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## The Hazards of Fortune

The rise of a business empire—from Bombay to Shanghai and London, from shipping to banking and opium. And its fall.

### The Sassoons

By Joseph Sassoon  
Pantheon, 412 pages, \$35

BY NORMAN LEBRECHT

**T**HE JEWISH makers of modern finance have not gone unchronicled. Bookshelves creak beneath Rothschild tomes. The Lehman brothers have their story in lights on Broadway, and the ancient union of Goldman and Sachs has just made headlines again with mass staff layoffs. There is plenty of life left in these oligarchies.

The founders liked to keep wealth within the family, or at least within their circle. Jacob Schiff, John Pierpont Morgan's chief adversary, gave his daughter in marriage to a Warburg. When in 1878 Hannah de Rothschild, England's richest heiress, broke ranks by marrying the Earl of Rosebery, a future prime minister, no male Rothschild attended her wedding. Upon Hannah's early death, however, they reclaimed her body for burial in a Jewish cemetery. Such habits die hard.

Tales of the super-rich never cease to fascinate. Stephen Birmingham's "Our Crowd: The Great Jewish Families of New York" (1967) spent dozens of weeks on the bestseller list. "The Lehman Trilogy" has been staged in 24 languages. It's not just the rags-to-riches fable that keeps the audience engrossed. There is a much deeper curiosity in those who made mountains of money and somehow managed to keep it.

The present story is one of a family that lost it all.

While the Rothschilds and Lehmans were creating markets in London, Paris and New York, a family of Baghdad Jews were extending a financial network from India and China to London and beyond. David Sassoon, an adviser to Arab sheikhs and Turkish beys, fled Baghdad in 1831 after being threatened with extortion and execution. Jews had lived for 3,000 years in Iraq, Sassoons for 800. Like his ancestors, David Sassoon held the title *nasi*, or leader of the community.

After seeking refuge in Persia, David Sassoon caught sail for Bombay, headquarters of the East India Co., which became the nucleus of the British Raj. David Sassoon traded cautiously at first in cottons and silks, living above the shop. Black-bearded and wearing floor-length robes, he never adopted Western dress or culture but quickly added Hindustani and English to his five languages. As the business grew, he built a harbor to accelerate his exports on the new, fast steamships.

Responsible as a *nasi* for the good of his community, David endowed schools, synagogues and a very British form of leisure, the racecourse. He treated his eight sons and six daughters equally, scrutinizing them for



'ROTHSCHILD OF ASIA' Arthur Abraham David Sassoon as Chief of the Janissaries; Reuben David Sassoon as a Persian Prince.



entrepreneurial talent. His elder sons Abdullah and Elias were sent abroad, Abdullah to Calcutta and London, Elias to Hong Kong and Shanghai. The Sassoons became British citizens. The British held a monopoly on selling opium to China. Cotton was small beginnings. The Sassoon fortune would be made in the opium trade.

Grown in the Indian subcontinent, opium was peddled to China for supposed health benefits, such as calming the nerves and improving male sexual performance. Before long, it filled Chinese cities with blank-eyed addicts and drained the country's wealth. In Shanghai, opium was so prevalent that it was used as currency. A packet of powder bought a roll of cloth. There was no limit to the market opened up by Chinese middlemen.

For the Sassoons, Shanghai was Shangri-la. Elias Sassoon built up the waterfront, creating a global trading post and branching into shipping, land ownership and banking. He never learned to read or speak Chinese, but he understood finance. The historian

Sugata Bose confirms, in his 2009 book on the Indian Ocean and global trade, that "with the solitary exception of the Sassoons, none of the Asian intermediary capitalists was able to break into the arena of high finance in the colonial era."

The Sassoons became the Rothschilds of Asia, less gregarious but communicating by similar covert means. Early Rothschild directors wrote to each other in Hebrew script. Business between Sassoons was conducted in the esoteric Baghdad variant of Judeo-Arabic. It took a native speaker, Joseph Sassoon, finally to crack the code and disentangle their story. The result is "The Sassoons: The Great Global Merchants and the Making of an Empire," a revelatory rise-and-fall narrative of a secretive clan who pursued wealth but mostly shunned fame and power. Rather than a hubris-to-nemesis curve, he charts a graph of migrant success underpinned by primal insecurity: "how refugee families contribute to the welfare of the world," in his words.

A professor of history at Georgetown University and director of its Center for Contemporary Arab Studies, Joseph Sassoon fled from totalitarian Baghdad around 1970. As a child, he tells us, he ignored the family legends recounted by his father, but a handwritten letter from an unknown Joseph Sassoon in Scotland put him on a trail

**As opium became regulated, the family was unsure whether to dump its stock or hold on for a change of policy.**

to the Sassoon archives in Jerusalem, which were lodged at the National Library, awaiting decipherment. "The letters between family members," writes Mr. Sassoon, tended to "formal at the beginning and end . . . ; in the middle jumping from one subject to another; and often containing stinging criticism if trades had not been profit-

able or if one member of the family purchased a commodity at a price that another member considered too high." His book charts the dawn of Asian finance and particularly the creation of Shanghai as an international city, home to multiple foreign contingents.

The Sassoons have been written about before, first in 1941 by an admiring semi-official biographer, the British historian Cecil Roth, and a quarter-century later by Stanley Jackson, a popular writer who got sidetracked into the regal lifestyle of the London branch. In "The Last Kings of Shanghai" (2020), a former Wall Street Journal writer, Jonathan Kaufman, described the turf wars between Sassoons and their Baghdadi rivals, the Kadoories. What the present book adds is layers of depth and virgin documentary detail, presented with admirable impartiality. "The historian in me, the migrant, and the Baghdadi Jew were all jockeying for position," the author writes. "My hope is that, in the end, they coalesced and did not

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## The Fall of The House Of Sassoon

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hinder me from investigating the history in an objective and unemotional manner."

The founder, David Sassoon, naturally dominates the first part of the chronicle, demonstrating the constant pull of his Baghdad roots, from which office staff and suitable brides were recruited as the business boomed. David's death in 1864, at age 71, prompted brothers Abdullah and Elias to split the company west and east. Abdullah became Albert, mingled with leaders of the Raj and was elevated to the English nobility with a baronetcy. Elias closed the office on Sabbath and maintained a kosher diet on his travels, no easy accomplishment in pork-eating China. Fraternal strife aside, the Sassoon preoccupation was the price of opium—"35 chests of old drug have been placed at \$565, showing a decline of \$100," reports brother Suleiman from Hong Kong in 1874.

The workaholic Suleiman, eclipsing his brothers, died in 1894, at which

point his widow Farha took over the firm and pushed out in multiple directions. From a card table in her Bombay mansion, she bought a stake in Persian shipping, supplied water pumps to Bahrain and scrutinized the cotton mills of Liverpool and Manchester. A strict 0.25% of every trade was held back for philanthropy.

But a dark cloud was about to burst. A Royal Commission, examining the health effects and tax benefits of opium, heard in 1895 from E.S. Gubbay, "manager of the opium department of Messrs David Sassoon & Co." He submitted that "the consumption of opium is perfectly harmless to the constitution and . . . has a favourable effect upon the intellect, the wit and the system, enabling people to undertake

**The last of the Shanghai Sassoons was warned that communism was ascendent. He shrugged and built an opulent hotel.**

and go through more work and fatigue than they could otherwise." The witness failed to impress. The Royal Commission called for "the suppression of the opium habit in India." Regulation was introduced in the U.S. and Britain.

By 1914 the sale of opium was widely controlled; after the war it was criminalized. The Sassoons were left with a poppy mountain on their hands, unsure whether to dump stock at a heavy loss or hold on for a change of policy. It was the start of their downfall.

Farha was fired at Christmas 1901 by a London cabal chaired by Sir Edward Sassoon, MP, a foppish figure caricatured in Vanity Fair. Two other Sassoons, Reuben and Arthur, danced around the dissolute Prince of Wales, the future King Edward VII, escorting him to health spas and placing bets on horses on his behalf. Farha, renaming herself Flora, took a mansion in Mayfair, scheming unsuccessfully to regain control. Sooner or later, all Sassoons ended up in the family mausoleum in seaside Brighton, an anomalous edifice on a residential street with an aspirational decorative spike rising from an oriental dome.

Another feminist Sassoon, Rachel, branched into the media. Marrying a converted German Jew, Frederick Beer, who owned the Observer newspaper, Rachel began writing for the paper and in 1891 became the first female editor

on Fleet Street. Chafing against male constraints, she demanded a newspaper of her own. Frederick bought her the Sunday Times, where she played a leading role in exposing the forgery behind the French treason trial of Capt. Alfred Dreyfus. Sadly, Frederick's early death in 1903 caused both newspapers to be sold and made Rachel redundant. Eight decades would pass before another woman occupied the editor's chair of a British national newspaper.

In Shanghai, meanwhile, the family's fortunes fell into the hands of the white-suited Victor, an indefatigable womanizer. Much of what we know of his exploits come from the memoirs of a young lover, the sharp-eyed American journalist Emily Hahn. Emily, who had a Chinese lover, warned Victor that communism was in the ascendant; Victor ignored her. He was busy turning the Shanghai waterfront into a playground for the rich and glamorous. He built the Cathay Hotel, a place of gold-plated indulgence. In the daytime Victor, who maintained an important stud farm in England, was to be found on the racecourse. When the communists

took China in the late 1940s, he liquidated his interests as best he could and retired to the Bahamas, where he married his nurse. At his death in 1961 his estate was assessed at just £12,000, and the Sassoon name faded from history.

But not entirely. The war poet Siegfried Sassoon has a place in the English literary canon. The city of Bombay (now Mumbai) is endowed with a plethora of schools and a David Sassoon Library, where visitors are greeted by a life-size, open-handed statue of the patriarch. In Shanghai, one synagogue that Victor built is a government ministry; another is a state museum in which it is proclaimed that China is the only country that never knew anti-Semitism. The former Cathay Hotel became the Peace Hotel under Mao Zedong and still evokes its former glory.

Joseph Sassoon has written a marvelous epitaph to a monumental family, makers of several worlds and keepers of none. Their ancestral relics continue to light up auction houses, and their ethos flickers at the fringe of globalized finance, a warning from history that character, not calculation, is what makes and breaks the greatest fortunes.

*Mr. Lebrecht is the author of "Genius and Anxiety: How Jews Changed the World, 1847-1947."*



DAVID SASSOON, 1795-1864. ALAMY