

## TRANSPORT, BUSINESS & DEFENCE

*Bosch Research and Development*

*Hanseatic warehouses, King's Lynn*

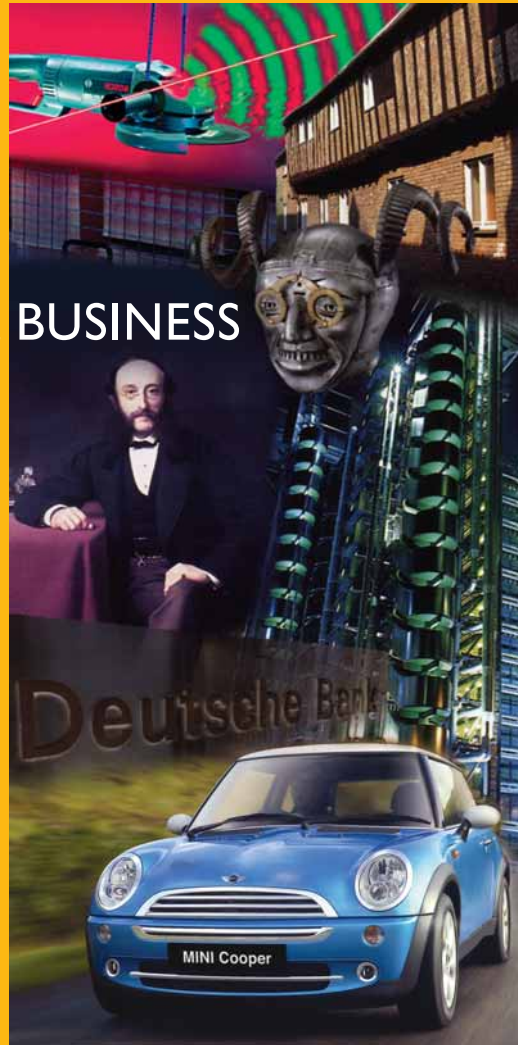
*German helmet, Royal Armouries*

*Paul Julius Reuter, Reuters Ltd*

*Lloyds HQ, London*

*Deutsche Bank, London*

*The MiniCooper, BMW Group*



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## HANSA MERCHANTS SAVE LONDON FROM FAMINE

A series of harvest failures in the 1430s raised the spectre of famine in London. Henry VI wrote to the **Hanseatic League** requesting that restrictions on grain from Germany be lifted. This was conceded but the canny traders of the London *Hanse* were uneasy that an oversupply might depress corn prices. In the event, the citizens of London received their grain and the Hanseatic merchants made a tidy profit.

German merchants had settled in the City of London as early as the 10th century, but it was the role played by the burghers of Cologne in ransoming Richard I in 1194 which first brought them those special privileges that ensured their prosperity throughout the Middle Ages. Exempt from many taxes, they paid less in customs duties than the English and enjoyed a quasi-diplomatic status which put them above the law.

From their *Kontor* or 'factory' by the Thames, which became known as the **Steelyard**, the Hanseatic merchants lived a life as secluded as any monastic community. They were single men who eschewed social contact with the local populace. They imposed a curfew

at night and generally maintained their national customs by eating together in an exclusive dining hall and drinking their own Rhine wines, which were unloaded directly from the ships onto their private wharves. At the height of their influence, the London *Hanse* financed the French wars of Edward III and the English crown jewels were in pledge at Cologne. Not surprisingly, English resentment at the success of these '*Almains*' simmered for a long while before Elizabeth I abolished their privileges in 1587. This marked the beginning of the end for the *Kontor*. Their premises then fell victim to the Great Fire of London in 1666, and although they rebuilt it, the gradual decline of their activities could not be halted. By the mid-19th century they had ceased trading, and in 1865 even their buildings disappeared when the site was taken over for the impressive **Cannon Street Station**.

These enterprising German merchants brought not only London, but also provincial ports such as **Yarmouth**, **Boston** and **Hull** firmly within the network of the booming European trade centred on the Baltic. Although little remains of their presence – notably the

**Hanseatic Warehouses, King's Lynn** of 1475 – the *Hanse* in England should not be dismissed as an abstract historical footnote. Their importance in the economy of medieval England was enormous.

It has been suggested<sup>1</sup> that the Hanseatic merchants – known as *Easterlings* – gave their name to the future British currency. The argument is advanced that the pound sterling is derived from the Easterling pound of silver which was the standard basis of exchange all over Europe<sup>2</sup>. If so, Britain may claim to have adopted Germany's Euro-currency back in the Middle Ages.

### Further reading

*England and the German Hanse 1157-1611 – A Study of Their Trade and Commercial Diplomacy* by T.H. Lloyd, Cambridge University Press 1991.

*England, die Hanse und Preussen, Handel und Diplomatie 1377-1474* – Stuart Jenks, Köln, Böhlau 1992.

<sup>1</sup> See page 118 *London: The German Connection* by Kay Mann, KT Publishing 1993.

<sup>2</sup> Conventional wisdom has it that the term derives from the *steorra* or *star* which appeared on silver pennies of the 12th century and that a pound of silver was originally minted into 240 pennies once known as *sterlings*.



## GERMAN ARMOUR IN TOWER OF LONDON

It is a curious fact that by the later Middle Ages England, then one of the most successful military powers in Europe, had become heavily dependent on foreign suppliers for quality armour. Northern Italy, Flanders and Southern Germany were acknowledged centres of excellence for the richly decorated plate armour, favoured by kings and nobles as much for its artistic display as its protective capacities.

It was during the reign of **Henry VIII** (1509-47) that the work of German armourers really made an impact. In 1511, the German Emperor Maximilian presented Henry with a lavishly ornamented set of horse armour on the occasion of his wedding to Catherine of Aragon. This probably influenced the English king to create his own royal workshop that would be capable of producing equipment of the same quality. The establishment at Greenwich was originally staffed by Flemish and Italian armourers, but very soon German craftsmen were also enlisted.

In 1514, Henry received another sumptuous set of armour from Emperor Maximilian, this time for a man's use. Of this, only the splendidly grotesque masque survives in the collection of the **Royal Armouries** within the **Tower of London**. This armour must have made quite an impression on Henry, for the following year he

brought over a group of German craftsmen, henceforth known as the '*Almains*'. Thus there was a very significant German contribution to the armour produced at Greenwich until the royal workshop finally disappeared when the Civil War broke out in 1642.

Among the finest examples of armour made for Henry by the *Almains* at Greenwich is a magnificent suit designed for the king's use in the tournament held at the Field of Cloth of Gold, the pageant that marked the historic encounter with the French king Francis I in 1520. The armour, weighing no less than 94 lbs, was made for a man 6 feet 1 inch (1.85m) tall. It was never worn, for the rules of combat were changed at the last moment by the French and a new suit for Henry had to be hastily assembled from existing pieces. Both suits are on display in the Royal Armouries at the Tower of London<sup>1</sup>.

The collection also contains a massive set of armour commissioned by Henry VIII in 1540 when he was the ageing, obese monarch so familiar from those formidable portraits. This suit bears decorative bands designed by the court painter Hans Holbein the Younger. It is also noteworthy on account of its enormous codpiece which barren women believed could render them fertile. Even more gigantic is the

armour, popularly known as that of John of Gaunt, intended for a man almost 6 feet 10 inches (2.08m) tall, which was sent to Henry VIII as a gift from Brunswick.

The Royal Armouries also possesses many additional items of armour and weaponry from Germany – notably from Augsburg, Nuremberg and Landshut – which had been imported for the use of English troops in the 15th and 16th centuries.



### Contact

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### Further reading

Visit the website to see a range of *The Royal Armouries* publications.

<sup>1</sup> There is another, more recent German link with the Tower of London: the last prisoner to be kept there was Rudolf Hess.



## SOLINGEN SWORDS MADE IN ENGLAND

A fascinating episode of industrial history commenced in 1687 when a group of German swordmakers from **Solingen** set up business at **Shotley Bridge**, County Durham in the remote north east of England. The circumstances of their departure from Germany are unclear. Some have argued that these German Protestants were as fearful of persecution by the Catholics, as were the Huguenots in France following the Revocation of the Edict of Nantes in 1685.

However, it seems more likely that these artisans were driven to emigrate by economic circumstances. On the one hand, Solingen was a fiercely competitive centre where there was an abundance of craftsmen bidding for orders. The introduction of machinery posed a further threat to their livelihood. On the other hand, the lucrative market for swords in England could best be served by setting up a production unit within the country, thereby avoiding the high taxes that would be levied on imported products.

There is ample evidence that German swords at that time were of better quality than their English equivalents and that the English customers were prepared to pay a premium for a quality German product. The secret lay both in the tempering of the steel and in the construction method, which ensured lightness, strength and flexibility. The prime

characteristic of the triangular blades was that they were hollowed on their flat sides.

The move of the Solingen swordsmiths to Shotley Bridge has been likened to that of the Japanese car maker Nissan to nearby Washington three centuries later. It was a clear case of bringing manufacturing capacity to the export market. Not surprisingly, the town of Solingen was highly displeased at this development, which it regarded as a flagrant breach of the swordmakers' oath not to set up business elsewhere. German jobs would be lost. It was also feared that vital industrial secrets would be divulged to competing centres. A record survives in Cologne of legal proceedings against the Shotley Bridge swordsmiths initiated on 26 September 1688.

Be that as it may, the handful of Germans who established themselves at Shotley Bridge found a ready market for their products. Then, as now, the *Vorsprung durch Technik* edge of German manufacturers was perceived as a marketing plus. The enterprise went from strength to strength. In order to operate as a native English concern, the swords were marketed through the *English Hollow Sword Blade Company*, which was under English management and could thus qualify for the Royal Charter, which was awarded in 1691. Somehow, these German swords made in England were

supplied to both sides during the Jacobite rebellions of the early 18th century.

As the technology of warfare changed, so the demand for swords slackened. Joseph Oley (from Ohlig), the last of the Shotley Bridge swordmakers, died in 1896. His tombstone may be seen in the churchyard in **Ebchester** along with other members of the expatriate German community. See also the **Old Forge and Cutlers' Hall** of 1787 and the pub **Crown and Crossed Swords** in **Shotley Bridge**.

### Contact

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### Further reading

*The German Swordmakers of Shotley Bridge*, Occasional Paper 2 1991 by David Atkinson, North East Centre for Education about Europe, Durham University.



## BRADFORD'S LITTLE GERMANY

In 1770, **Bradford** was a modest market town in a remote corner of Yorkshire. Within less than a century, it had achieved the status of a leading world centre in the booming textile industry. This meteoric rise was due in great part to the enterprise and initiative of a group of German businessmen. Such was the impact they made on 19th-century Bradford that an entire district of the city was named after them and this is still known as **Little Germany**.

The first of the German merchants to settle in Bradford was **Leo Schuster**, who purchased a plot of land to build a warehouse in 1836. More significant was the arrival of **Jacob Behrens** in 1838 after a six-year spell in Leeds. Behrens – later knighted for his achievements – played a crucial role through the **Bradford Chamber of Commerce** in improving the city's communications with the rest of the world. His technical expertise was instrumental in the drafting of the important commercial treaty of 1860 with France. It was after this that Bradford's export trade experienced a rapid increase and during the same period that most of the great warehouses of Little Germany were constructed. Almost four-fifths went up between 1860 and 1874. Fortunately, the precinct of Little Germany remains remarkably intact. The great warehouses, designed for the reception and bulk disposal of piece goods, yarns

and wool, loom large like mighty fortresses of commerce. The overall impression of size and strength is heightened by the narrowness of the streets. As a composite mass, they represent one of the most striking collections of industrial architecture in Britain.

The many fine examples include: **Law, Russell & Co's Warehouse** of 1874 at **63 Vicar Lane**, one of the most extravagant Victorian commercial buildings, and **Behrens' Warehouse** at **37 Chapel Street** of 1902, the first properly modern building in Little Germany. Also of interest: **Leo Schuster's Warehouse** of 1869 at **62 Leeds Road** and **Caspian House** at **61 East Parade**, built in 1873 for D Delius & Co. (*Culture & Education: Delius, the Boy from Bradford*).

Other German entrepreneurs in Bradford – in addition to Behrens, Schuster and Delius – included Zossenheim, Moser, Semon, Kessler, Edelstein and Reichenheim. They made a huge contribution to the municipal, cultural and economic development of the city. However, it should be noted that Britain's links with Germany through the textile trade extend back as far as the Middle Ages, when British exporters attended trade fairs at Leipzig and Frankfurt. At the dawn of Britain's industrial expansion at the end of the 18th century, it was because most of Bradford's textile

exports were already destined for Germany that German shipping companies and merchants decided to set up shop close to the source of production. It is not known for sure when the name *Little Germany* was first applied in the context of Bradford. In the 1870s the district was also known as *Germania* or *New Germany*.

### Further reading

*Little Germany* by John S Roberts, Bradford Art Galleries and Museums City Trail No 3, 1977.



Picture courtesy of Bradford Council

Little Germany, Bradford



## DOKTOR JAEGER PROMOTES HEALTH THROUGH WOOL

How did a 19th-century German academic come to lend his name to a quintessentially British enterprise - Jaeger?

**Doktor Gustav Jaeger** was Professor of Zoology and Physiology at the University of Stuttgart. Suffering from poor health, he devoted much time to researching the basic causes of human illness.

His observations of sick soldiers returning from the Franco-Prussian war of 1870-1 led him to conclude illness was caused in part through wearing cotton underwear and tunic lining. Animals, his theory ran, did not suffer from human diseases thanks to their natural clothing of wool or hair. If only humans were to wear animal fibre instead of cotton or rayon, they would enjoy robust health.

He focused in particular on the beneficial properties of wool: it could insulate against extremes of temperature and absorb considerable amounts of moisture without causing the wearer to suffer chills or rheumatic diseases. The professor wrote a book on the subject, translated into English as *Health Culture* by a London businessman called Tomalin. He believed passionately in the health benefits of wearing only animal fibres. The book went on to become a best seller.

Tomalin decided to begin manufacturing and marketing clothes according to Jaeger principles. In 1884, he founded the **Dr Jaeger's Sanitary Woollen System Company Limited**. Tomalin bought the right to the



Photo courtesy of Jaeger Plc

Jaeger name but his company was resolutely British in every other respect.

Jaeger woollen clothing was worn in the furthest reaches of the Empire, testing to the limit its claim of 'warm in winter and cool in summer'. Stanley's expedition to find Livingstone was clothed in Jaeger wool against the fierce heat of the African sun. Scott, Shackleton and many other explorers wrapped themselves up in Jaeger woollies against the Arctic cold.

In the late 1920s, Jaeger switched their focus from health to fashion, and began to make coordinated fashion items than could be mixed and matched. The company continued to make clothing exclusively from wool until 1953, when they introduced other fabrics for the first time. The Jaeger brand is renowned for its quality wool

garments, however, with coats, jackets, suits and knitwear being classic staples.

Today, more than 120 years after it was founded, the company is firmly established as an affordable, luxury brand providing clothing and accessories for both men and women. Its flagship store in London's Regent Street was set up after WWII and is still the company's top-performing store.

In July 2006, Jaeger was awarded Superbrand status for the second year, ranking as a top 500 Superbrand, perhaps a fitting tribute to a company that in its time has clothed customers from the Tropics to the Arctic.

### Contact

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[www.jaeger.co.uk](http://www.jaeger.co.uk)

### Further reading

Documents on Jaeger company history, including the typescript of *The Jaeger Legend* by Arthur V. May, are in the Westminster City Archives, 10 St Ann's Street, London SW1P 2XR  
Tel: 020 7641 5180



## HERR REUTER MAKES THE NEWS



Outside the **Royal Exchange Buildings** in the City of London stands a bust of **Paul Julius Reuter**. The inscription reads rather like the kind of telegraphic dispatch which has made the name of Reuter a news item in its own right:

BORN 1816 KASSEL GERMANY DIED 1899 NICE FRANCE  
FOUNDED THE WORLD NEWS ORGANISATION THAT BEARS  
HIS NAME IN NO 1 ROYAL EXCHANGE BUILDINGS IN THE  
CITY OF LONDON NEAR THIS SITE ON 14 OCTOBER 1851.

In 1850, this son of a German rabbi laid the foundations of what was to become the pioneering news agency when he used a pigeon post service to bridge a vital gap in the European telegraph lines between Aachen and Brussels. The pigeons operated a shuttle service between the two cities, carrying the latest stock prices and other up-to-date financial information in small silk bags under their wings.

But Paul Julius Reuter had global ambitions. In 1851, he moved to London where he set up his telegraphic agency in a two-room office with the help of one office boy by the name of Fred Griffiths. Soon Reuter was able to extend the service to other European countries and he broadened his coverage from stock prices to economic stories and general news.

Some sensational scoops bolstered his growing reputation. In 1859, Reuter brought the news to London of Napoleon III's speech foreshadowing France's war against Austria. In 1865, he managed to announce the assassination of Abraham Lincoln two hours ahead of the official dispatch. He achieved this by intercepting the mail boat off Ireland and telegraphing the news to London.

A network of correspondents spread in the wake of the new international telegraph lines. *'Follow the cable'* was Reuter's maxim. As early as 1872 there was a presence in Japan. The same principle of constant innovation still applies with the emphasis now on the latest in information technology and online services. Today, 80% of Reuter business lies in the supply of financial data, *"the information that makes the markets move"*. However, the remaining 20% of the company dedicated to traditional news activities still makes Reuters the world leader in this field. The agency prides itself on its independent stance, reporting facts rather than supplying commentary.

The involvement of the Reuter family ended in 1915 with the death of Herbert Reuter, the founder's son, who had headed the agency since 1878. The family firm then became a private company, Reuters Limited. In 1925 Britain's Press Association acquired the majority shareholding. In 1984, Reuters was floated as a quoted

public limited company, Reuters Holdings PLC, registered in England.

Being first with the news has remained a Reuters tradition that has been upheld from the discovery of Tutankhamen's tomb in 1924 to the building of the Berlin Wall on 13 August 1961. Reuters was first again on 9 November 1989 when the Wall came down. This was the reward for maintaining a reporting bureau in the former East Berlin for over 30 years. Information on the history of Reuters is available from the **Reuter Archive**. This is not open to the general public but requests for individual items may be made available, at the discretion of the Company, on written application.

### Contact

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### Further reading

*The Power of News, The Story of Reuters 1849-1989* by Donald Read, Oxford University Press 1992.



## BMW AND THE REBIRTH OF THE MINI

Over the past few decades, **BMW of Munich** has been a growing force in the British automobile market. Back in 1966, it sold a mere 500 cars in Britain, but by 2004 that had risen to 145,860, confirming the UK's position as the company's third largest market after Germany and the US. BMW's UK workforce totals more than 8,000.

The manufacturing side of BMW includes three major projects that are good news for the British car industry: the modernisation of the facilities at **Cowley, Oxford**, to produce the new Mini; the new engine plant at **Hams Hall** and a new head office and manufacturing plant in England where, from 2003, a new generation of Rolls-Royce cars are being built.

There is the Mini success story for a start. BMW introduced the Mini in 2001 when it brought the Mini One and Mini Cooper onto the European market, later joined by the sporty Mini Cooper S and the diesel version, the Mini One D. Within just four years, more than half a million vehicles had been produced. In 2004, one in six BMWs sold was a Mini, and some 4,500 employees were making about 600 customised Minis a day at **Oxford**, one of the most modern BMW Group production sites. Visitors say it is a world away from the noisy, dirty world of Britain's car industry 20 years ago, reporting it is light and bright, with little noise and workers in colourful uniforms.


BMW Group




## BMW AND THE REBIRTH OF THE MINI



BMW Group

In addition, German management style has been adopted which introduces rewards for good ideas that can help improve the plant. All employees are expected to come up with three ideas a year on how to improve production, leading to savings of more than £17 million from 2002 to 2005. One small example: in the paint shops, Ian Palmer and his team suggested the firm switch from the heat-resistant masking tape they were using to a cheaper version. The factory saved £28,000 a year as a result.

In 2005, the **BMW Group** announced plans to invest over £100 million over the next two years, creating 200 jobs. Most of the investment is destined for a new body shell production building and further modernisation of the paint shop.

The impressive Hams Hall engine production plant near Birmingham was formally opened in February 2001. BMW has invested £400 million in the factory, which is BMW's centre of competence and sole supplier of its new generation of four-cylinder gasoline engines for delivery to its car assembly factories in Germany, South Africa and the US. At full capacity, Hams Hall will be capable of producing over 400,000 engines a year.

BMW unveiled the stark steel structures that make up Rolls-Royce's new manufacturing plant in the summer of 2002. The company invested £60 million in the building, designed by architect Sir Nicholas Grimshaw to blend in with the beautiful surrounding countryside of the **Goodwood Estate**. The building was partly sunk into the ground, and covered by 'Europe's biggest green roof', with living plants.

The building signals the quality of the company's latest creation. Inside, 350 people build 1,000 hand-crafted cars a year, making the most of BMW's engineering skills, but blended with the wood and leather interiors the Rolls-Royce is partly famous for: about half the workforce man the wood and leather shops.

The company launched the new *Phantom* in January 2003 – the first Rolls-Royce since BMW bought the marque in 1998.

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## THE SIEMENS SAGA

Siemens has a very long history in the UK – going back some 160 years with the arrival in London in 1843 of **Carl Wilhelm Siemens**. He brought with him an electroplating invention he had developed with his brother Werner. After an abortive visit to an undertaker (a term which he took to mean something like entrepreneur!) he sold the invention for £1600. In 1844, he was back in London with two new inventions in his suitcase, one of which – the chrono-metric governor – was later to win prizes at the Great Exhibition of 1851.

In 1852, William Siemens, as he was to be known henceforth in his adopted country, set up shop just off the Strand in a house that is now occupied by the **Royal Society of Arts** in **John Adam Street**. In 1858, he opened a small factory at **12 Millbank Row** near Lambeth Bridge, where he worked on a series of products: refrigerating machines, the pyrometer, the bathometer, the resistance measurer and the regenerative gas furnace. In the course of his career, some 113 patents were taken out in the name of William Siemens.

William Siemens swiftly went native, marrying Anne Gordon and naturalising as a British subject in 1859. His contribution to the commercial and industrial expansion of Britain at that time was considerable. Founded together with his brother Werner, **Siemens**



Medical scanner

**Brothers** went into the manufacture of electrical apparatus in 1870. Siemens electric lighting was installed in the **Royal Albert Hall** in 1878, and in the **British Museum** in 1879. The north side of **The Embankment**, **Waterloo Bridge** and the **Savoy Theatre** were also illuminated by Siemens.

As the business expanded, the company moved to larger premises at **3 Great George Street** (now the

HQ of the Institution of Civil Engineers) and then to **12 Queen Anne's Gate**. William Siemens received many honours in his lifetime, including a knighthood on his 60th birthday in 1883. Sadly, he was to die the same year and was buried in **Kensal Green Cemetery**. The grave, surprisingly modest and apparently forgotten, may best be found by taking the path behind the imposing neo-Grecian monument to Major-General Sir William Casement.

In 1994, the memory of the company's founder was marked with the inauguration of the **Sir William Siemens Medal** – an award scheme aimed at encouraging young people to develop their interest in science and technology. Among the less-publicised sponsorship activities of Siemens are significant contributions to the **Bodleian Library** in Oxford. William Siemens was awarded an honorary doctorate by the University of Oxford on 21 June 1870 in recognition of his eminence in electrical and other sciences.

Siemens, which introduced the **Supertram** to the streets of **Sheffield** in 1994, is one of the largest German investors in the UK, with over 18,000 employees. In 2003, their orders grew by nearly 10 per cent to £2,628 million. Their products and systems range from traffic





## THE SIEMENS SAGA



Cellphone featuring a built-in projector system

lights and turbine spares to the superconducting magnets used in medical scanners, the servers at the heart of telecommunication networks.

The company have a reputation for investing to develop new technologies. Roke Manor Research, near Southampton, owned by Siemens, carries out the highest-quality research and development both for Siemens and external customers in government and the private sector. Specialising in communications, electronic sensors and internet technology, Roke Manor Research develops solutions such as 3G systems which represent the multimedia mobile communications of the future.

#### Contact

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[www.roke.co.uk](http://www.roke.co.uk)

#### Further reading

*Sir William Siemens – A Man of Vision*, published by Siemens plc in 1993, contains substantial material on the history of Siemens in the UK.

*The Scientific Works of Sir William Siemens*, edited by E.F. Bamber, published by John Murray 1889.

*The Life of Sir William Siemens*, by W. Pole, published by John Murray 1888.

*Siemens Brothers, 1858-1958, An Essay in the History of Industry* by J.D. Scott, London 1958.





## GERMAN BANKS OPT FOR THE CITY

Germans have probably been trading in London almost continuously – bar a couple of brief interruptions – since Roman times, but there is no actual record until the 10th century, when Ethelred the Unready granted privileges to German merchants. In 1157, Henry II licensed merchants from Cologne to trade throughout England and in 1266 Henry III gave similar privileges to merchants from Lubeck and Hamburg.

The **Hanseatic** merchants of the Middle Ages developed the concept of modern intra-European trade and were primarily from the area we now know as modern Germany.

Modern banking started in the nineteenth century with the rise of the **House of Rothschild**, a pre-eminent family from Frankfurt. The five Rothschild brothers had banks in Frankfurt, London, Paris, Vienna, and Naples. In 1798, the 21-year-old **Nathan Mayer Rothschild** arrived in England. After a brief stay in Manchester, Nathan moved to London, and founded the London branch of Rothschild's in 1804.

Nathan's masterstroke was to exploit the outcome of the Battle of Waterloo to make a killing for his bank. There were vast fortunes to be made – and lost – on the outcome of this battle of the giants. If Napoleon's

Grande Armee won, France would hold the balance of power in Europe. But if Wellington was victorious, England would be in a position to greatly expand its sphere of influence. In 1815, Nathan received news from the company's secret service agents on Britain's imminent victory. He acted rapidly, buying up government stock at bargain prices and then selling them at vast profits once the official news came through.

The story of this ancient financial institution illustrates how German bankers and merchants have long been at the forefront of London's financial revolution.

**Schroders** (established 1818), **Kleinwort Benson** (1830) and **Hambros** (1839) all originate in Hamburg. In 1804, **Johann Heinrich Schröder** became a partner in his brother's London-based firm. In 1957 the name of **J. Henry Schröder & Co.** was anglicised and the partnership was converted into a private company. Since the sale of its investment banking business in 2000, asset management and related business have comprised the whole of Schroders plc's business.

When Hitler came to power in January 1933, **Max Warburg** was Germany's most prominent Jewish banker. He headed the most important private banking firm, and was a member of the 'general council' of the



nation's central bank. In 1936, (three years after Hitler took power), the **M. M. Warburg** bank in Hamburg was still turning a profit.

The family had moved from Berlin to Hamburg before fleeing the Nazi regime. The London bank was founded in 1946 by **Siegmund Warburg** and **Henry Grunfeld**. Warburg was often at the forefront of financial innovation from then on. In 1958, it sent shock waves through the City when it financed the hostile takeover of British Aluminium by an American company. In 1963 it raised a dollar loan in London for the Italian Autostrade, giving rise to the Eurobond market.





## GERMAN BANKS OPT FOR THE CITY

The ever-closer banking and business ties between Germany and London's City are clear today with the presence of monoliths such as Deutsche Bank, one of the ten biggest employers in the City since it absorbed the Morgan Grenfell group. It runs its worldwide investment banking operation, and much of its activity in asset management and private banking in Europe, Africa and the Middle East, from its London strategic centre, while its global HQ remains in Frankfurt.

In July 1995, **Dresdner Bank** announced the takeover of another London merchant bank, **Kleinwort Benson**. Further mergers have led to its two identities in the City: a small banking operation and its major operation, **Dresdner Kleinwort Wasserstein**, part of the **Allianz**, Germany's largest insurance and banking group.

The banking relationship between Germany and the City of London is still critically important in an EU and global context, founded as it is on 700 years and an eminently practical, modern world view.

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Rothschild & Sons  
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Tel: 020 7280 5000  
[www.rothschild.com](http://www.rothschild.com)

The Association of German Banks  
[www.germanbanks.com](http://www.germanbanks.com)

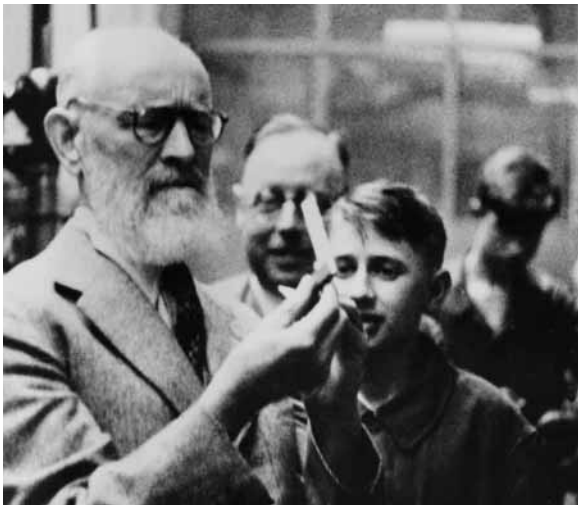




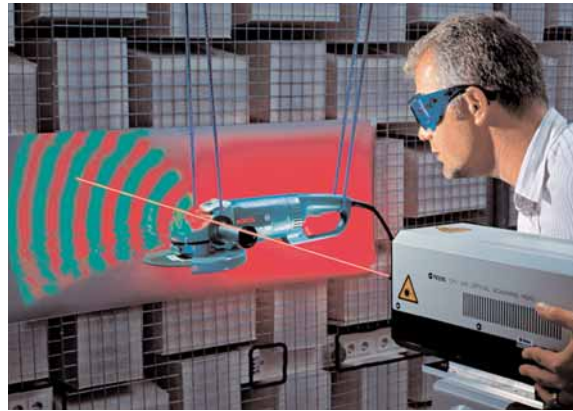
## BOSCH TAKES TO THE VALLEYS

*'It all began in 1898 with our first branch in Great Britain.'* So says the *Bosch History Magazine*. **Bosch** was founded in 1886 in **Stuttgart**, with the story of their expansion abroad beginning very shortly afterwards.

Today, the UK is the second-largest European market for Bosch. Its revenue exceeds £1 billion, and in Britain it employs nearly 5,000 people, located at centres from **Denham** to **Cardiff** to **Glenrothes**.



Robert Bosch examines an apprentice's work



Bosch Research and Development

In 1898, **Robert Bosch** opened his first overseas office in London. Nine years later the **Bosch Magneto Company Limited** was founded with premises just off London's **Oxford Street**. These beginnings have laid the foundations for a long-term business strategy in the UK, resulting in Bosch's position as one of the UK's largest European investors, in addition to being a significant manufacturer and exporter.

The UK headquarters is based at Denham, Buckinghamshire, and houses the majority of Bosch's sales and distribution activities in the UK. In addition to sales and distribution, Bosch has produced alternators

for the automotive industry at the Miskin manufacturing plant near Cardiff since 1991.

The decision of Bosch, one of the ten largest industrial groups in Germany, to set up a manufacturing plant in Cardiff is among the most significant start-ups that Wales has seen. It specialises in the production of the Bosch Compact Alternator; the first one labelled 'Made in Great Britain' came off the production line at 12 noon, 7 January 1991. Further good news for the Cardiff plant came in 2003 with a £185 million investment to produce new generation alternators.

Bosch in the UK has other major facilities in **St Neots** (headquarters of Bosch Rexroth), **Worcester** (Worcester Heat Systems Ltd) and **Stowmarket**, Suffolk (Atco-Qualcast Limited). Bosch and **Siemens Home Appliances Ltd** (BSH Ltd), a 50/50 joint venture between Bosch and Siemens, is based in Milton Keynes.

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## FROM TANKS TO TORNADO

At the end of August 1961, the inhabitants of **Castlemartin** in the far south west of Wales awoke to find themselves at the centre of a veritable media circus. Press reporters were in plentiful supply to cover the landing of the German army in the shape of *Panzerbataillon 84*. The German soldiers had come over as part of a NATO training exercise, but this was at the time still sufficient a novelty to justify acres of newspaper, radio and TV coverage. Above all, there was interest in the reactions of local people to the peaceful German invasion of this remote corner of Wales.

Initially, there were voices of disapproval and even public protests but opinion soon warmed to the presence of these new NATO allies. A local paper which had adopted a cautious attitude took note of the fact that the representatives of the *Bundeswehr* (Federal German Army) were courteous, well-behaved and clearly wanted to make a good impression. Before long, letters began arriving at Castlemartin Camp, many offering hospitality. Thus began a long tradition of friendship, which is now well into its fourth decade.

Since that momentous day in 1961 German soldiers have been regular visitors at Castlemartin, with between 10 and 16 tank battalions flying in for ten days training every year. Some 40 of the most modern German tanks, the Leopard 2, are at the disposal of the visiting troops. Since 1977 **Pembroke** has been twinned with **Bergen**

**Hohne**, where the NATO tank range is used by the British tank and recce regiments in Germany.

Many of the German soldiers have chosen to live with families in the district. Enduring friendships have been made as the German visitors have taken a full part in local life, from sporting events to the restoration of a parish church. Over the years some 140 local girls have married German soldiers.

Thus the end of the tank training arrangement in 1996 marks the end of a unique era. Castlemartin was once described by Field Marshal Sir John Chapple as the jewel in the crown of Anglo-German relations. The sadness of the local Welsh populace at the prospect of losing their treasured contact with the German military featured in a cover story of 5 November 1995 under the title *Auf Wiedersehen, boyo* in *The Sunday Telegraph Magazine*, which also mentions some of the Germans who have settled permanently in the area.

Meanwhile, similar encounters between visiting German servicemen and local British people began to take place at the **Tri-National Tornado Training Establishment** at **RAF Cottesmore** near **Oakhham** in Leicestershire. Commonly known by the acronym TTTE, this was the centrepiece of an international military project involving the NATO air forces of Germany (Air Force and Navy), Italy and the United Kingdom. The TTTE

was established on 8 May 1979 with the signing of a Memorandum of Understanding by the three nations involved.



TTTE consisted of three squadrons of Tornado aircraft flown by staff and students from all three participating countries. The arrangement proved to be a huge success

and at its height TTTE trained 300 crews a year. In 1998, the three nations decided to go their separate ways and that, together with the pressing need to find a home for squadrons returning to Britain from Germany, led to the disbandment of TTTE.

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