitalization of over \$100 million. It was called the American Smelting & Refining Company, and it represented a merger of twenty-three different smelting concerns. Clearly, this was a trust designed to dominate the American mining scene—to give Rockefeller interests virtual control of everything under American soil, with Adolph and Leonard Lewisohn riding along as very important hitchhikers. There was only one difficulty. The Guggenheim interests, when asked to join the American Smelting & Refining Company, politely declined. It was one of old Meyer's strictest rules: Guggenheim smelters must not be allowed out of the family. Perhaps Adolph Lewisohn felt, at this point, that he had already made as much money as he "needed," and was ready to stop. In any case, he seems not to have grasped the importance of the Guggenheims' refusal to become part of his merger, and to have been satisfied with their assurances that they would act "in harmony."

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At this point, one begins to get the impression of Adolph Lewisohn fiddling while Rome burns. Busy with his parties, he seems to have assumed that the sheer size of his American Smelting & Refining Company, and of his associates, Rockefeller and Rogers, would win the day. Rogers, too, seems to have been under this misapprehension, while Rockefeller, as he often did, was leaving everything to Rogers. Daniel Guggenheim, meanwhile, made several bold moves. He gathered on his team a speculator named William C. Whitney, who had married the sister of Oliver H. Payne, a large Standard Oil stockholder. Whitney had speculative capital to spend. Next, Guggenheim had a stroke of luck. A strike crippled a number of the American Smelting & Refining Company's properties, making the trust temporarily vulnerable. Dan Guggenheim took advantage of this by heaping lead on the market and forcing the trust to sell below cost. Dan began buying up A S & R shares. In December, 1900, the trust made Dan Guggenheim another offer to buy him out, but this time the trust was leading from weakness. Guggenheim knew it, and made the most of it. He would sell, he announced—for \$45.2 million. And for this price the trust would receive all the Guggenheim properties except the best ones—the Colorado and Mexican mines and the Exploration Company. With the remaining properties came, as well, the Guggenheims. And so, all at once, the American Smelting & Refining Company was the Guggenheims. Daniel Guggenheim was president, and four other Guggenheims were on the board of directors. It all happened so fast that it seemed like sleight of hand.

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The Rogers-Lewisohn group now tried to retaliate. They hired David Lamar, one of several speculators who had earned the title, "The Wolf of Wall Street," and told him to drive the price of A S & R stock down until the company was ruined. But the Guggenheims had Whitney, who was no less powerful a speculator than Lamar, and who was enjoined to do the opposite. The battle between the two speculative wolves, as a result, ended close to a draw. The stock fell only a meager seven points, and the Guggenheims held fast. Next, Rogers and the Lewisohns took their case to the courts. The law certainly seemed to favor the Rogers group, but, when the Guggenheims agreeably offered to compromise, the result of the compromise seemed to further favor the Guggenheims. When the smoke of the lawsuit disappeared, Daniel Guggenheim was Chairman of the board of the American Smelting & Refining Company, his brother Simon was treasurer, and three other brothers were still on the board. Winning control of the A S & R was the greatest single moment in the career of the Guggenheims. It marked them as mining kings of the world, and, from then on, with the self-generative power that money often seems to have, the Guggenheim fortune mounted. Adolph Lewisohn, meanwhile, still had his A S & R shares. The fact that he had lost a battle didn't seem to matter. At some crucial point in it, he had simply lost interest. He was not that acquisitive. Besides, he was too busy spending and enjoying his own millions.

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The Guggenheims never appeared able to do things with quite the ease—or at least the attempt at ease—that others in the crowd did. When they traveled, for instance, the Guggenheims never seemed to understand tipping. As they moved from one grand European spa to the next, vengeful porters and bellhops drew meaningful symbols in chalk on the Guggenheim trunks and suitcases, and the Guggenheims never realized why their luggage was always being dropped and crushed and lost. Benjamin Guggenheim was the Guggenheim on the Titanic who refused a weeping steward's offer of a life vest and, instead, went to his cabin and dressed in his evening clothes in order to go down like a gentleman. He insisted, furthermore, that his young valet do the same and, as a woman was entering one of the lifeboats, Ben Guggenheim placed a note in her hand which read: "If anything should happen to me, tell my wife I've done my best in doing my duty."* But had he done his best? A persistent piece of Guggenheim gossip has it that a surviving Titanic passenger was traveling as "Mrs. Benjamin Guggenheim," and she has been identified as "a young blond singer." The family has repeatedly pointed out that the Titanic's passenger list contained no such name. Yet Peggy Guggenheim has spoken of the shock at going to the pier to meet the survivors on the Carpathia, still not knowing that her father was dead, and watching her father's mistress descend the gangplank.

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his new position of peerdom with his old adversary, J. P. Morgan, Schiff approached both Morgan and George F. Baker of the First National Bank, inviting them to join in the loan. When they agreed, there remained only the Rockefeller-Stillman interests, and the National City Bank, to be persuaded. With both Schiff and Morgan sponsoring the loan, the National City group quickly agreed to participate also. It was the first time in history that Japan had been able to obtain money outside of London, and it took three massive loans, engineered by Schiff, before Japan was declared the victor in 1905. Now began a long series of honors bestowed upon Schiff. England had backed Japan too, and King Edward VII invited Schiff to luncheon at Buckingham Palace, where Schiff found the King "an amiable fellow." Next, the Japanese Emperor asked Schiff to come to Japan and receive one of the Empire's highest honors, the Second Order of the Sacred Treasure. Schiff was to be given a private audience with the Mikado himself, and lunch at the imperial palace, where, he was pleased to note, "It is the first time the Emperor has invited a foreign private citizen to a repast at the palace, heretofore only foreign princes having been thus honored." (The more successful he became, the more formal grew his literary style.) As a great American railroad financier,

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In Honolulu Mr. Schiff had word that Queen Liliuokalani wished to receive him and his party. Schiff was not one to turn down an invitation from a queen, even though Liliuokalani at that point was only an ex-queen, but there was a small difficulty. The Manchuria was scheduled to spend only an hour or two in Hawaii before continuing on to the Orient; the Queen's invitation was for the following morning. Mr. Schiff took up this problem with the captain, who finally agreed to hold the ship in Hawaii an additional sixteen hours. (How the other passengers on the Manchuria felt about the delay is not recorded.) Even

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The Panic of 1907 led, rather belatedly, to the Monetary Trust Investigation of 1912 by the Pujo Committee, named after its Senate Chairman. By now Wall Street was used to the pattern of panic, followed by an investigation, followed by tongue-clicking and head-shaking and muckraking in the press. But the Pujo Committee's intent was, on the surface, deadly serious. It was to find out whether there was indeed a "money trust" controlling all industrial and financial affairs in the United States—a national financial conspiracy, in other words—just as trusts had been accused of trying to control whole areas of industry. The committee fixed its attention on seven men. The only man not connected with the so-called "White Protestant banking group" was Jacob Schiff. Though the committee didn't find the monstrous trust it was looking for, it did find an almost unravelable interlocking of directorships and controls involving both industry and banking—polarized around two main money groups, headed by Morgan and Rockefeller—and so complicated in its scheme that it seemed unlikely that even its principal men understood it. It was as though American financial affairs had a life of their own, and had woven their own strange and marvelous cocoon. The committee disclosed that Kuhn, Loeb, despite its excellent relationships with Morgan, had primarily been allied with the Rockefeller-controlled National City Bank, of which Jacob Schiff had long been a director, and therefore that Schiff seemed to enjoy the best of both worlds. All major banks were hauled in before the Pujo Committee and asked to produce records of their transactions since 1900. These were pre-income tax days, and one can of course wonder whether records produced were full ones. But, in any case, Kuhn, Loeb seemed to be doing nicely. In the five years since 1907 the firm by itself had marketed over \$500 million in securities, and in the ten years prior to 1907 over \$800 million in cooperation with other houses. Schiff admitted that there was "some collusion" in setting prices asked and bid for issues. "It was not good form to create unreasonable interference or competition," he testified. "Good practices did not justify competition for security issues." But there was, nonetheless, "a sort of rivalry" between firms—and Schiff mentioned instances when Speyer & Company had occasionally, sneakily, tried to make a deal with a Kuhn, Loeb client. As an argument against a Wall Street money conspiracy, that one seemed rather weak. The Pujo Committee, in other words, certainly revealed that, though there might be no formal "money trust" agreement, there was a great deal of cooperation among the major powers in Wall Street. The Morgan-Baker-First National Bank group and the Rockefeller-Stillman-National City Bank group formed the inner circle. The powers were Steel and Oil, each with its massive bank. And, contrary to what everyone had supposed, there was no rivalry revealed between these "rival" factions. Kuhn, Loeb, the committee decided somewhat vaguely, was "qualifiedly allied, only, with the inner group." While some people wondered what "qualifiedly allied, only" meant, others—particularly some members of the press—took it to mean that Jacob Schiff had an inside track to both the leading powers of Wall Street. Well, even he admitted that he did. As usually happened after Congressional investigations, when the publicity died down, everybody went back to what he had been doing all along. No one was punished, or even scolded, and there were no immediate reforms. But still—and Jacob Schiff understood this—the Pujo Committee investigation of 1913 marked the end of an era. America's bankers had been building a kind of fortress from which they had dominated not only the financial but also the industrial scene. The first crack had appeared in that structure. Now, in 1914, Europe was at war. Worried,

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From the outset of the war in 1914, Kuhn, Loeb had stopped financing any transactions, directly or indirectly, for Germany or any of her allies. Late in the summer of 1915, after the Schiffs had returned home from Bar Harbor, Britain's financial wizard, Lord Rufus Reading, arrived in New York as the head of the Anglo-French Commission, hoping to negotiate an Allied loan from Wall Street bankers. Both Otto Kahn and Morti Schiff thought this an excellent moment to dispel forever any notions that the firm had German sympathies, and to have Kuhn, Loeb come out strongly behind the Allied cause. Meeting with Lord Reading, Kahn and Morti assured the Briton that a loan for as much as \$500 million could be obtained for France and England, and without collateral. The young men told Reading that, though they were in favor of Kuhn, Loeb handling the loan, the senior partner would of course have to be consulted before final arrangements could be made. When Kahn and Morti approached Jacob Schiff, he reacted characteristically. He would approve the half-billion-dollar loan—on one condition. The Allies could have their money if the French and British finance ministers would give Jacob Schiff their assurance, in writing, that “not one cent of the proceeds of the loan would be given to Russia.”

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was April, 1918, and the North Atlantic was full of U-boats. Nevertheless, he sailed off for England, not at all sure how he would be received there. Renouncing his British citizenship had, as he expected, been criticized, and also the British had not forgotten Jacob Schiff's stand on the Allied loan. As recently as February of that year—nearly four years after Lord Reading's visit—the London Times had mentioned Schiff adversely, quoting him as having told a Times correspondent that he was “willing to help the Kaiser rather than the Allies.” As Kahn sailed off for Europe, however, his anti-Kaiser position was helped considerably by a published report that Germany now considered Otto Kahn the number one enemy of the state. All submarines in the Atlantic, it was said, had received instructions to torpedo Kahn's boat, and to give this project top priority. The Kaiser was supposed to have said, “We would rather eliminate him than either the President or Pershing.”* Though Kahn later confessed to being

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When the Anglo-French loan had been turned down by Kuhn, Loeb, it had gone to J. P. Morgan, and most leading Wall Street firms were asking Morgan for participations. However, Henry Goldman, one of Goldman, Sachs's most important partners, had announced that he wanted nothing to do with the loan, and for outspokenly pro-German reasons. There was, furthermore, a rule at Goldman, Sachs that the firm could sponsor no issue unless all partners agreed unanimously. An intense, high-strung, didactic man, when Henry's partners and sisters begged him to modify, or at least conceal, his feelings, he refused and his public utterances became more frequent and startling. The Prussianism that Otto Kahn deplored, Henry Goldman admired. He quoted Nietzsche to anyone who would listen. Sam and Harry Sachs, meanwhile, went directly to Morgan as Otto Kahn and Morti Schiff had done, to take personal subscriptions in the loan in an attempt to save the day. But Goldman's damage had been done, and Goldman, Sachs was another German firm to fall under a heavy pall. Even the United States' entry into the war in 1917 did nothing to curb Henry Goldman's tongue. A situation which the family has called "painful"—and which must have been a great deal more than that—had begun to exist on both a business and domestic level. While Henry Goldman ranted, his nephew Howard Sachs was on active duty with the 26th Division; Sam Sachs's son Paul, another nephew, was with the Red Cross in France; other members of the joint families were selling Liberty Bonds, winding bandages, and appearing at rallies to "bury the Kaiser." The Kleinwort bank in London cabled New

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For several months, though no longer a partner, Goldman kept his office at Goldman, Sachs. But as the wartime atmosphere grew more heated, this became an impossible arrangement. He departed to a midtown office of his own. With Henry Goldman went his share of the firm's funds, which was sizable. This fact did the firm even more damage than his pro-Germanism had done, and since Goldman, Sachs was not so fortunate as to have a crusading patriot like Otto Kahn working for it, the firm fell upon lean times from which it did not emerge until after the war. This did little to endear Henry Goldman to the rest of his family. Henry Goldman and Samuel Sachs never spoke again. Neither did Henry and his sister Louise, who was Sam Sachs's wife. The hostilities continued in the next generation, and to this day there are hardly any Goldmans who are on speaking terms with any Sachses. In the early 1930's Henry Goldman traveled to his beloved Germany with the idea of settling there permanently. With Hitler rising to power, this was certainly a mistake. Goldman was seized and searched and was subjected to "many other humiliations," according to the family. He returned to New York, a defeated and disillusioned man, and died there, a victim of his own dream of Nietzschean power.

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“Only the Jewish banks will handle them,” and this would not have suited Henry Ford, Sr., a virulent anti-Semite. Nevertheless, the leading gentile banker, Morgan, would not see Ford. It was in the Dearborn, Michigan, Independent, which Ford controlled, that he caused to be published for the first time in America the Protocols of the Learned Elders of Zion, the spurious document purportedly prepared by an international conference of Jews and Freemasons, outlining their plans to take over the world. (A proven fake, it was traced to an anti-Semitic Russian writer in Kishinev at the time of the pogroms.) As a result of this, it was many years before most Jews would buy a Ford car. And yet, after Henry Ford’s death, it was a Jewish bank, Goldman, Sachs & Company, which first brought out Ford stock and, under the guiding genius of Sidney Weinberg, devised the intricate construction of the Ford Foundation. Today Weinberg is the chief financial adviser to Henry Ford II, and is on the board of directors of the Ford Motor Company. The ironies of high finance never cease. Where great money is to be made, much can be forgiven. The

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America’s executive committee. In retrospect, there were many ironies in Max Warburg’s life. Certainly his special treatment began to convince him that he was somehow specially equipped to handle “the Jewish question,” as it was being called in Germany. During World War I Max was financial adviser to the Imperial Government of Germany, and at the war’s end he was appointed to a special committee to assist the German peace delegation at Versailles. He was so devotedly German that, when he saw the “humiliating” terms of the treaty submitted by the Allied Powers, he promptly resigned from his committee post and had demanded that all the other members resign as well. But poisonous myths were being created—that the German Army had never been defeated but had been stabbed in the back by “the November criminals”—the Republicans, the Socialists, and the Jews. Soon “the Jew Max Warburg” was being named among those responsible for the Versailles Treaty, and, as the false rumors spread, he was called the infamous treaty’s architect. An attempt on his life was planned, and for several months after Versailles Max was forced to hide in the country outside Hamburg. It was during this period that his brothers in America, given the perspective that distance provides, began urging Max to leave Germany.

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and they were also barred from the professions. Yet a week later, Max Warburg was dining with his friend, the Nazi Schacht. In September, 1935, marriages between Jews and persons of “German blood” were forbidden, and Jews were deprived of virtually all their remaining rights.

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Kuhn, Loeb had become the largest Jewish house, followed by the Seligmans, Speyers, Ladenburg-Thalmann, and Lehman Brothers, but none of these was as large as the House of Morgan, and, collectively, they were easily outweighed by non-Jewish houses, including Dillon, Read, which might be termed a semi-Jewish house.* In foreign loans, Morgan did 20 percent of the business, followed by the National City Bank and Dillon, Read, with 12 percent apiece. In domestic activity, however, Kuhn, Loeb and Morgan were nearly neck and neck—putting the lie, somewhat, to notions of the “international” aspect of Jewish banking. Of 252 members of the New York Stock Exchange, only forty-six were Jewish.

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John Loeb has inherited his father's astonishing sense of timing. Thanks to antennae around the world that amount to something very like a private CIA, he completed the sale of the firm's major Cuban sugar holdings the day before Fidel Castro took over. In 1945 the Loeb and Lehman millions received a new infusion of wealth when Clifford W. Michel joined Loeb, Rhoades. Michel was married to the former Barbara Richards, one of the granddaughters of Jules Bache, and therefore related to the Cahns and the Sheftels and, by marriage at least, to the Lewisohns (to whom the Lehmans, of course, were already related). Another Bache granddaughter was Mrs. F. Warren Pershing, wife of the son of the World War I General, and head of Pershing & Company, a rich brokerage house. Then, in 1953, John Loeb's daughter, Ann, married Edgar Bronfman, elder son of Samuel Bronfman, the founder and chief executive of Distillers Corporation—Seagrams, Ltd., undoubtedly the richest man in Canada and among the wealthiest in the world. Bronfman money is not formally a part of Loeb, Rhoades capital, but one of the firm's partners has said, “He's a kind of partner who is awfully important.” (At the Loeb-Bronfman wedding, Mr. Loeb was overheard to say, “Now I know what it feels like to be a poor relation.”) The Bronfman millions, however, have joined Loeb-Lehman and Bache holdings to make up the largest single holding of stock in New York's Empire Trust Company, which has assets of some \$300 million. Edgar Bronfman, now in his middle thirties and head of his father's American subsidiary, Joseph E. Seagram & Sons, joined the board of directors of the Empire Trust Company in 1963. The young Bronfmans occupy a New York apartment with its own gymnasium, an air-conditioned estate in Westchester built in the Georgian style, and a 4,480-acre hideaway in Florida called, appropriately, the V.O. Ranch. At sixty-four, John Loeb, a governor of the New York Stock Exchange, is held in almost dreadful awe in Wall Street. A tall, slender, handsome, and immaculately tailored man with jet-black hair and dark, beetling brows, he looks half his age. In the Salvador Dali portrait of him that hangs in his house in Westchester, an armored knight on horseback prances in the middle distance; one suspects that this romantic dash and flair were what the artist saw in John L. Loeb. He is a firm believer in rigid exercise, which accounts for his youthful looks and splendid physique. He has been called an overpowering father,

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Frieda and Felix Warburg's only daughter, Carola, has a summer home in Katonah, in upper Westchester, a large, rambling old place at the end of a long, shaded lane, and the house stands on a little rise under huge old trees, surrounded by rolling lawns, a garden, and a tennis court. Carola Warburg is the widow of Walter N. Rothschild—of “the Brooklyn branch,” as he used to say, of the European House of Rothschild—head of the Abraham & Straus department store, and a well-known yachtsman who, among other benefactions, presented his fifty-five-foot yawl, the *Avanti*, to the United States Naval Academy and once gave an elephant to the Prospect Park Zoo. Mrs. Rothschild is a tall, handsome, silver-haired woman who nearly always wears blue—“It’s the only color I seem to see”—and whose main charitable interests are hospitals and the American Girl Scouts, of which she was national vice president. She is on the boards of Montefiore Hospital, of the Brearley School, of the Ellin Prince Speyer Animal Medical Center—Mrs. Rothschild lives surrounded by dogs—of the Maternity Center, and is active in the Federation of Jewish Philanthropies. When asked, however, if she is a practicing Jew, she answers, “Well, I was married by a rabbi,” and one gathers that this is one of the few concessions she has made to her religious heritage. She is, of course, Jacob Schiff’s granddaughter, and the great-granddaughter of Solomon Loeb and Fanny Kuhn; her cousins, near and remote, are named Lewisohn and Seligman; in her dining room, amidst some of her own paintings, many of which are of fruit—“I had a fruit period”—hangs the Anders Zorn portrait of Frieda Schiff Warburg, painted in the pink dress she wore the night she first met Felix. One might expect Carola Warburg Rothschild to encapsulate all the values of her forebears. In many ways, she does.

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On the other hand, the first Jews who arrived in America, in 1654, were members of ancient noble families, people of consequence, men and women of property and learning who, for reasons over which they had no control, found themselves on the opposite side of the Atlantic from where they had intended to be. It is also true that, had it not been for their Spanish heritage and experience, the Sephardim would never have found themselves in America at all. And it is interesting to speculate why—considering the vast disparities of time, of place, of culture—the Jews can be said to have found

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their greatest successes and their fullest freedoms within the context of the two civilizations of modern America and medieval Spain. The word Sephardim stems from Sepharad, the land where the Hebrew wanderers are said to have settled after Jerusalem was captured by the Babylonians and their Temple was destroyed. Generally—though the truth is lost in myth and mystery—the Sepharad is thought to have been a region in Asia Minor. The Book of Obadiah is tantalizingly vague: “And the captivity of this host of the children of Israel shall possess that of the Canaanites, even unto Zarephath; and the captivity of Jerusalem, which is in Sepharad, shall possess the cities of the south.” Over the centuries, however, Jewish tradition—a relentless and often illogical force of its own—has associated the Sepharad with another peninsula, thousands of miles to the west, the Iberian. It has even been suggested that the Spanish and Portuguese Jews, who have for so long considered themselves the grandest of the grand, simply appropriated the Sepharad for their own. They said it was Spain and Portugal, and therefore it was. Spanish-sounding names do not necessarily indicate Sephardic Jews, though they sometimes do. (The singer Eydie Gorme is a Sephardic Jew, though not of a “first cabin” family.) Spanish and Portuguese Jewish ancestors can often be spied under various disguises of nomenclature. The name Alport, for instance, was in some cases formerly Alporto, meaning “from Portugal,” and the same is also true of such names as Alpert, Rappaport (which itself is spelled a variety of ways), and even Portnoy.

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The dispersion following the Expulsion Edict was chaotic, following no set paths. Jews who refused to convert scattered in all directions—southward into Africa, eastward into Greece and Turkey, northward into Europe. Only one rule applied: the richer the Jew, the more liberal he could be with his bribes and, therefore, the freer he was in his choice of destination. The poorest Jews fled across the Gibraltar straits into the mountains of Morocco. The richest went to Holland—and for good reason. This tiny, doughty country had, from as early as the fourteenth and fifteenth centuries—just as it has today—a record and reputation of tolerance, of treating “outsiders” with respect and kindness. And so the Jews who escaped to Holland from Spain and Portugal found not only a friendly atmosphere where they could reestablish their congregations, but also a place where they could practice their businesses and professions. The city of Amsterdam was already an important money capital. In Holland the Sephardim were soon prospering again and occupying positions very much like those they formerly had held in Iberia. By the early seventeenth century, the Sephardim were an important part of the Dutch economy. And the Netherlanders of the sixteenth and seventeenth centuries were the most cultivated people in Europe. This was the great era of Dutch painting, of Frans Hals and Rembrandt and Vermeer. It was an age of opulence and luxury, and in Holland ordinary burghers enjoyed comforts in their homes that were found only in the palaces of princes elsewhere. Across the North Sea, in England, members of the royal courts were still eating with their fingers, throwing their bones to mongrel dogs who roamed, snarling, under dinner tables. They were using their sleeves for napkins, strewing the royal halls with rushes instead of rugs, and had barely begun to discover the use of window glass. The rich of Amsterdam, meanwhile, were living in houses with thick carpets from the Orient and beautiful furniture, eating off porcelain plates with all the table silver of modern times. The affinity between the elegant Dutch and the aristocratic Sephardim was easy to understand.

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As the Dutch established colonies, Sephardim from Holland followed them, helping the Dutch put their colonies in business. As a result of the Dutch colonial thrust, Sephardic communities can be found today virtually wherever the Dutch had outposts—Guiana, Polynesia, the West Indies. The oldest Jewish cemetery in the New World is the Sephardic burying ground on the Dutch West Indian island of Curaçao.

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Jews, many of them Marranos, had settled in Brazil during the century of Portuguese rule. With the Dutch victory and the abolition of the Inquisition—along with new arrivals from Holland of Sephardim who followed the Dutch conquest in a now familiar pattern—there was a great rush of reconversion to Judaism. Ex-Catholics were welcomed back into the synagogue, and before long Recife had a thriving and openly Jewish community.

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Unfortunately for the Jews, this state of affairs lasted only thirty years. In 1654, after a long and bloody siege by the Portuguese, the Dutch surrendered Recife, and Brazil became once more a colony of Portugal. The Jews' situation had changed utterly. The grim hand of the Inquisition reached out again. But the leader of the Portuguese invaders, General Barreto, was a reasonably lenient man. He ordered the Jews out of Brazil, but he didn't hurry them unduly. In his diary, David Franco Mendes, one of the leaders of the Brazilian Jewish colony, and another early member of the ubiquitous Mendes clan, describes the situation:

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confiscated, and the ship was set afire and sunk. The prisoners were told that as Jews they would be taken to a Mediterranean port, where they would be sold as slaves. But soon—it is not clear how many days or weeks later—the pirate vessel was sighted by the Saint Charles, which was captained by a Frenchman named Jacques de la Motthe. In a skirmish at sea, the pirates were defeated and the prisoners rescued and taken aboard the Saint Charles, which, it turned out, was bound for a place David Franco Mendes describes in his journal as “the end of the inhabited earth,” a hamlet that consisted mostly of warehouses, called New Amsterdam.

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Captain de la Motthe was not exactly a cordial host, and the Jews may well have wondered if they might have been better off in the hands of Spanish pirates. His boat was small and already overloaded, and de la Motthe insisted that they abandon much of their personal belongings. When his ship dropped anchor in what is now New York Harbor, and when the twenty-three Jews prepared to go ashore, de la Motthe refused to let any of their remaining goods off his ship until every stiver of their passage money had been paid. It is clear that, collectively, the twenty-three Jews had not enough cash to pay for a second set of transatlantic tickets, having already paid for passage from Recife to Amsterdam and wound up in the opposite direction. The Jews tried to reason with de la Motthe, arguing that they would soon be receiving help from friends and relatives in Holland, but the captain was adamant. Poor, without food, houses, or friends in the new land, but, thanks to their considerable Dutch connections, at least able to speak the language of the Dutch colony, the twenty-three went ashore with only the clothes they wore on their backs. They set up a camp of sorts on the banks of the Hudson, just outside the settlement, and began a long struggle to come to terms with de la Motthe. On

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By now the Jews and their predicament had become the talk of New Amsterdam, and the pros and cons of the case were being argued all over the colony. As a result, when the four days had passed, with no salvation in the form of a ship appearing, and when the Jews' property was brought ashore and arrayed on the pier to be sold at auction, a group of New Netherlanders who had been defending the Jews arrived early, began buying up items at nominal prices, and then handed them over to their original owners. It was one of the earliest recorded examples of what might be called Christian charity in

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America. This was not, however, a development calculated to please M. de la Motthe, who, as soon as he learned what was happening, ordered the sale stopped. He then turned matters over to a young Dutch lawyer named Jan Martya.

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The reply from Amsterdam was slow in coming, and the permission it gave was given begrudgingly. Clearly the directors shared some of Stuyvesant's misgivings. But the reminder that there were Jewish shareholders of importance in the company was what turned the vote in their favor. In their letter of instruction to Stuyvesant dated April 26, 1655, the directors said:

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One wonders whether, if the loss of Brazil had not driven the price of West India Company stock down, the directors would have been even this sympathetic. In any case, with this mealy-mouthed and decidedly reluctant verdict, the Jews gained their second important victory in the new land—only one of many more that were to come.

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The Jews were becoming too important an element in the colony to be kept out of the mainstream of New York commercial life. They were soon to be a political force to be reckoned with as well. Moses Levy, who operated a small but profitable general store in Manhattan, became the first Jew in America to be elected to a public office when he was chosen "Constable of the South Ward." Mr. Levy, however, was not impressed by the honor and announced that he did not wish to serve, preferring to pay the five-pound penalty for not serving rather than taking on this time-consuming and low-paying job. Moses Levy was also one of New York's earliest philanthropists, and in his giving he was laudably ecumenical. In 1711, he was one of seven New York Jews who contributed to a fund for the building of the steeple of the original Trinity Church, the landmark that today stands rebuilt at the head of Wall Street.

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By the early 1700's, two families, the Levys and the de Lucenas, had become easily the two most prominent Jewish families in New York. Abraham de Lucena, who started out trading with the Indians for pelts, soon became one of New York's most important fur merchants and was among the major contributors when donors were sought for the purchase "in trust for the Jewish Nation" of the first Jewish Cemetery in the New Bowery. His son,* Abraham Haim de Lucena, was the second rabbi of the Shearith Israel congregation and was able to afford a large and comfortable house of stone—a sign of advanced status—with a view of the harbor.

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Asser Levy, a "connection" of Moses Levy, offered a similar success story. Six years after reaching Manhattan on the Saint Charles, he had obtained a butcher's license. By 1678 he had prospered sufficiently to build a slaughterhouse at the water gate at the bottom of Wall Street and, adjacent to this, he also opened a tavern. Levy's Tavern was a popular spot because the proprietor was a cordial fellow who also extended a bit of credit here and there. Levy's substantial house stood nearby. In 1671, Asser Levy loaned the Lutherans enough money to build their first American church. He owned the land on which the first synagogue was built, and helped support the congregation by charging them no rent. When Asser Levy died, in 1682, his estate was valued at the then princely sum of £53 in cash, plus considerable land and a large inventory of goods in which he traded as a sideline, including one otter skin and 504 Jew's harps.

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The Conversos, or New Christians, quickly reoccupied important positions almost identical to those they had held as Jews, those of physicians, lawyers, financial advisers to the nobility, jobs for which training or learning qualified them. Instead of a Jewish conspiracy, it now seemed like a New Christian conspiracy. Meanwhile, the actual strength of their new faith, the fullness of the conversion, was under heavy suspicion—and for good reason. The man baptized at sword point was often less than sincere. When Converso doctors lost patients, the old accusations were muttered, and when the government attempted to take untrained men, who happened to be Old Christians, and turn them overnight into brilliant physicians, the results were equally disastrous. In the somewhat lowlier occupation of tax collector, more ironies appeared. When Old Christians took up these tasks they were looked down upon for performing “Jewish” chores, and soon were accused of being Jews in Old Christian clothing. Of this confused situation, a seventeenth-century writer complained:

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Meanwhile, farther north, in Philadelphia, another Sephardic Jew was becoming the center of a storm of controversy and the basis of a legend. Haym Salomon, his family and other admirers were claiming, had actually “financed the American Revolution” by presenting General George Washington with a large personal loan at a crucial moment. Salomon’s detractors, meanwhile, were saying in loud voices that he had done no such thing. Once more, as in the case of Judah Touro, the extent of Jewish contribution to the course of American history was under examination.

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From the beginning, of course, the spirit that guided the American Revolution had strong Judaic overtones. The Old Testament had become, in many ways, a Revolutionary textbook. For one thing, the Puritans of Colonial New England considered themselves the spiritual offspring of Old Testament characters. Like the Jews, they gave their children Old Testament names. It was to the Old Testament that the Puritans turned to find God. They regarded the New Testament as merely the story of Christ. In England, the Puritans had been called “Jewish fellow travelers,” and they had compared their flight to America with the Jews’ escape from Egypt. They called the Massachusetts Bay Colony “the New Jerusalem.” There was a proposal that Hebrew be made the official language of the Colonies (it was on the regular curriculum, along with Latin and Greek, when Harvard was founded, a knowledge of the language being considered part of the equipment of a cultivated man). John Cotton had suggested that the Mosaic Code be used as the basis for Massachusetts laws. There is a manifestation of the Code, meanwhile, in the wording of the American Constitution. Under the oppression of George III, the American colonists likened themselves to the Jews, and the king to the pharaoh. They quoted Samuel, who, when the people of Palestine came clamoring to him for the creation of a Hebrew royal family, raised strong objections to this notion, and the colonists found in his arguments a Biblical authority for their refusal to submit to the doctrine of the Divine Right of Kings. In 1775, the Reverend Jonathan Mayhew, a Boston preacher, announced from the pulpit—the most effective medium of communication of the day—that the American colonists were like the people of Israel who resisted the unjust taxation of Solomon’s successor, and the Reverend Samuel Langdon, president of Harvard, preached that just as ancient Israel was wrong to take a king for itself, so were the colonists wrong to accept a king who was a tyrant. Aaron Lopez’ friend President Ezra Stiles of Yale delivered a sermon in which he traced the evolution of the democratic form of government from Palestine to America. He called America “God’s American Israel,” and George Washington “the American Joshua,” called forth by God to set His people free. The first Independence Day was something very close to a Jewish holiday. On July 4, 1776, the day that the great Declaration was officially published, the Continental Congress appointed a committee of three—Benjamin Franklin, Samuel Adams, and Thomas Jefferson—and asked them to prepare a seal for the United States of America. The design chosen by the committee depicted Pharaoh, crowned, in an open chariot, with a sword in his hand, passing through the divided waters of the Red Sea in pursuit of the Israelites. On the opposite shore stood Moses bathed in light from a pillar of fire, extending his hands toward the sea and bidding the waters to close and swallow Pharaoh. The legend emblazoned upon the seal was: “Rebellion against tyranny is obedience to God.” The theme, of course, was freedom, and this first Great Seal of the United States seems somewhat more appropriate than the present, more warlike seal, with its fierce eagle clutching a handful of arrows. Haym Salomon, meanwhile, who may or may not have “financed” the Revolution, was a member in good standing of two Sephardic congregations—Shearith Israel in New York and, later on, when his activities were centered there, Mikveh Israel in Philadelphia. He had, however, been born in Poland—around 1740—and this fact, of course, made him Sephardic second class. In America, after his arrival in 1772, he made an auspicious marriage, to Rachel Franks, daughter of Moses Franks of Philadelphia. Frankses—the name had been Franco in Spain—were a prominent mercantile family in both Philadelphia and New York, and families such as the Gomezes, Lopezes, and “old” Levys considered the Franks family “one of us.” At the time of his marriage to Miss Franks, Haym Salomon was thirty-seven. His bride was fifteen. Still, this alliance considerably elevated his social position in the Jewish community. He also had acquired, before leaving Europe, a university education, which was unusual for a young Polish Jew in the late eighteenth century. He spoke a number of languages, including, as he once mentioned offhandedly in a letter, “French. Polish. Russian. Italian. etc. Languages.” He also spoke Hebrew, and Yiddish—a tongue the old

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He was proud of his position as the Revolution's leading—and best—banker, and he guarded this position jealously. Other Jewish brokers were doing what Haym Salomon was doing, buying and selling government notes. These included Isaac Franks, Benjamin Nones, and Lion Moses, but Salomon did the biggest amount of business and, in 1782, he asked Robert Morris for permission to advertise himself as “Broker to the Office of Finance.” Morris gave him permission to use this prestigious title, noting in his diary: “This broker has been usefull to the public interest, and requests leave to publish himself as broker to the office which I have consented, as I do not see that any disadvantage can possibly arise to the public service but the reverse, and he expects individual benefits therefrom”—benefits, of course, in respect to his competition. In his advertisements, Haym Salomon frequently made such statements as one which announced that the advertiser “flatters himself that his assiduity, punctuality, and extensive connections in business, as a broker, is well established in various parts of Europe, and in the United States in particular.” He continued to buy and sell on commission tobacco, sugar, tea, silk stockings, and ladies' bonnets. But he summed himself up in a letter to a London merchant when he said: “My business is a broker, and chiefly in bills of exchange, and so very extensive that I am generally known to the mercantile part of North America.” All this is most certainly true.

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It is at this point, alas, that the story of Haym Salomon dissolves into speculation and controversy. Did he, as his son later claimed, loan “vast sums” to the government, personally pay soldiers' salaries, and pay for the Revolution? There is no proof of it. He did, however, extend personal loans to many prominent individuals of the Revolution and members of the Continental Congress, including James Wilson, General St. Clair, Edmund Randolph, and many Philadelphians, and often charged them no interest. Presidents Jefferson, Madison, and Monroe were all aided by him at one time or another when short of ready cash. Poor Madison was perennially in financial difficulties and in 1782 wrote to his friend Edmund Randolph: “I cannot in any way make you more sensible of the importance of your kind attention to pecuniary remittances for me than by informing you that I have for some time past been a pensioner on the favor of Haym Salomon, a Jew broker.” A few weeks later, Madison was in as bad shape as ever, and Salomon had come to be something more to him than “a Jew broker.” He wrote, again to Randolph:

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Does the United States government still owe Haym Salomon a huge amount of money? His son, Haym Moses Salomon, always said so, and his many descendants—he had four children, and a multitude of grandchildren—who are scattered about the country in such places as New Orleans; Galveston; Houston; Saint Louis; Ardmore, Oklahoma; and Canton, Kansas, would like to think so, and grow wistful dreaming of the fortune they might split if only they could prove that it existed.

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After his death, merchants to whom he had loaned money could not pay. His estate was found to be insolvent. His chief creditor was the Bank of North America, Robert Morris' bank. His son claimed that the United States government owed Haym Salomon \$354,000—which today, with interest, would be worth in the tens of millions of dollars. His son said the government had come with a detailed statement to that effect. True, his son waited decades after his father's death to make this claim, and after all records had inconveniently been destroyed when the British captured Washington during the War of 1812. Mysteriously, the government never came around with that statement again. The money has never been paid. The papers are gone.

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The Levantine Sephardim who came to America in important numbers in the 1920's and 1930's may have been poor and uneducated and believers in the evil eye. But, like other immigrants of other eras, they have largely succeeded in pulling themselves out of poverty and educating themselves out of ignorance and parochialism, and on the whole they can claim as good a record in the United States as any other group. In Los Angeles, several dark-skinned Sephardim became shoeshine men. In a few years, a shoeshine man had a shoe repair shop and, a few years later, he had a chain. In Seattle, a fisherman from Greece became a canner of fish, and by the second generation his cannery became a large factory. By the time these Sephardim had begun sending their sons and daughters to American colleges and universities, whole new sets of American middle-class values had been accepted. Although it was still considered anathema to marry a Christian, it was no longer a disgrace for one's daughter to marry a tedesco—a German—particularly if he was rich. When this happened not long ago a Sephardic mother commented tellingly, "Well, at least he's an American, and at least he's not black."

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By contrast, the richest Jewish family in America is the Pritzker family of Chicago, collectively worth between seven hundred million and one billion dollars. The founding father, Nicholas J. Pritzker, came from Kiev at age nine in 1880, in the first wave of Russian immigrants. The basis of the family fortune is Chicago real estate, which Pritzker began acquiring in the early 1900s when the city was still young and raw. “Never sell your land—lease it,” was his advice to his sons, and they followed it. Today, the Pritzker real estate holdings are worth, conservatively, half a billion dollars, and other Pritzker investments include Hyatt Hotels, the Cerro-Marmon Corporation, the Hammond Organ Company, the W. F. Hall Printing Company, Continental Airlines, and a number of trucking companies. The Chicago law firm of Pritzker and Pritzker has no clients other than itself, and has not accepted a new client in over forty years because of potential conflicts of interest with the family’s other, far-flung enterprises. The second-wealthiest Jewish American family is that of the late Samuel Irving Newhouse of New York, who, with his two sons, built a communications empire worth between six and seven hundred million dollars—twenty-one daily newspapers, five magazines, six television stations, and twenty cable-television systems. The patriarch of this family fortune was born in 1895 on New York’s Lower East Side, the eldest of eight children of Russian and Austrian immigrants. Though Newhouse was in the business of pleasing the reading and viewing public, he had no use for personal publicity. Invited many times to be listed in *Who’s Who in America*, he refused to fill out the necessary forms. He was, however, intensely devoted to the welfare of his relatives, and was one of the most nepotistic of American employers. At one point, some sixty-four Newhouse sons, brothers, cousins, and in-laws were on the Newhouse payroll. His most visible philanthropic gift has been the Mitzi E. Newhouse Theatre at New York’s Lincoln Center, honoring his wife. Next in line in the roster of Eastern European fortunes in America is that of Walter Annenberg and his seven sisters. Since the stock of Triangle Publications—the parent corporation that publishes *TV Guide*, *Seventeen*, the *Philadelphia Daily News*, and the *Daily Racing Form*, and that owns six television and nine radio stations, plus twenty-seven cable-TV franchises—has long been family held, the size of the Annenberg fortune has long been a matter of guesswork, but is probably in the three- to four-hundred-million-dollar range. To make sure that his private golf course at Sunny lands, his four-hundred-acre estate outside Palm Springs, would always have water, Walter Annenberg bought the local water company. Though Annenberg and his wife are solidly respectable citizens—he a former ambassador to the Court of St. James’s, she a former U.S. chief of protocol, and both friends of Presidents Nixon and Reagan—the family fortune is clouded by its founder, Walter’s father, the late Moses L. Annenberg, who made his money from a telegraphic news service for bookie joints that carried information between racetracks across the country. In 1939, the senior Annenberg was convicted of income tax evasion, fined eight million dollars, and sentenced to three years in prison.

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And so what is different about the twentieth-century American Jewish entrepreneurs from Eastern Europe? Simply put, they were more honest. Almost without exception (and including Meyer Lansky), they believed in giving good weight. They were exceptionally careful about customer opinion. Few Russian Jews have been known to cry, “The public be damned!”—the curse that was uttered by William Henry Vanderbilt. There is Talmudic tradition in this. The Talmud itself enjoins against sharp practice, and cautions against, say, a Jewish cobbler’s placing his shop in too close proximity to the shop of another Jewish cobbler. The direct competition is to be given elbow room, and space in which to breathe and flourish. Perhaps these ethical standards explain why, for centuries, the ruling courts of Europe preferred to conduct their most important and sensitive business affairs with Jews. They could be trusted. This significant difference also helps explain why, on the whole, Russian-Jewish business success in America has been accepted by the rest of the populace with equanimity and respect, without envy or rancor. The robber barons of old were feared and hated by the public, and vilified by the press. Even today the name of Jay Gould is a household word synonymous with ferocious greed and fiscal skulduggery. But who today has anything ill—or anything at all—to say about the business activities of a Nicholas Pritzker or a Louis Blaustein? Their public image has remained benign, if they have any public image at all. The collective success stories—against

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The only possible means of unifying all the unhappy and disputatious elements on the Lower East Side seemed to be to get them all somehow to embrace America as an abstract ideal, to make them feel that they were loyal Americans first, Jews second. It was a large order—large, even, for a woman of Julia Richman’s stubborn, iron-willed ambitions. To the disinterested outside visitor, the Lower East Side in the early 1900s would have appeared utterly chaotic, and nothing been foreseen to come out of it except disaster—or, at the very least, some sort of violent social upheaval or revolution. And yet that is not what happened at all. Instead, out of it came artists, writers, lawyers, politicians, entertainers, and businessmen, like Irving Berlin, Jacob Javits, Samuel Goldwyn, David Sarnoff, Jacob Epstein, Eddie Cantor, Danny Kaye, and Edward G. Robinson. Out of this and similar ghettos came a premiere American architect named Emery Roth, a fashion photographer named Richard Avedon, a designer named Ralph Lauren, a cosmetics queen named Helena Rubinstein, a movie mogul named Louis B. Mayer, another named Adolph Zukor, and a liquor tycoon named Samuel Bronfman—and many, many, more, including a pretty New York girl named Betty Joan Perske, who, after being educated at the high school on Second Avenue and Sixty-seventh Street that was eventually named in Julia Richman’s honor, went on to Hollywood and Broadway stardom as Lauren Bacall.

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In Liverpool, Gelbfisz learned that steerage passage to Canada had just gone up from four pounds six shillings to five pounds. At the end of his rope, he finally took to the streets as a beggar until he had raised the fare. Then, after the steerage crossing, he was deposited in Halifax, Nova Scotia, and made his way to the United States border, entering illegally in 1896. This was also the year that Thomas A. Edison's "Marvelous Vitascope"—a forerunner of motion pictures—was first shown to a New York audience, though the coincidence would not be noted until long afterward. Years later, whenever he traveled to London, he always made a point of putting up at the Carlton House. Though he could not play a note, a grand piano was always ordered placed in the suite. But the major requirement was that the suite overlook the park, so that he could look down on the particular park bench that had once been his home. By that time, of course, Shmuel Gelbfisz had changed his name twice, and had become Samuel Goldwyn of Hollywood. In some ways, to be sure, Shmuel Gelbfisz's emigration from Russian Poland was not typical. He set off for America of his own free will, out of a sense of dissatisfaction and restlessness. Others who left Eastern Europe at the same time did so out of desperation—to flee conditions that had become unbearable and to escape from lives that had become unlivable.

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When he and his family finally made it to New York, via Canada, in 1900, he was nine years old. His name was David Sarnoff, the future founder and board chairman of the Radio Corporation of America. Other Russian Jews would have memories similar to Sarnoff's. Some would try to erase them from their minds, and never speak of them. Others would cling to their memories obsessively, and repeat the stories to their children and grandchildren, reminding them that such things could, and did, happen.

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Finally, there was the culture shock upon arrival in the city itself. Each immigrant's experience was different, of course, but there were a few common themes. A number complained, for example, of rude stares and jeers—particularly from children and teenagers. But most immigrants found that, compared with what they had endured, they were treated surprisingly well, though there were some aspects of America for which they were unprepared. Here, for example, are some of the impressions of one Isaac Don Levine. Later a successful journalist, Levine was born in Byelorussia in 1892, and came to the United States as a youth of nineteen. He was astonished, for one thing, by the “skyscrapers,” and craned his neck backward to count up to sixteen floors of one building before being overcome by dizziness. Levine also marveled at the letter boxes, the mechanics of which he had a bit of trouble figuring out, and at the frequency of mail collections and the speed of delivery. In Kiev, he noted, a letter might travel for twenty-five years before reaching its destination. At first, he was startled by the sight of policemen carrying clubs instead of wearing sabers, and their habit of swinging their clubs as they walked about he at first found frightening. Later, he decided that this was just a mannerism, and not a threatening gesture. He noted that American policemen tended to be very tall.

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Interestingly, in view of Rose Pastor's later career, the Tageblatt was the more politically conservative of New York's two leading Jewish dailies. Its rival, the Forward, was often fiercely and outspokenly socialist and trade unionist, which, as we shall see, Rose Pastor herself would one day become. But the Tageblatt took the stance that socialism was “ungodly,” and often tried to convince its readers that Jewish labor organizers like David Dubinsky and Sidney Hillman were actually Christian missionaries in disguise. The Tageblatt also devoted much space to the uptown do-gooder activities of Jacob Schiff and Julia Richman. Naturally, the Tageblatt received more approval and support from the uptown capitalists than the Forward did.

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Still, a few Jewish socialist leaders emerged during the early years of the century—Meyer London, Morris Hillquit. In 1900, the International Ladies Garment Workers Union had been organized under Joseph Barondess, and a few scattered strikes for higher wages and better working conditions had been staged in the Jewish-owned “needle trades,” but without much in the way of results. Workers—most of them women—in the garment industry still labored for three or four dollars a week, and strikes were quickly broken up by hired Irish, Italian—and some Jewish—thugs who charged the picket lines and frightened the women. Then, in 1909, there began to be talk of

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Having determined the proper moment to enter as well as to leave a game, Meyer ventured another cholent nickel, and won. He then wandered on to another game, waited for the right moment, and won again. Soon he would never have to worry about losing the money for his mother's cholent again, because he had a considerable wad of cash stuffed into a hole in his mattress. It was at that point, he would declare later, that he decided his life's career would be as a gambler, but as a gambler of a special sort. Never, he would caution friends, gamble with money that you cannot afford to lose, because, in the end, the gambler always loses. No winning streak can last forever. In gambling, the only one who consistently wins is the man who runs the gambling house, and who owns the roulette wheels, the crap tables, the blackjack tables, and the slot machines. And the beauty of the gambling business is that, though the owner might extend a bit of judicious credit here and there, it is otherwise cash, all cash. With this philosophy Meyer Suchowljansky, with his name abbreviated to Meyer Lansky, would go on to become the guiding genius of Las Vegas, to become the king of casino gambling in Havana and, later, the Bahamas, and to reach the point where he would be one of the richest men in America and regarded as the unquestioned financial linchpin of the mob.

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The young Shmuel Gelbfisz had found that in America his Polish name was an unpronounceable mouthful, and so it was first modified to Samuel Goldfish. But under whatever name he used he was at heart a gambler; in later years an entire file cabinet in his office would bear the label GAMBLING and be filled with the records of his wins and losses, and scribbled IOUs for huge sums from such Hollywood tycoons as Louis B. Mayer, Irving Thalberg, David Selznick, and Harry Conn. In the beginning, however, he was just a young man on the make, looking for a chance to grab the brass ring from the merry-go-round whenever it might appear. His first job in New York was as a telegraph delivery boy, and his first address was a rooming house in the Bronx. In the evenings he attended public night-school classes to learn English, and supplemented these lessons by reading old newspapers he fished out of trash cans. His scholarship was desultory, and his mastery of the language was imperfect, at best. But he had not been delivering telegrams long before, in one of his secondhand newspapers, he ran across an ad for a job as a glove cutter in upstate Gloversville, New York, then the glove-making capital of the country. He decided to journey there.

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Sam Goldfish's entry into show business was quite accidental. In 1912, when he was admitting to being thirty but may actually have been thirty-three,* he met a young Russian-Jewish girl named Blanche Lasky, who called herself an actress and had been playing at one of the little Catskill resort hotels that lay along Sam's selling route. Blanche Lasky was half of a moderately successful vaudeville musical team with her brother Jesse. Jesse Lasky played the violin and Blanche played the piano. They also sang and danced, and Jesse Lasky had a tap-dance routine that he performed while warbling on a cornet. The Laskys' was an up-and-down life of one-night stands, but the glove salesman was immediately stages truck. He married Blanche Lasky later that year, and moved into the apartment that she, her brother, and mother shared in Brooklyn. One Sunday afternoon not long afterward,

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The success of *The Squaw Man* brought the Goldfish-Lasky group to the attention of another newly arrived West Coast filmmaker, Adolph Zukor. By 1914, both Adolph Zukor and Samuel Goldfish were reasonably rich and successful film men. Like Goldfish and Lasky, Zukor was an Eastern European Jew, born in Hungary in 1873, who had come to America in the usual fashion, by steerage, with forty dollars sewn into the lining of his second-best waistcoat for safekeeping by his thrifty mother, which amount was to stake his future in the New World. Zukor, too, had got into the movie business almost by accident. He had made his way to Chicago, where he had gone into the fur business with a man named Morris Kohn. By 1899, Kohn and Zukor had prospered sufficiently in furs to open a branch office in New York. There, Zukor's principal contact was another furrier, Marcus Loew, whom Zukor knew from many fur-selling trips between New York and the Midwest. Zukor and Kohn, figuring that it would be politically prudent to discuss their New York move with Mr. Loew—whose territory they were in a sense planning to invade—sought him out. Loew was surprisingly helpful. He not only offered to initiate the two Chicagoans into the New York fur fraternity, but he also helped the two men and their families find apartments in the city. Mr Loew found an apartment for Mr. Zukor in the same block as his own, and the two men and their wives became friends—for a while, at least.

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For seventy-two hours, Sarnoff sat at his post listening, as, intermittently, the names of known survivors, who had been picked up by the Olympic and other radio-equipped vessels that had been in the vicinity, came trickling in. Then came the lengthening list of those known to have perished, and the word from White Star officials admitting a “horrible loss of life.” John Jacob Astor’s name was among the casualties. So was that of traction heir Harry Elkins Widener, who went down clutching a 1598 edition of Bacon’s essays, and whose mother would donate the world’s largest college library to Harvard in his memory. Then came the tales of heroism and courage. Mr. and Mrs. Isidor Straus had each refused to enter a lifeboat without the other, preferring to go down together. Benjamin Guggenheim, of the copper-smelting family, had ordered his valet to dress him in his evening clothes, and refused to don a life jacket, since he wanted to go down like a gentleman.* There were tales of cowardice, too—of men who shouldered women and children aside to clamber aboard lifeboats first, of men who had dressed in women’s clothing in order to do the same, of at least one man who had forced his way into a lifeboat wielding a pistol. In all, the total number of lives lost came to a staggering 1,513, and of the 2,224 aboard only 711 had been saved. The Titanic disaster riveted public attention on the importance of radio. Many ships not equipped with radios had been much closer to the distressed liner than the Olympic, and had there been a means of contacting them the loss of life might have been far less. Quickly, the United States Congress passed the Radio Act, which required that all ships carrying fifty or more passengers be equipped with radios, and even those ships that carried fewer than fifty people hurried to install radios in order to stay in business. The Titanic’s sinking also riveted the world’s attention on the Marconi system. But most of all it drew attention to the alert young hero of the day, David Sarnoff, who had manned the little station at Wanamaker’s throughout the ordeal, and who now found himself an international celebrity, hero, and genius. The Titanic, David Sarnoff once said, “brought radio to the front, and incidentally me.” Not quite two months earlier, he had celebrated his twenty-first birthday.

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There are at least two versions of how Meyer Lansky first became friendly with another tough young East Sider named Salvatore Lucania, later to become known as Charles “Lucky” Luciano. Lansky liked to recall that they had first encountered each other at what had threatened to become a Lower East Side street battle between the Italians and the Jews, and how Luciano had been attracted by the tiny—fully grown, he was only a few inches over five feet tall—Lansky’s spunk and nerve. Luciano had called off the fight and later taken Lansky under his protection, gratis. Luciano would recall the initial meeting somewhat differently. Luciano had been earning extra pin money collecting pennies from Jewish youths for protection, but when he approached Lansky with the usual proposition, Lansky had replied, “Fuck you!” Impressed, Luciano had offered to supply Lansky with free protection, to which Lansky had replied, “Shove your protection up your ass!” Realizing that they were kindred spirits, the two became lifelong friends and business associates. This friendship, too, marked the beginning of a Jewish-Italian alliance against a common East Side enemy, the Irish. Soon, into the Lansky-Luciano group came another, somewhat older Jewish youth named Benjamin Siegel. Siegel was a well-built, good-looking fellow who had quite a way with the ladies, and whose ambition in those days was to become a movie star. It was not such a farfetched notion, since one of his best friends was a young actor named George Raft. Raft had been a street fighter and gambler out of Hell’s Kitchen, and had boxed his way up from a number of small-time clubs all the way to Madison Square Garden, where he realized that he hadn’t the fighting ability to reach top boxing circles. He had turned to dancing in nightclubs and revues, and became famous overnight for teaching the young Prince of Wales to do the Charleston. From there, it was on to Broadway and Hollywood. His friend Benny Siegel, though, had kind of a wild streak in him. Most Jewish and Italian street toughs eschewed knives and guns, but Siegel was always armed with one weapon or another, and would brandish these at the slightest provocation. For this behavior, and other bizarre habits—it was said that Siegel invented the game called Russian roulette—he was labeled “crazy as a bedbug,” which earned him the nickname “Bugsy,” though this was an appellation his friends were careful never to use to his face. Bugsy Siegel, as we shall see, eventually did get to Hollywood, though not in the manner he had originally planned.

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Later, Lansky learned that the “importer” of the Irish whiskey whom he had robbed was the son of a Boston bartender, Joseph P. Kennedy. For the rest of his life, Lansky would claim that Joseph Kennedy had passed on his vendetta to his sons, Bobby and John, and that Bobby Kennedy’s efforts, as United States attorney general, to root out organized crime were in fact a personal attempt to “get even” with Lansky for that long-ago hijacking.* Meanwhile, to the north of Lake Erie, another gentleman was emerging who was becoming very important to Meyer Lansky and his flourishing American bootleg business. His name was Samuel Bronfman, and it was not long before Lansky and Bronfman had entered into an arrangement that would be enormously profitable to both. Sam Bronfman was also the son of Russian-Jewish immigrants, but there the similarity ended. Unlike Lansky’s parents, Sam Bronfman’s father, Yechiel, had been reasonably well-to-do in the old country. Yechiel Bronfman had owned a gristmill and a good-sized tobacco plantation in Bessarabia, in southwestern Russia, and had thought himself on good terms with the czarist government.

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From such rumblings in the United States, and the fact that the passage of the Eighteenth Amendment began to seem assured, it occurred to Sam Bronfman that this might well be the moment to move from bartending and liquor retailing into manufacturing. Yet another middleman would be eliminated. “Distilling” would be too polite a word to use for Sam’s initial efforts. It was more like simple mixology. From the United States, he was able to buy several hundred thousand gallons of raw, overproof alcohol at bargain prices in the panicky pre-Prohibition sell-offs. This he simply thinned with an equal amount of water, added about half as much again real whiskey, and tossed in a bit of caramel for color, plus a dash of sulfuric acid. The purpose of the sulfuric acid was to speed the aging process. While real Scotch whiskey might be aged for two to twelve years, Bronfman Scotch could be aged in about two days. To be sure, there were some mishaps in the beginning. One batch of “Scotch” came out of the vat an alarming purple color. But with more thinning with real Scotch, and some more caramel, the right color was finally achieved and the batch was thereby saved. Next, all Sam had to do was bottle the results and slap on labels. A printer was found who promised that he could produce convincing counterfeits. To be sure, some of his work was either amateurish or deliberately misleading. Johnnie Walker came out as Johnny Walker, Glenlivet was Glen Levitt, and Haig and Haig was Hague and Hague. But few of the customers seemed to notice.

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With Prohibition in effect, Meyer Lansky, who was now very much aware of Sam Bronfman’s operation, at first dismissed him as an amateur; his product simply was not good enough for the kind of customers Lansky wanted to serve. But Sam, putting his brother Harry in charge of the distilling operations, had been busily running about the countryside and dashing off to Britain to line up Canadian and Scottish distillers and persuading them to let him be their distributor. He had also, with his profit sheets, been able to make a convincing case for himself with Canadian banks, and to obtain loans, which gave him added capital with which to perfect his blending process—so that every bottle of whiskey produced under the same label would taste the same as every other. And once the Saint Pierre-Miquelon connection had been established, with Sam able to import bona fide brands, Lansky became interested. Sam Bronfman came down from Canada and wooed Lansky with lavish dinners. Lansky responded by getting Bronfman tickets to the heavyweight “prizefight of the century,” between Jack Dempsey and Luis Angel Firpo in 1923. A deal was struck, and the two men became partners, a relationship that lasted through Repeal and after.

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There was an even more important reason. The United States did not confer ennobling titles upon its citizens. In Britain, the great distillers had become viscounts, barons, and baronets. There were Lord Dewar, Sir Alexander Walker (of Johnnie Walker), Lord Woolavington, Lord Forteviot, Sir James Charles Calder, and Field Marshal Earl Haig. Canada didn't often confer knighthoods on its citizens, but it sometimes did. Ottawa had already expressed its gratitude to Sam Bronfman's industry in various ways. Then why, someday, should there not be a Sir Samuel Bronfman, and a Lady Saidye Bronfman? It did not seem an impossibility. And it would have a nice ironic twist—the family that had fled Russia to escape the persecution of the nobility, elevated to a nobility all its own in a single generation's time. Meanwhile, Sam's profitable connection with Meyer Lansky and his growing organization continued apace. Sam Bronfman might not consider himself a bootlegger, but Lansky and Company certainly did. As Lansky's chief confederate, Lucky Luciano, put it, Sam Bronfman “was bootleggin' enough whiskey across the Canadian border to double the size of Lake Erie.” It was no wonder that wags in the liquor trade were beginning to refer to Lake Erie as “the Jewish lake.”

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Conspiracy theories of the two Kennedy assassinations have noted the longstanding Kennedy-Lansky feud, suggesting that organized crime was behind both murders. Adding to this is the fact that Jack Ruby was a Jewish barkeep who may, or may not, have had Lansky connections. Many Jewish barkeeps did.

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It is true, however, that by the 1920s much of the business end of show business was in Jewish hands. Many of the legendary producers and impresarios on Broadway, such as Billy Rose (William Rosenberg) and Florenz Ziegfeld, were Jewish. So were many of the theatrical agents. The theaters themselves, meanwhile, were in the hands of the formidable brothers Shubert—Sam, Lee, and Jacob—the sons of an immigrant Syracuse peddler, who by the 1920s were to Broadway showplaces what the Rockefellers were to Standard Oil. All this helped Jewish performers find employment without fear of anti-Semitism, and among the careers launched by Flo Ziegfeld were those of Al Jolson, Eddie Cantor, and Fanny Brice. Then there was the fact that, by 1920, much of the Prohibition liquor trade was in Jewish hands, and a good number of the speakeasies and nightclubs where would-be stars could do their turns were also Jewish-owned. But still, where did so much talent come from? How to account for the wonderful songs—that seemed not to be written, but simply to “happen”—from the musically untutored Irving Berlin?

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In Hollywood, however, the situation for the Jewish performer was somewhat different from what it was in the Catskills or even in New York. Though the motion picture business—led by men like Goldwyn, Louis B. Mayer, William Fox, Adolph Zukor, Marcus Loew, and the brothers Warner—had become a heavily Jewish industry, its national audience was not. Jewish jokes and Jewish themes might be popular in the Borscht Belt or even on Broadway, but Hollywood, with its eye ever on the largest possible box-office receipts, made carefully de-Semitized films for the Christian majority. During the 1920s and even into the 1930s, it was unlikely that a Jewish actor would be cast as a romantic lead unless, like John Garfield (Julius Garfinkle), he happened not to “look Jewish.” Part of this had to do with Hollywood’s preoccupation, during this period, with turning out Westerns, and it was assumed that a Jewish face or physique would appear incongruous dressed in a cowboy outfit.

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But in 1928 an event occurred that would supply Sam Bronfman with the history he needed, even though it would be a borrowed one. That was the year he acquired the firm of Joseph E. Seagram and Sons, Ltd. Seagram’s was a fine old Canadian distilling firm, and bore a fine old Christian name. Now that the Bronfman distilling business could use the name of Seagram, Sam Bronfman could incorporate Seagram’s respected history into his own, and soon, in a very much laundered corporate history, Sam would be able to declare, “Our company had its origin in 1857 in Canada, when Joe Seagram built a small distillery on his farm and sold its products in the surrounding area.”

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In acquiring the Seagram name, Sam Bronfman, as the saying goes, “tried to become instant Old Money.” But still the invitations to join the clubs and to adorn the boards of the banks did not come. The timing of the Seagram acquisition, however, could not have been better. The noble experiment of Prohibition—doomed to failure from the beginning—was coming to an end. Everyone knew it, and it was only a matter of time before the Eighteenth Amendment would be repealed. Seagram’s gins and whiskeys were well known and popular in the United States. The interim between the Seagram-Bronfman marriage and Repeal would give Mr. Sam just time enough to gear up Seagram’s for its reentry—legitimately at last—into the American market.

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But Goldwyn paid very little attention to contracts. In the paramilitary structure of the early studios, the producer was the supreme commander in chief, and at the very bottom of the pecking order were the writers, the privates. When Sam Goldwyn at one point wanted Anita Loos to write a picture for him, he called Miss Loos in and offered her a year's contract at five thousand dollars a week, which she quickly accepted. Later, an associate gasped, "My God, Sam! That's two hundred and sixty thousand dollars a year!" Goldwyn replied, "Don't worry. I can get out of the contract when I'm through with her." And, to be sure, he did. His running feud with Louis B. Mayer at MGM became legendary. Once, during an altercation in the locker room at the Hillcrest Country Club, Mayer, who was much smaller in size than Goldwyn, managed to back the larger man into a corner and then pushed him into a laundry hamper full of wet towels. By the time Goldwyn had clambered out of the hamper, Mayer had disappeared. The feud occasioned one of Goldwyn's choicest Goldwynisms. When a friend chided him about the amount of bickering and fighting that went on between the two men, Goldwyn looked shocked and surprised. "What?" he cried. "We're like friends, we're like brothers. We love each other. We'd do anything for each other. We'd even cut each other's throats for each other!"

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For the Jewish fraternity of motion picture producers in Hollywood, however, this was a very ticklish subject. They had so convinced themselves that the success of their movies depended on the movies' non-Jewish character that they were reluctant, no matter how it might trouble the conscience, to step forward and identify themselves with Jewish causes, no matter how urgent. Furthermore, their attitude was reinforced by none other than the man whom Roosevelt had appointed as ambassador to the Court of St. James's in 1937—Joseph P. Kennedy. Just back from London, Kennedy had called a secret meeting with some fifty of Hollywood's leading motion picture men, including Goldwyn, Mayer, the Schencks, the Warners, Fox, and Zukor. In firm tones, Kennedy had told them that, as Jews, they must not protest what was going on in Germany, and must keep their Jewish fury out of print and off the screen. Any Jewish protests, Kennedy insisted, would make a victory over the Germans impossible. It would make the world—and the United States public in particular—feel that what was going on in Europe was “a Jewish war,” and a Jewish war would not be a popular idea, would actually increase anti-Semitic feeling in the United States. Kennedy delivered the same argument to a group of New York's Jewish businessmen in the banking and fashion industries. In New York and Hollywood, the leading Jews quietly agreed to Kennedy's plea for silence, and to keep any Jewish feelings, along with their Jewishness, under wraps. Whatever Kennedy's intentions may have been, it was curious, even chilling, advice. But it was advice that many Hollywood men were probably somewhat relieved to hear. It eased them of some guilt they might have felt, and after all, it came from a very highly placed source. Not only was Kennedy very rich, but he was also a high government official. Furthermore, he was a power on Wall Street, where he had headed the Securities and Exchange Commission, and much in Hollywood rode on what Wall Street said. He was also a considerable force in the motion picture business, thanks to, of all people, David Sarnoff. Back in the 1920s, Sarnoff had predicted that the radio and the phonograph would be combined, and that a national network—or “chain,” as he called it—of radio stations would be created, whereby a program originating in, say, New York, could be transmitted simultaneously from a series of high-wattage towers across the country. With the advent of sound in motion pictures, Sarnoff saw that talking pictures meant business for RCA, too, since all the components that went into sound for movies were actually by-products of radio science. Sarnoff had proposed that RCA get a foothold in the movie business, and with that in mind he approached Joe Kennedy in 1927.

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Kennedy owned a substantial piece of a small production company called Film Booking Office, which had a friendly relationship with the large Keith-Albee-Orpheum chain of theaters. Kennedy also had an interest in another film company, called Pathé Pictures. At the time, however, Kennedy's interest in films seemed mostly to be based on his relationship with Gloria Swanson, and his desire to promote her career. David Sarnoff proposed to Kennedy that, with half a million dollars of RCA's money thrown into the pot to sweeten the deal, Film Booking Office, Pathé, and Keith-Albee-Orpheum might be merged to form a new studio that would rival the existing Big Five. Kennedy liked the idea, and the result of the merger was RKO Pictures (Radio-Keith-Orpheum). It was certainly a nice thing for Kennedy, who saw his RKO stock climb from twenty-one to fifty dollars a share just before the Crash, when he sold out at the top. Later, Kennedy would claim that the idea for forming RKO was his own, but his biographer, Richard J. Whalen, in *The Founding Father*, refuted this, and called the creation of the new company "Sarnoff's grand design." For such coups as this, Sarnoff was rewarded with the presidency of RCA in 1930. And in Hollywood, where Kennedy made himself president of RKO, there was awe. Adolph Zukor had asked, "A banker? A banker in this business? I thought this was a business for furriers." Kennedy, when not telling Hollywood producers what they should or shouldn't do, could also be very useful to his movie friends. As ambassador, he had made high-level connections in London, and England at the time was the second most important market for American-made films. In a confidential memo to Sam Goldwyn, Joseph M. Schenck in MGM's New York office was able to report that, working through State Department channels—and in coded telegrams that Kennedy had let Schenck see—Kennedy was developing a formula whereby the film industry could withdraw, and transfer out of England, much more money than had been allowed by law. A five-million-dollar ceiling had been in force for such withdrawals, but Kennedy had assured Schenck that this ceiling could be raised to between twenty and thirty million. Furthermore, the money would come out of England in dollars, not English pounds, which was important since the pound was in a weakened, war-frightened state. Schenck warned Goldwyn not to try to interfere with Kennedy's plans since, as Schenck put it, Kennedy was a "tough customer and resents anyone who tries to go over his head or that of the State Department." In his ambassadorial role, Kennedy would deal directly with the British chancellor of the Exchequer, Sir John Simon. Was any of this legal? Who knew? But it did seem an odd bit of extracurricular activity for our American ambassador. And it showed that Hollywood was more than a little frightened of Mr. Joseph P. Kennedy.

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Hollywood's Jews reacted to Kennedy's edict of silence on the subject of Hitler's treatment of the Jews in different ways. Sam Goldwyn, for example, rationalized that reports of concentration camps and mass murders were "probably exaggerated," and others took this comforting view. But at least one man decided not to be daunted by Kennedy and to be vocal on the subject—the volatile screenwriter Ben Hecht. Born in New York of Russian immigrant parents, Hecht had become something of a Hollywood maverick and gadfly. In various articles for newspapers and in the Reader's Digest, Hecht had begun to complain about the process of "de-Semitization" he was observing in the popular arts, and "the almost complete disappearance of the Jew from American fiction, stage, and movies." It was a process, he claimed, that was designed to stifle any outrage over Hitler's Jewish policies, and to minimize, as much as possible, the human connotations of the word Jew. In Hollywood, however, Ben Hecht was considered a little crazy, as, indeed, all writers were. ("No writers at story conferences!" had been one of Sam Goldwyn's famous rules.) But Hecht's protestations had brought him to the attention of a young Jewish activist named Peter Bergson. Bergson, a Palestinian, was a member of the Irgun Tzevai Leumi, the armed, anti-British organization that had been founded by Menachem Begin to aid Israel's struggle for freedom. Members of the Bergson group had come to the United States to raise money for the Jewish forces in Palestine. Bergson himself had been a disciple of a militant Zionist named Vladimir Jabotinsky, who had been born in Odessa but grew up in Italy, where he had been strongly influenced by the risorgimento. In Palestine, Jabotinsky had organized a Jewish legion, which had done a great deal to bolster Jewish morale, but which had come on the scene too late to do much damage to the Turks or to dislodge the British presence. Jabotinsky was convinced that Jewish armed forces were essential to the creation of a Jewish state, much to the displeasure of more conservative Zionists, such as Chaim Weizmann and Louis Brandeis. The trouble was that Zionists were divided as to priorities. Some felt that the creation of the State of Israel should come first, in order to give Europe's Jews a place to which to emigrate. Others felt that the more pressing task was saving Jewish lives at any cost. Early in 1940, Jabotinsky came to the United States, and before a cheering audience of thousands of Jews at Madison Square Garden, urged that the only solution to the plight of Europe's Jews was the creation of a Jewish army to fight alongside the Allies as an independent unit, like the Free French. Such an army, Jabotinsky asserted, would put the lie forever to the claim that Jews made poor soldiers. Though Jabotinsky thrilled his audience in New York, the British Foreign Office was less pleased with his crusade. In London, it was feared—with some justification, as it turned out—that what Jabotinsky really had in mind was a Jewish brigade formed, trained, paid for, and equipped by Britain, which would later be used to seize Palestine from British guardianship. Already, in Palestine, the British had enacted a number of anti-Semitic laws. For one thing, it had been stipulated that only one Jew could volunteer for His Majesty's army for each Arab who enlisted. Since no Arabs were joining, this meant that no Jews could, either. In London, Jabotinsky had been labeled a "Jewish Fascist." A few months after his Madison Square Garden appearance, however, Jabotinsky died of a heart attack. The banner for a Jewish army was taken up by Peter Bergson. Sparked by Ben Hecht's articles, Bergson contacted Hecht and met with him in New York, and immediately asked him to be the American leader of the great cause. Funds were needed, not only for the Jewish army but also to mount an extensive campaign of demonstrations and newspaper advertisements to alert the American public to the plight of Europe's Jews. Some of the richest Jews in America, Bergson pointed out, were in Hollywood, and Hecht, with all his "powerful connections" in the movie capital, could surely and with ease extract "millions" from the Jewish moguls there. Bergson, of course, had a rather unrealistic grasp of Hecht's standing in the Hollywood community. Hecht was a mere writer, which fact alone placed him close to the bottom of the Hollywood pecking order. Furthermore, in 1940, Hecht was struggling with a reputation for "unreliability," and was then

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Not mentioned was the matter of Joe Kennedy, whose covert operations with London promised a means of drawing more movie receipts out of British escrow, and who had made it perfectly clear that Hollywood's Jews should maintain as low an anti-Hitler profile as possible. It was practically a matter of United States foreign policy. Yes, Hecht found, Jews were always willing to help other Jews in trouble, but not to help Jews make trouble. He called on twenty different studio heads, including Mayer and Goldwyn, but the response to his campaign was uniformly and resoundingly negative. Wearily, Hecht took up the matter with his friends, the director Ernst Lubitsch, the only Hollywood Jew who seemed remotely supportive of Hecht's position. After Hecht recited his litany of failures with one powerful man after another, Lubitsch expressed surprise that Hecht had not contacted David O. Selznick, who was by then one of the mightiest men in town. Selznick was still riding on the crest of his 1939 hit, *Gone with the Wind*, which was threatening to become one of the biggest grossers in film history. Himself the son of a pioneer producer, Lewis Selznick, David Selznick had also made the closest thing to a Hollywood dynastic marriage, to Louis B. Mayer's daughter Irene. Now, in the wake of such successes, David Selznick might be the one man with the courage of his convictions; might be willing to stand up and be counted as a Jew. If, Lubitsch pointed out, someone of David Selznick's stature could be persuaded to sign a telegram as cosponsor, with Hecht, of a rally for the cause of a Jewish army, then everyone in Hollywood—stars, directors, studio heads, the press—would turn out for it. In Hollywood, an invitation from Selznick was a command. Ben Hecht related

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As Lubitsch had predicted, with David Selznick's name at the bottom of the telegram along with Hecht's, acceptances to the Jewish army rally poured in from all over town. Sam Goldwyn wired back immediately to "accept with pleasure this worthy cause," and then spent several hours with his wife, fussing over what she should wear to the event—whether she should "dress rich," or "dress poor." The Hecht-Selznick telegram seemed to find even Harry Warner in a more receptive mood, and even though he had ordered Hecht ejected from his office a few weeks earlier when the same subject had been broached, he now replied that he would be absolutely delighted to attend. So did Charlie Chaplin, which was an even greater surprise. Chaplin had always avoided attending anything that smacked of being a "Jewish affair," lest he give credence to the rumor, which had persisted for years, that he was a crypto-Jew. The magical name of Selznick had done the trick. The rally was held in the commissary of Twentieth Century-Fox on a balmy spring night in 1941. The first speaker was Senator Claude Pepper of Florida, who had dined earlier at the Lakeview Country Club while his California hosts for the evening waited outside—in accordance with the restricted club's policy that no Jews could be admitted to the dining room. Pepper, in silver tones, spoke warmly of the virtues and culture of Jews and their role in history but, to the disappointment of Hecht and Peter Bergson, failed to touch on the subject of a Jewish army. Next on the dais was Colonel John H. Patterson, DSO, of the British army, who, during World War I, had commanded the Jewish Legion when it crossed the Red Sea and entered Palestine. Colonel Patterson, in full uniform and emblazoned with medals and decorations, was an imposing figure, and as he rose to speak, he was given a standing ovation as befitted a true British hero on a night when the well-being of Britain was foremost in every American's thoughts. As the colonel began developing his remarks, however, there were looks of confusion and distress among his audience. He began by extolling the bravery of the Jewish Legion and of Vladimir Jabotinsky. He then turned to a detailed account of how Jabotinsky had been mistreated by the British. The British, the good colonel went on to say, were basically anti-Semites, and after the Jewish Legion had bravely entered Palestine, Britain had tried to degrade the legion to a mere labor battalion. He went on to cite instance after instance of British foul play and anti-Semitism, and from there he moved to the subject of the British pledge to the Jews to make Palestine their homeland. The British were actually intending to do nothing of the kind, the colonel asserted. Instead, under the guise of policing and protecting the land, they were preparing to take over Palestine and drive the Jews out. On and on went Colonel Patterson, denouncing the treacherous, duplicitous, perfidious British—his own countrymen and country!—and the British hatred of the Jews.

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In Hollywood, there was particular reason for fear. Whether as a direct result of the meeting at the Fox commissary or not, a few months later, in August, and three thousand miles away, in Washington, the United States Senate was pushing through Senate Resolution Number 152, authorizing “an investigation of propaganda disseminated by the motion picture industry tending to influence participation of the United States in the present European war.” The resolution was spearheaded by Senator Bennett Champ Clark of Missouri, an America Firster, who said, “What I am protesting about is the control of a great agency of propaganda in the hands of a small monopolistic group undertaking to plunge this country into war.” Though Senator Clark seemed not to have understood Hollywood’s attitude toward the war very well, and though he made no specific mention of Jews, his comments also had anti-Semitic overtones, as he spoke darkly of “propaganda that reaches weekly the eyes and ears of one hundred million people ... in the hands of groups interested in involving the United States in war,” and of “Powers ... real or potential, partial or whole, economic, political, or social, and trade practices, organizations of motion picture producers,” and so on, which made the movie men sound like part of an evil conspiracy, or at the very least a cabal. Within four months, of course, the Japanese attacked Pearl Harbor, and America was in the war without the moviemakers’ help. The America First Committee, stranded without a cause, disbanded, and the Senate investigation, much to Senator Clark’s disappointment, was called off. In Hollywood, the movie people turned their talents to making a long stream of patriotic wartime films. Nor did the Jewish army in World War II ever come to be. Peter Bergson would claim that the movement had been effectively and finally killed by the American Zionists, led by Rabbi Stephen Wise, who had tried to link the rescue of Europe’s Jews with the Jewish emigration to Palestine, thereby distracting attention from the mounting Holocaust. “The Zionists,” Bergson said, “fought the project not because they are against it, but because they are against us. Stephen Wise will not tolerate any other Jewish organization working for Palestine and stealing honors and publicity from him.” If true, this would constitute a sad irony. And yet, that there was an American government effort to save the Jews at all—that there was, for example, a War Refugee Board that sponsored the Raul Wallenberg mission to rescue the Hungarian Jews—was largely due to the efforts of Peter Bergson’s group. But, Bergson has added, “If the Jewish leadership [in America] would have acted, the number of survivors would have been double, triple, fourfold.” And, in his most chilling indictment, Bergson has said that if he were an American Jewish leader during the wartime period, “I would be turning in my grave.”

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Hillcrest, like other Jewish country clubs formed in the 1920s and 1930s, was not only designed to make the best of a poor situation. It was built out of Jews’ deep inner convictions that any attempts to join the Christian community, on a social level, were probably doomed to failure. And it was also built out of the belief that, since this was America, the prosperous Jew was entitled to his own separate but equal country club facility, where Jews could enjoy American pastimes in an American setting while not obtruding upon the established ways of the Christian majority.

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It was just as exclusive as the Los Angeles Club and membership was rigidly closed to Christians, though many, including Joseph P. Kennedy, tried to join. Its initiation fee of twenty-two thousand dollars was the highest in the country, and when oil was discovered on Hillcrest property, it became America's richest country club, with each member becoming a stockholder in the private oil company.

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Just as Samuel Bronfman preferred to hide his company's ethnic identity under the mantle of the Seagram name, and David Sarnoff preferred the grandly chauvinistic name of Radio Corporation of America even after he himself had moved to the head of it, so the motion picture companies gave themselves names that were either patriotic (Columbia, Republic) or ethnically innocent but portentous (Twentieth Century, Paramount, Universal, United Artists, RKO). Only Metro-Goldwyn-Mayer contained a recognizably Jewish name (who remembered Sam Goldfish, much less Gelbfisz?). And only Warner Brothers announced its founders' names in its corporate title. Though the four brothers were Polish Jews, the name Warner sounded properly American

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Meanwhile, Benny Siegel cut quite a swath in Hollywood. He was impeccably tailored, favoring cashmere sport jackets, monogrammed silk shirts from Sulka, snappy ascots, and hand-benched English shoes. He was swept up by the movie crowd, invited to all the best parties, seated at the best tables at Romanoff's and the Brown Derby, and dated the likes of Ava Gardner, Lana Turner, and Betty Grable. Meyer Lansky had also supplied him with a plump little sidekick, assistant, and bodyguard named Mickey Cohen. Cohen was by no means as dashing and debonair as his boss. Short and round, a chewed-up cigar usually stuck between his teeth, he looked like a character Damon Runyan might have invented, and talked like one, too. But there was something about Mickey Cohen that struck people—women, particularly—as cute. He was teddy-bear cuddly, and he was fun to be around. Mickey Cohen, too, had no trouble making friends in the movie capital, and no trouble dating movie stars. He brought out their mothering instincts. Among his celebrated friends he counted Judy Garland, Betty Grable, Alice Faye, and Don Ameche. As a criminal, Mickey Cohen was something of a joke, but he was an affable joke. He had a neurotic obsession about cleanliness and would wash his hands hundreds of times a day. Even in prison—through a miscalculation, Cohen had spent some time in the penitentiary—his daily consumption of Kleenex and toilet paper was monumental.

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Mickey Cohen had what he called his “code of ethics,” as his story of how he became Betty Grable’s friend illustrates. Early in his career, on orders from Lansky and Siegel, Cohen had organized a holdup at a Los Angeles nightclub operated by one Eddie Neales, who had not been “cooperating” with his protection payoffs. Cohen had been “at the stick,” meaning he had a shotgun trained on the room while the others carried pistols. The patrons were instructed to put their wallets and jewelry on the tables, where they were collected. One of the jeweled ladies at the club was Miss Grable. Later, when Cohen had been promoted to less menial chores in the organization, he met Miss Grable socially, and, like the gentleman he was, apologized to her for the incident at Eddie Neales’s place. Miss Grable giggled and confessed that she and her friends had found the whole thing pretty exciting. Then she whispered in Cohen’s ear, “We were insured anyway.” Mickey Cohen also became a good friend of, and did favors for, Ben Hecht. But of how they became friends, and of what the favors were, each man would tell a different story.

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Cohen could also understand why some of Hollywood’s higher-ups showed less enthusiasm over the possibility of an independent Israel. “Jewish people,” he wrote, “are very complacent, particularly when they become high in their society walk of life, high in their field of endeavor.” It was true. The more the Russians moved upward socially and economically, the more they seemed to think and behave like the Old Guard, anti-Zionist Germans. (Though even the Germans had a Zionist concept of sorts. While they dismissed the idea of a Jewish state as an unrealistic fantasy, and though a resolution had been passed by American Reform rabbis declaring themselves “unalterably” opposed to such an idea, they had characteristically added, “America is our Zion.”)

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Soon Mickey Cohen was spending so much time and energy on behalf of the Irgun and Israeli independence that he was having to curtail his regular activities. But that was all right with Meyer Lansky, who was also throwing his weight behind the Israeli cause. Lansky’s bailiwick was the East Coast, and in particular the docks of New York and New Jersey, where he wielded more than a little power. With the war in Europe over, shiploads of military hardware—machine guns, grenades, mines, explosives, and other matériel—were arriving in East Coast harbors from the European theater of operations to be put into mothballs. Some of this equipment had seen action in the war, but much of it was brand-new and had never been used. There were machine guns that had never been assembled, and were still packed in oil and straw. Lansky, with his influence on the docks, had no trouble seeing to it that these shipments got diverted from their intended destinations and sent directly to the Israeli fighters. Helping him were Albert Anastasia, who was in charge of the New York docks, and Charlie “the Jew” Yulnowski, who handled New Jersey.

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Meyer Lansky learned through his grapevine of informants that, while scattered Israeli armies were battling Egyptian forces in the Gaza Strip and in the Sinai, certain American armaments dealers were somehow managing to smuggle arms to Egypt. This was illegal, since there was an embargo against shipping arms from anywhere in the United States to the Middle East, supposedly to be fair to all sides in the conflict. But the law wasn't working. In fact, the Arab states had succeeded in buying more than fourteen million dollars' worth of surplus American arms. The British were also selling arms to the Arabs, and making a lucrative business of it, and the Arabs were able to buy arms from other European countries as well.

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To correct this situation, Lansky, as usual, took the law into his own hands. One munitions firm in Pittsburgh was found to be the chief smuggling culprit, and, with the cheerful help of the New York and New Jersey longshoremen, a number of baffling accidents began to happen to this firm's Egypt-bound consignments when they reached the East Coast ports. Some shipments fell overboard as they were being loaded. Others mysteriously vanished. Still others got loaded on the wrong ships, and somehow those ships were usually bound for Haifa. Meanwhile, Mickey Cohen, who loved anything to do with a party, was in charge of American fund-raising, and was tossing more affairs in New York, Philadelphia, Boston, Cleveland, Detroit, and Miami, traveling with Ben Hecht as his principal speaker.* But sometimes Cohen had to turn his attention to less festive matters. When, in one incident, three young Irgun guerrillas were killed by British soldiers and strung up in a public square in Palestine, Cohen decreed immediate vengeance. Contacting his Irgun friends, Cohen ordered that the same number of British officers be killed and hung in the same square. It was done. Just how aware, in 1947, American Jews were of the role of organized crime in the fight for an independent Israel is unclear. Probably most were not aware. Those who were, numbed by reports of the Holocaust that were at last appearing in the American media, preferred to look the other way, or to take the attitude that the end justified the means. But Meyer Lansky and Mickey Cohen would always insist that all their activities of this period had the tacit blessing of President Harry S Truman. Truman, both men believed, had to have been aware of what was going on. Of course, he could not publicly condone or endorse it. But he sympathized with the Israeli cause. And, by simply doing nothing, he managed to lend his silent support to both the Israeli fighters and the work of the American men who were already being called the Koshers. "To me, he was the greatest man in the world, Harry Truman," Mickey Cohen wrote in his hard-boiled English, "because of what he done for Israel and because he made it available for us to do."

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As usual, “the genius,” as Lansky was called, had a stopgap solution. The hotel should immediately close, and the corporation go into receivership. Then the original investors could buy back their shares at ten cents on the dollar, and needed capital would be raised to complete the hotel. But not all the partners were happy, and Lansky contacted Mickey Cohen and alerted him never to leave Benny Siegel’s side. His life, Lansky warned, was in danger. By February, 1947, the Flamingo was still not furnished, and things were not much better in March, when the hotel reopened, and guests checked out complaining of construction noise, room service orders that never came, burned food from the kitchen, telephones that didn’t work, and toilets that would not flush. By April, however, things had improved somewhat, and income began to exceed outgo. But the partnership was still heavily in the red, the hotel seemed far from capable of producing the profits Siegel and Lansky had predicted for it, and it was still suffering from the poor word-of-mouth reviews it had received during its first months.

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That evening, in the big house on North Linden Drive, Benny Siegel was relaxing with Allen Smiley, an old friend, in the living room. Upstairs, Virginia’s brother, “Chick” Hill, was with a girl friend in one of the bedrooms. Virginia was off on one of her trips to Europe, but was due home in a few days. Mickey Cohen, instructed by Lansky never to leave Benny’s side, was mysteriously absent. At a few minutes after ten o’clock, the barrel of a .30-30 carbine crashed through a living room windowpane, and eight shots rang out. One tore through Benny’s skull, ripping out an eye, and four others plunged into his upper body, through his heart and lungs. Three more bullets went astray, and Allen Smiley was unhurt. That evening, employees of the Flamingo were informed that the hotel was under new management, appointed by Lansky and Company.

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The murder of Benny Siegel was never solved. In the investigation that followed, one assumption was that Lansky had ordered the killing. He was the mob’s linchpin, the reasoning went, and no one else would have dared to do it. Bitterly, Lansky would always deny that he had ever done such a thing. He had loved Benny Siegel, he insisted, as much as he loved his own sons, his own brothers, his own father. He had done everything in his power to warn Siegel that some members of the syndicate were not happy with his performance, that his murder had been proposed. He had also done everything in his power to persuade his partners to give Siegel time to turn the hotel into a success and that, in fact, the hotel had already rounded the corner. Esther Siegel, when questioned, also defended Lansky as the last person who would want to see her ex-husband dead.

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Another possibility was that Lucky Luciano had ordered the killing. From his exile in Italy, Luciano pooh-poohed the notion. How could he have engineered such a thing from seven thousand miles away? Nonetheless, Luciano still wielded enormous power, personal and financial, in the organization, and he was one of the important silent partners in the Flamingo venture. Only Luciano, it was argued, had sufficient clout to arrange for Mickey Cohen, in defiance of Lansky's orders, to be elsewhere on the night of the murder. As for Cohen, he simply shrugged and said he hadn't been hovering over Siegel because he and Siegel had both assumed the heat was off.

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And Benny had committed the cardinal sin of violating the code of honor among thieves. He had stolen from his brethren. In any case, the 1947 murder gave Benny Siegel a certain distinction: he was the first member of the syndicate's board of directors to be gunned down by one of his own.

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In Las Vegas today, his name is spoken with reverence and awe. He is to Las Vegas what Benjamin Franklin is to Philadelphia. Las Vegas was Benny Siegel's vision, his grand design. Had it not been for his dream, there might be nothing there at all.

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Social barriers against Russian Jews were also tumbling. At the Century Country Club, which considered itself not only the best Jewish club in New York but the best Jewish country club on earth, and where the anti-Russian bias had been all but written into the bylaws for generations, a few Russians were now being cautiously taken in as members, and one of the first of these, in 1948, was the Flatbush-born Dr. Herman Tarnower, the son of Russian immigrants. At the time, the club's variance from standard practice was explained by the fact that Tarnower was "a nice doctor," many of whose patients were Century members. But the hard facts were economic—as German Jews died out, or slipped quietly across the border into Christianity, the Century needed new members to support it. The only candidates were Russians.

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Unlike the European House of Rothschild, or the interrelated German-Jewish families of New York, where positions of power and trust were doled out to family members generation after generation, the Russian Jews, when they practiced nepotism, tended to give their relatives big titles but little authority, and to keep them close to home, where they could be kept out of trouble, and monitor their every move. Sam and Frances Goldwyn's son, Sam Jr., was given the title of producer in the Goldwyn organization, but was given almost nothing of importance to do. Helena Rubinstein, who had at least a dozen relatives on her payroll—sisters, nieces, nephews—never let it be forgotten that she, and only she, made all final decisions. On her two sons, Horace and Roy, she continued to blow hot and cold, praising them as geniuses in one breath, calling them stupid fools in the next. The boys would be handed challenging assignments one day, only to have them taken away the day following. Meanwhile, as her cosmetics empire grew, the command post became Madame Rubinstein's bedroom on the bottom floor of her Park Avenue triplex. Here, on an extraordinary Lucite bed, its head- and footboards eerily illuminated with hidden fluorescent lights, the plump little president pushed telephone buttons, scrawled uncertainly spelled memorandums, ate lunch—wiping her fingers on the coverlet and blowing her nose into the satin sheets—and, as she grew older, worked on her will. This massive document was rewritten almost daily, as relatives who had displeased her temporarily were written out of it and then, if they had managed to redeem themselves, written back into it again. It was a will that, on her death in 1965, would reveal her as one of the richest women in the world. She was either ninety-four or ninety-nine, and her personal fortune was over one hundred million dollars. The bulk of it went not to her sons, but to a foundation for "Women and Children." At Seagram, Mr. Sam's elder son, Edgar, was assumed to be the crown prince and heir apparent. But, again, Edgar Bronfman was given titles in the company but little in the way of authority, as Mr. Sam continued to test his son's "readiness." Physically, Edgar resembled his pudgy father not at all. Tall, slender, dark, and handsome—even dashing—he looked like a youthful version of the actor Joseph Cotten. He also had a reputation for enjoying high living—nightclubs, fast cars, motorcycles, and the company of film stars. His father often accused him of being a "playboy." But there was a toughness about Edgar that he had inherited from his father, and a quick temper, and employees at Seagram quickly learned to treat Edgar Bronfman with extreme respect. Edgar was shrewd. He had waited until he was old enough—shades of the days of the czars' forced conscriptions of Russian Jews!—to escape being drafted into the United States Army, before he became an American citizen. He and his wife then proceeded to build the first full-scale estate that had been built in Westchester County in over a generation—manor house, tennis court, stables, garages, pool, pool house, helicopter landing pad—hard by what amounted to the family compound of his wife's German-Jewish relatives, the Lehmans, Lewisohns, and Loeb's. In the 1950s, a writer for the old Holiday

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Though, like the Italians, they were family men, the Jews did not have dynastic ambitions for their sons to succeed them in lives of crime—the “Godfather” syndrome, as it were. On the contrary, the Jewish gangsters usually saw to it that their children were educated in the finest boarding schools and colleges, and that they were otherwise steered into lives of traditional American upper-class respectability and civic rectitude. Their sons were educated to be doctors, lawyers, scientists, and they guided their daughters into marriages with solid, upstanding young men who had charge accounts at Brooks Brothers. For the most part, the family of the Jewish gangster was kept unaware of what the breadwinner did for a living. (“In real estate,” Meyer Lansky’s wife would say, which, in a sense, was true.) As Mickey Cohen put it, “We had a code of ethics like the ones among bankers, other people in other walks of life, that one never involved his wife or family in his work.” Like the socialists and reformers, the Jewish gangsters saw an American system that was skewed and bent in favor of the rich and well-established, where the cards were stacked against the immigrant and the poor. Gangsterism offered a simple shortcut, outside the system, to money and power and social mobility. Once these had been achieved, the next generation was supposed to give the family “a good name.”

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The fact was that the gangsters provided a real social service to the Jewish community, as protectors and defenders of their own people. At a time when America was awash with anti-Semitism coming from high places—Henry Ford, the Ku Klux Klan, Gerald L. K. Smith, Father Charles Coughlin, the German-American Bund—the Jewish community appreciated anyone who would come to its defense, regardless of the means. Meyer Lansky’s men had helped break up Bund rallies in New York and New Jersey. In Detroit, Jewish mobsters had saved Jewish peddlers and store owners from having to pay protection money to Polish and Italian hoodlums. In Chicago, more than five thousand Jews had turned out for the funeral of the Lansky-connected gangster Samuel “Nails” Morton to express their gratitude for his helping to protect poorer neighborhoods against raids by anti-Semitic and Jew-baiting Irish and Italians. In a sense, men like Morton were community servants, and in a sense, they were good Americans. And their children would be even better. This was certainly the attitude of Meyer Lansky. Lansky liked to recall how, as a boy, he had watched in bewilderment as the older Jews in his Delancey Street neighborhood shuffled past—in their yarmulkes and prayer shawls, with beards and side curls—on their daily rounds of worship at the synagogues and yeshivas. “Where are they going, I asked myself? Where were they getting in the new world? They had simply carried the old world across the ocean with them. They had gone nowhere. They were going nowhere. They were at a dead end.”

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Through all this, interestingly enough, the kingpins of the entertainment business—the Sam Goldwyns, the L. B. Mayers, the David Sarnoffs—never had their loyalty questioned, were never accused of being Reds, and were never blacklisted, though they were all as Russian-born as Lewis Milestone. It was only the underlings who were singled out for persecution—the writers, directors, actors, who took their orders from above. This was odd because it could be inferred that HUAC assumed that the big motion picture and television producers were unaware of the kind of pro-Red propaganda they were turning out, that the studio heads and television presidents had been subverted by those lower down the corporate ladder—on the face of it an unlikely possibility. There was the fact, of course, that the original blacklist had been drawn up by the studio heads themselves. This meant that they were policing their organizations against undesirables and disloyal elements, and that their own loyalties to the flag could therefore not be questioned. But there is another fact, more subtle, to be taken into consideration in examining why the tycoons of the entertainment industry escaped having to account for their politics before groups such as HUAC, while the punishment was passed along to their salaried employees. The fact is that most of the industry leaders had crossed the invisible borderline that separated “Jew” from “American,” which, in turn, meant Christian. During the HUAC era, and the McCarthy period that followed closely on its tail, it was better to be Christian than Jewish. At the hearings, the Christian Savior was frequently invoked. It was as though the soldiers of Christ marched under an American banner, while Russia was the anti-Christ. Hedda Hopper, albeit no doubt unwittingly, expressed this sentiment when she referred to Lewis Milestone as a “Russian,” and his wife as an “American.” On the surface, it was a ridiculous distinction. Lewis Milestone was an American citizen in as good standing as Miss Hopper. But Milestone had not been born an American. It was a case of native versus foreigner. But then why was Lewis Milestone more a foreigner than, say, the Russian-born Louis B. Mayer or Samuel Goldwyn? For one thing, both Mayer and Goldwyn had gone a step farther. They had not only married native-born Americans, but they had married non-Jewish Americans. That meant that they were trying harder to be real Americans, didn’t it? Their hearts, and their loyalties, had to be in the right places, while others, like Lewis Milestone, were just using their token Americanism as a cover-up for nefarious and alien thoughts and ideologies and deeds. Their citizenship didn’t matter. They were in America, Miss Hopper suggested, only on some trumped-up pretext that was probably subversive, and only on borrowed time. If they can’t think and behave like the rest of us, she seemed to say, better to get rid of the lot of them. In her little gossip-column item, which destroyed Milestone’s career, she was absentmindedly writing a sort of WASP obituary for America’s Russian Jews who had not assimilated sufficiently.

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Many prominent American Jews made it a point to take at least one token trip to Israel in demonstration of support for the new country. David Sarnoff's was in the summer of 1952, when the Weizmann Institute of Science presented him with its first honorary fellowship. In 1957, Sam Bronfman donated the Biblical and Archeological Museum to Israel, but did not actually visit the country until five years later, when he presided over the dedication of a new wing for the Israeli Museum in Jerusalem, for which he had given an even million dollars. But his principal benefactions remained on the North American continent, such as the Saidye Bronfman Cultural Center in Montreal, and the Bronfman Science Center at Williams College, in Massachusetts.

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By 1970, meanwhile, Lansky had begun to weary of the constant surveillance under which the government was keeping him. He was sixty-eight years old, his heart had been giving him a bit of trouble, and there was the recurring problem of his stomach ulcers. Over the years, he had been very generous to Israel—not only with personal contributions, but also by regularly turning over his Las Vegas hotels and casinos for Bonds for Israel rallies. Israel continued to offer itself as a land of refuge to Jews of any nationality. Lansky's grandparents were buried there. There, he decided, he and his wife would go to live out their twilight years in peace. Though the United States government was still fruitlessly pressing a number of different charges against him, Lansky had begun to fear that his luck might be running out. He had become convinced that, if he remained in the United States, the FBI would find some way or other to get him behind bars. He had begun to see himself, rightly or wrongly, as a victim of anti-Semitism—and it was true that a number of FBI reports on his activities had mentioned him as part of “the Jewish element” in organized crime. Lansky applied for, and received, an Israeli tourist visa, and flew with his wife to Tel Aviv, where he planned to apply for Israeli citizenship. His visa was good for two years. Lansky spent his two tourist years in Israel pulling every string, using every contact and connection he could muster to try to gain his citizenship. He even had a friend who was on good terms with Golda Meir take his case directly to the prime minister. Mrs. Meir was sympathetic, and agreed that the one gambling charge for which Lansky had been convicted was definitely minor. But she refused to commit herself. The original blanket invitation to all Jews had been given a bothersome amendment in 1950 to bar any Jewish “undesirable.” It was in this category that the FBI insisted that the Israelis place Lansky in order that he could be returned to the United States to face the various indictments it had waiting for him.

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By 1981 Mr. Sam Bronfman was dead, and that was the year Edgar decided to take another giant plunge, and placed himself at the center of one of the great corporate takeover battles of that year. Seagram's, it seemed, found itself with the embarrassing sum of 3.7 billion dollars lying about and waiting to be invested. The target Edgar decided to go after was the smallish but very lucrative oil company known as Conoco. Another giant corporation that also had its eye on Conoco was DuPont of Delaware. In the battle of giants that ensued, Seagram bought twenty-seven percent of Conoco's stock before being outmaneuvered by DuPont. But the fight ended in more or less a draw, and Edgar was not altogether unhappy with the outcome. Nor were Seagram's losses what they had been in the case of MGM. With the conversion of Conoco to DuPont stock that followed the acquisition, Seagram wound up owning twenty percent of DuPont—more than any single member of the du Pont family,* and enough to send Edgar Bronfman sailing onto DuPont's board of directors. Today, Edgar Bronfman continues to swim upstream in the riskiest financial waters, taking his wins and his losses with the same almost brash élan. Like his father, who once quipped that mankind's greatest invention was not the wheel, but interest, Edgar is the author of the oft-quoted monetary epigram: "To turn a hundred dollars into a hundred and ten dollars is work. To turn a hundred million into a hundred and ten million is inevitable." Thus the rich get richer. At the time of the Conoco fight, with all that Seagram money burning holes in his pockets, he told a reporter he had asked himself, "What would my father do?" Then he promptly answered his own question with, "Hell, he never had three-point-seven billion!" *

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But Sarnoff the visionary also remained to the very end Sarnoff the canny businessman. In 1965, when Bennett Cerf and Donald Klopfer, the heads of Random House publishers, wanted to sell their company, Sarnoff decided that Random House, which had published such distinguished authors as William Faulkner, Robert Penn Warren, and George Bernard Shaw, would be an elegant capstone to RCA's communications empire. Naturally, he wanted to acquire this little gem for as little money as possible. His first offer was half a share of RCA stock for each share of Random House. This was rejected by Cerf as too low. Sarnoff soon came back with another offer—three-fifths of a share of RCA stock for each Random share, a sixty percent offer instead of fifty, and a considerable increase. But this still did not satisfy Cerf and Klopfer, who asked for sixty-two one-hundredths of a share instead of sixty one-hundredths. Two one-hundredths of a share might not have seemed much to haggle over, but in money it amounted to more than a million dollars.

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In California, Frances Goldwyn had given lavish birthday parties for her husband for nearly fifty years, and the big house at 1200 Laurel Lane had been the scene of many other grand entertainments. Winston Churchill had dined there, as had President and Mrs. John F. Kennedy, not to mention the movie royalty—Mary Pickford and Douglas Fairbanks, Gloria Swanson, George Cukor, Katherine Hepburn, Spencer Tracy, and on and on. But by the late summer of 1973, the manicured croquet court at the foot of the sloping lawn lay empty and the house was strangely silent. The only sounds were the periodic beeps of the electronic surveillance system that patrolled the grounds, and the whispered comings and goings of the round-the-clock nurses and doctors who attended the ninety- (or, more likely, ninety-three-) year-old man who lay in an upstairs bedroom, incontinent and uncomprehending: Sam Goldwyn. He had been unable to attend—and had probably not been aware of—the hundredth birthday party of his onetime partner Adolph Zukor, earlier that year. He had lain this way for more than five years.

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In 1972, when Charlie Chaplin had ended his twenty-year self-exile from America, and returned to Hollywood to receive a special Oscar from the motion picture academy, he was then eighty-three and aged into near senility himself. His picture had appeared in the Los Angeles Times, and a copy of the paper happened to be lying beside the bedridden Sam Goldwyn's bed. Suddenly Goldwyn noticed it, sat up, and said hoarsely, "Is that Charlie? Is that Charlie?" Then, collapsing back into his pillow, he muttered, "He looks terrible."
