

pawnbroker in the Westphalian town from which his family would later take its surname. His descendants, several of them lay leaders of the Jewish community, moved north from Warburg to Altona on the Elbe River and then, once restrictions against Jewish settlement were removed, to the fast-growing adjacent port city of Hamburg, where in 1798 the banking firm of M.M. Warburg & Co. was established.

Throughout the next century, the family flourished and spread. By 1906, the *Jewish Encyclopaedia* (an American undertaking which the philanthropist Felix Warburg helped to finance) would enumerate no fewer than 28 localities across four continents where Warburgs had settled, and would list a bountiful 32 different occupations which members of the family had "taken up or married into."

In his brilliant chronicle of the 20th-century history of this family, Ron Chernow necessarily restricts himself to those Warburgs who have produced the greatest impact on their times. One line of the family stands out among all the others in this regard: the so-called

Generations

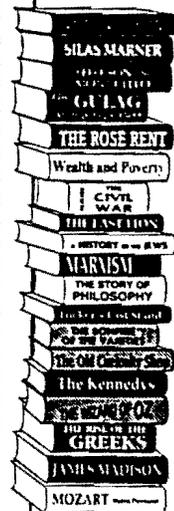
THE WARBURGS: THE TWENTIETH-CENTURY ODYSSEY OF A REMARKABLE JEWISH FAMILY. By RON CHERNOW. *Random House*. 820 pp. \$30.00.

Reviewed by JONATHAN D. SARNA

THE history of the Warburg family begins modestly enough in the 16th century when one Simon von Cassel (d. 1566) received a charter permitting him to take up residence as a moneychanger and

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Mittelweg Warburgs (named for the street in Hamburg where they grew up), the remarkable children of Moritz Warburg and his wife Charlotte Oppenheim. These seven children included four cosmopolitan sons who made history.

The first-born, Aby (1866-1929), an omnivorous reader and polymath, straddled genius and madness to become a pioneering art historian who singlehandedly transformed the study of culture. Specializing in Quattrocento Florence, he insisted, contrary to the wisdom of his day, that its art could be understood only in the context of the society and culture that permitted it to flourish. Toward this end, he established, initially for his own use, Hamburg's magnificent *Kulturwissenschaftliche Bibliothek Warburg* (Warburg Library of Cultural Science), a unique collection of books and photographs now housed in the Warburg Institute of London.

Aby's brother Max (1867-1946), younger by a year, succeeded his father as head of M.M. Warburg & Co., and built it into the foremost private bank in Hamburg. Recognized as a brilliant student of international finance, he advised the German peace delegation at Versailles after World War I, was regularly consulted by Weimar government officials, and served on numerous German corporate boards until forced to resign by the Nazis. He simultaneously provided leadership to German Jewry through his work on behalf of communal organizations and philanthropies. To the end, he battled to sustain what he could of the sinking German-Jewish community, even as he helped emigrants transfer their assets to Palestine. Faced with imprisonment following the horrors of *Kristallnacht* in 1938, he settled permanently in the United States.

Paul (1868-1932), the third son, described by Chernow as "a financial prodigy . . . who made money without especially caring about money," joined his brother as a partner in the family bank and was one of the first Jews elected to the Hamburg *Bürgerschaft* (city-state council). In 1902, at the insistence of his American-born wife, Nina

Loeb, he settled in New York and became a junior partner in her family's famous banking house of Kuhn, Loeb. It was, however, not as a banker that Paul subsequently made his reputation, but as a regulator. In the wake of the 1907 financial panic, he became the nation's leading proponent of central-banking legislation and the behind-the-scenes father of the Federal Reserve Act. Appointed by President Wilson to the new Federal Reserve Board, he quickly became its preeminent member. Insinuations that his loyalty was compromised by his German birth and family ties led Paul to "retire" from the board in 1918; Wilson sacrificed him to avoid a political battle. Settling back into the life of a private banker, he wrote a magisterial two-volume history of the institution he had done so much to create: *The Federal Reserve System—Its Origins and Growth* (1930).

Felix (1871-1937), the fourth and most jovial of the brothers, was principally a philanthropist, though he too was a banker by trade. When, in 1895, he married Frieda, the only daughter of the American-Jewish banker, philanthropist, and communal leader Jacob Schiff, he became the first of his brothers to settle in the United States. (It was at Felix's wedding that Paul met Frieda's young aunt, Nina Loeb; their subsequent marriage confused the family tree by turning Paul into his brother's uncle.) In America, Felix's generous nature found its ready outlet in communal service. Chernow describes him as a "philanthropic colossus, a one-man social-welfare agency," so eager to do good that even his benevolent father-in-law felt constrained to warn him against being "overgenerous." Countless educational, cultural, and social-service agencies, Jewish and non-Jewish alike, benefited from his time and largesse. In the fifteen years from 1922 to 1937 alone, he and Frieda contributed some \$13 million—an amount roughly equivalent to \$184 million today—to support more than 200 different charitable causes. In addition, he played a central role in the consolidation of American-Jewish philanthropy, helping to estab-

lish both the American Jewish Joint Distribution Committee, for relief of suffering Jews abroad, and New York's local Federation of Jewish Philanthropies. During their first critical years he chaired both of these organizations simultaneously.

The next generation of Mittelweg Warburgs, the grandchildren of Moritz and Charlotte, failed to match its parents' spectacular achievements. Edward M.M. Warburg, although intermarried, did keep alive the family's name in Jewish philanthropic circles, and Eric Warburg regained control of the family bank in Germany. But what Chernow says of Felix's children applies to most of the second generation, and even more so to the third. They seem, he writes, "less rounded, less complete, lacking the energy and drive of their ancestors." The family's creative force, Chernow suggests, passed to a different branch, the so-called Alsterufer Warburgs, whose most famous son, Siegmund George, established the English firm of S.G. Warburg & Company.

IN DETAILING the lives of these and a host of lesser-known family members—their achievements, failures, foibles, even a few closely guarded family secrets—Chernow seeks to clarify the mystery of the German-Jewish community as a whole. The Warburgs, he contends, embodied the essence of that community:

[T]hey exhibited all the enterprise, daring, and philanthropy of the Jewish community in Germany. With their unflinching energy and high spirits, they adored music and literature, light verse and amateur theatricals, elegant parties and outrageous pranks. They financed German industry, influenced its politics, and enriched its culture. . . . [They] also displayed the shortcomings of German Jews. They could be snobbish, arrogant, and status-conscious, especially toward their East European brethren. They were often rigid, authoritarian parents. Superpatriotic and steeped in German culture, they exhibited a fierce, sometimes uncritical, devotion to Germany until it was too late.