

# INDEX

- AARP (American Association of Retired Persons), 21  
Adams, Evelyn, 102  
*Affectosocietatis*, 8  
Alba, 282  
Alpha investing, 164–170, 179  
Alzheimer’s disease, 283–284  
Amazon.com, 133  
American Revolution, 184  
Anheuser-Busch, 284–286  
Anheuser, Eberhard, 284–285  
Argentina, 57–58, 63, 116,  
    160–161, 178  
*Arrested Development*, 67  
Art. *See* Investing  
Asset allocation, 166, 170  
Atticus Capital, 64  
Augustus Caesar, 33  
Baltimore, 115–116, 225–226  
*Baltimore Sun*, 226  
Bambrough, Kevin, 181–182, 209  
Banier, Francois-Marie, 284  
Barclays, 238  
Barovier family, 291  
*Barron’s*, 176  
Bear markets, 4  
Beebower, Gilbert L., 166  
Belgium, 14  
*Bell Curve, The*, 75  
Beretta family, 149, 291  
Bernanke, Ben, 206–207  
Beta investing, 169–170, 177  
Bettencourt, Liliane, 283–284  
Better Business Bureau, 136  
Bischoffsheim family, 64  
Bismarck, Otto von, 28

- Black swans, 299–300, 304  
Blue-chip stocks, 172  
*Bonanza*, 204  
Bonaparte, Napoleon, 12  
Bonner, Elizabeth, 45–49, 303, 305  
Borders, 133  
Boston, 46  
Boston University, 21, 292  
Bridges, Jeff, 152  
Bridges, Lloyd, 152  
Brinson, Gary P., 166  
Britain. *See* United Kingdom  
Brokers, 16, 18, 158–159  
Buddhist temples, 249–251  
Budweiser, 284–285  
Buffett, Warren, 2, 80, 155, 158  
Bull markets, 4, 154, 165, 174  
Busch, Adolphus, 285  
Busch, Adolphus III, 285  
Busch, August A. “Gussie” Jr., 285  
Busch, August A. Sr., 285  
Busch, August “Auggie” III, 285–286  
Busch, August IV, 286–287  
Busch, Lily, 285  
Bush family, 65  
Bush, George W., 200–201  
Business:  
    stages of, 136–137  
    success in, 146–148  
*Business Week*, 163  
  
Caesar, Julius, 17, 26, 151  
Canada, 46, 238  
Capital gains, 171–174, 247  
    tax rate of, 247  
Capitalism, 101  
Career choices, 143–146  
Carnegie, Andrew, 80  
Casey, Doug, 81, 124  
Cayman Islands, 227, 231, 243  
CBS, 292  
Centralized government, 11–12, 14  
Chagall, Marc, 52  
Channel Islands, 227  
Charity, 2, 5, 50, 59, 273  
    downside of, 76–81, 273  
Chateau d’Ouzilly, 127  
China, 34, 63, 151–152, 176, 178, 194  
    oil consumption of, 182–183  
    wages in, 183–184  
Chinese Century, 199  
Churchill, Winston, 232, 235  
Citizenship, 225, 244–247  
Civil War. *See* War Between the States  
Club des Henokiens, 290–291  
Clymene, 284  
Colbert, Jean Baptiste, 19  
Committee of Public Safety, 33–34  
Communism, 10, 28  
Compound investing, 89–99, 112–113, 171, 222  
Consumer Price Index, 180  
Craigslist, 133  
Credit contraction, 210  
Cyber security, 297–298  
Cyprus, 227  
  
*Daily Reckoning, The*, 127  
Danko, William, 15  
Debt of the U.S. government, 95, 202–203, 211–212

- Deflation, 206–207  
 “Deflation: Making Sure It Doesn’t Happen Here,” 206  
 Del Rosario, Maria (Duchess of Alba), 282–283  
 De Maistre, Patrice, 283–284  
 Democracy, 185  
 Demoulas, George, 278–279  
 Demoulas, Mike (Telemachus), 278–279  
 Denmark, 238  
 Diageo, 289  
 Diez, Alfonso, 282–283  
 Disaster planning, 300–305  
 Distillers Co., 289  
 Dollar, value of, 204–209. *See also* Inflation  
 Doubling time, 91–94  
 Douglas, Kirk, 152  
 Douglas, Michael, 152  
 Dow Jones Industrial Average, 34, 86, 167–168, 211  
*Dow 36,000*, 164  
 Dynasty trusts, 222, 225  
*Economic Collapse, The*, 13–14  
 Education, 2, 5, 25–26, 40–41, 57, 65–66, 144–146, 149–150, 271  
 Egypt, xiv, 295–296  
 EIA (Energy Information Administration), 181  
 Electric Barbarellas, 293  
 Emerging markets, 192–195, 202–203  
 Emigration, illegal, 240  
 Endowment model, 254–255, 262–263  
 Energy:  
     conservation, 186  
     nuclear, 186  
     use, 95  
 England. *See* United Kingdom  
 Entrepreneurship, 131–135  
 Episcopal Church, 60  
*Erfahrung*, 191–192  
 Estate planning, 216–223  
 Estate tax, 219–223, 279–280  
     exemption from, 221  
 European Union, 11–12  
 Exit tax, 245–246  
 Expatriation, 225–226, 244–248  
 Exponential growth, 90, 92  
 Faber, Marc, 297  
 Family:  
     addiction, dealing with, 269–270  
     bank, 254, 265–266  
     business, 119–152  
         building, 123–127  
         coping with failure, 128–129  
         teamwork, 135–138  
     types of, 140–141  
         versus money, 120–121  
 children, raising 40–43  
 culture, 55, 63, 251  
 crest, 60  
 disputes, 269  
 happiness, 47  
 history, 59–60  
 hobbies, 57  
 identity, 63–65  
 investments, 62–63  
 leadership, 266–267  
 marriage, 58, 69  
 property, 61–62

- Family (*continued*)  
 relationships, 35–45, 61  
 “republic,” 270  
 siblings, 44, 49  
 size, 8  
 stronghold, 300–305  
 traditions, 60  
 vacations, 61  
 values, 56  
 wealth creator of, 255–257, 267
- Family office, 21, 22  
 balance sheet, 24–28  
 Bonner family, of the, 22, 257–265  
 constitution, 23, 254, 264  
 Family Council, 60, 69–71, 251–273  
 functions of, 256–261, 264–266  
 leadership of, 268  
 meetings, 257–260, 264  
 members, 260–261  
 education and mentorship program, 254, 270–272  
 investment committee, 22, 251, 254, 270–272  
 manager, 32  
 mission statement, 254, 264  
 philanthropic committee, 254, 273  
 purpose, 66  
 setting up, 23, 249–273  
 structure, 254–255  
 wealth strategist, 272
- Family trusts, 31, 221–227, 247–248, 261–262  
*Family Wealth*, 27
- Famine, 302–303  
 Farmland, investing in 159–160
- Faulkner, William, 104  
 Federal Express, 133  
*Fideicomiso*, 17  
*Financial Analysts Journal*, 166  
 Financial escape velocity, 111–113  
 Financial industry, 87, 157–159, 168, 175  
*Financial Times*, 20  
*Fine Gael*, 9  
 Food stamps, 13, 22, 102  
*Forbes*, 21, 293  
 Ford, Mark, 67, 125–126, 136  
 France, 7–8, 18, 33, 38, 63, 100, 127, 273–284  
 tax system of, 230  
 Frankfurt, 53  
 Jews’ Street, 53  
 Freeman, Douglas K., 275  
 French Revolution, 33, 303  
*Frontiers of Science*, 127  
 Fukuyama, Francis, 201  
 F-U money, 104–106, 109
- Gates, Bill, 80  
 General Electric, 99  
 Generation Jobless, 12  
 Georgetown University, 217  
 Germany, 33–34, 177–178, 232–235, 299  
 Gift tax, 222–225  
 Gladwell, Malcolm, 131  
“Gold and Money in Extremis: One Man’s Story,” 232–235  
 Gold bugs, 207–208, 210  
 Gold, prices of, 84, 87, 163, 167–168, 205, 207–208  
 Government spending, 10–11  
 Grand Metropolitan, 289

- Great Britain. *See* United Kingdom  
Great Depression, 12, 162  
Greece, 23  
Grimaldi, Charles, 100  
Grimaldi, Francois, 100  
Guinness, Arthur, 287, 288  
Guinness, Arthur, Lord  
    Ardilaun, 288  
Guinness, Benjamin, 289  
*Guinness Book of World Records*, 289  
Guinness, Edward, 290  
Guinness, Edward Cecil, 288  
Guinness, Rupert, 289  
Guinness, Walter, 288  
Gulag, 232
- Hard structures:  
    definition of, 215  
    four “key,” 216–217  
    setting up, 216
- Hausner, Lee, 275
- Hedge funds, 158
- HENRYs (high earners not rich yet), 103
- Henry, Travis, 102
- Herrnstein, Richard, 75
- Hillel the Elder, 188
- Hitler, Adolf, 12, 178
- Hollande, Francois, 19
- Holy Roman Empire, 281
- Hood, L. Randolph, 166
- Hoshi family, 149
- Hoshi Ryokan, 290
- HSBC, 238
- Hughes, James, 27
- Ibbotson, Roger G., 166
- Illinois, 179
- Immigration, illegal, 240
- Income tax:  
    attitudes toward, 2, 82–83  
    business considerations, 123  
    history of, 18–20  
    rates:  
        foreign, 241  
        U.S., 18–19, 75–76, 85, 173
- Industrial Revolution, 17, 101, 186
- Inflation, 84–85, 93–94,  
    106–107, 163, 167–168,  
    176, 208
- Institution, definition of, 251
- Intelligence quotient (IQ), 74–75
- Intentionally defective trusts,  
    223–225
- International Living*, 126
- Internet, the, 132–135, 140, 187,  
    200–202
- Internships, 67–69
- Investing:  
    art, in, 110  
    commodities, in, 164  
    conservative, 162–164, 168, 177  
    gold, in, 163, 203–204  
    losses, 176–177  
    mistakes, 153–156  
    success, 154, 169  
    time, and 155  
    real estate, in, 110–117, 159–171  
    rules for, 156–157
- Iraq, 19
- Iraq War, 19
- Ireland, 19, 126, 268, 287–288
- IRS, 123, 219, 238–239, 242–243,  
    246, 279–280
- Iveagh Wealth Fund, 290
- I. Waxman and Sons, 276–278

- Japan, 12, 192–193, 205, 210, 249–250, 300–301  
GDP of, 12
- Jefferson, Thomas, 33, 184
- Jolie, Angelina, 152
- Judaism, 33, 53, 60, 64
- Kai-shek, Chiang, 178
- Kaplan, Paul D., 166
- Katyn massacre, 233
- Kazakhstan, 232, 234
- Kennedy family, 65
- Kentucky, 179,
- Kongo family, 249–251
- Kongo Gumi, 249–251
- Kongo, Masakazu, 249
- Kotlikoff, Laurence, 21
- Kulaks, 34
- Kumiagekoho*, 250
- Laffer curve, 19
- Lazard family, 64
- Leavitt, William S., 297
- Legacy Family, The*, 275
- Lemoine family, 149
- Leverett, Clayton, 279–280
- Leverett, Will, 279–280
- Letterman, David, 281
- Life estate, 223
- Life insurance, 217–220
- Life interest. *See* Life estate
- Lincoln, Abraham, 179
- Long-term investing, 3–5, 165, 169–171
- L’Oreal, 283
- Lost Decade, 208
- Louis XI, 12
- Lynch, Peter, 174
- Major domo*, 17
- Marie Antoinette, 303
- Market Basket, 278–279
- Market corrections, 185
- Marriage:  
money, and, 4, 10  
work, and, 142–143
- Marstrand, Robert, 89–95, 171
- Martin family, 149
- Matriarch, role of, 38–54
- Marxism, 28
- Maryland, 57, 115–116, 226
- Massachusetts Institute of Technology (MIT), 45
- Medicaid, 13, 21–22
- Mellerio family, 291
- Meyers, Francoise Bettencourt, 283
- Miller Brewing Co., 286
- Millionaire Next Door, The*, 15
- Mitterrand, Francois, 63
- Money, cultural attitudes toward, 2, 8
- Money Paradox, The*, 176
- Money Week*, 15
- Monnet, Jean, 12
- Moore’s Law, 85, 201
- Morale, 138–139
- M3, 207
- MTV, 293
- Mubarak, Hosni, 295
- Mulliezfamiy, 7–9, 65
- Mullins, Suzanne, 102
- Murray, Charles, 75
- Napoleon. *See* Bonaparte, Napoleon
- Nasdaq, 88–89, 211
- National Amusements, 292
- National Guard, 301

- National Taxpayers Union, 126  
 Nazism, 33–34, 231–235  
 New York, 45  
*New York Times*, 44, 110  
 Nietzsche, Friedrich, 191  
 “19 Statistics about the Poor that Will Absolutely Astound You,” 13  
 Nixon, Richard, 167, 204–208  
 NKVD, 233–234  
 North, Gary, 304  
 Nuclear energy. *See* Energy  
*Nuestra Señora de Atocha*, 205
- Obama, Barack, 21  
 Occupy Wall Street, 14  
 Ochs, Adolph, 44  
 OECD. *See* Organisation for Economic Co-operation and Development  
 Offshore accounts, 227, 237–242  
 Oil, 180–181, 202  
     Peak Oil, 181  
     prices, 181–184  
     production, 180–182  
 “Oil or Not, Here They Come,” 181–182  
 Old Money  
     attitudes of, 2, 114  
     culture, 36, 40, 55, 63  
     family, and, 25, 27, 39  
     “ideal,” 1–2  
     investing, 154, 162, 165, 168–169  
     money, and, 1–3, 30, 154, 164  
     production, and, 55  
     secrets of, 5, 15, 25, 55  
     stereotypes of, 1  
 Old Testament, 9, 17
- Options, 156  
*Orange County Register*, 21  
 Organisation for Economic Co-operation and Development, 209
- Palacia de las Duenas, 282–283  
*Palm Beach Post*, 273  
 Pennsylvania, 107–108, 180  
 Pentagon, the, 201  
 Pereire family, 64  
 Permanent residency, 228–229  
 Persia, 235  
 Personal money, 30–31  
 Philanthropy. *See* Charity  
 Philip Services Corp., 278  
 Poland, 232–235  
 Politics, 59  
 Population, 94, 180, 197  
 Post, William “Bud,” 102  
 Poverty, 13–14  
 Prenuptial agreements, 69–70  
 Private investors, 97–99  
 “Progress,” 195–198, 298–300  
 Prohibition, 285  
 Proxmire, Ken, 102  
 Public market investors, 97  
*Public Spectacle, The*, 127–128  
 Publishing industry, 126–128, 136
- Rabkin, Rich, 232–235  
 Reagan, Ronald, 207  
 Real estate, investing in. *See* Investing  
 Redstone, Brent, 292  
 Redstone, Shari, 292–293  
 Redstone, Summer, 292–293  
 Rees-Mogg, Lord, 221

- Regensburg, 281  
 Reign of Terror, 33  
 Reinhart, Carmen, 211  
 Retail investors, 87, 88  
 Retirement, 20–21, 28–30  
 Robespierre, Maximillien, 33  
 Rockefeller, John D. Jr., 26–27  
 Rockefeller, John D. Sr., 7, 26, 75  
 Rogoff, Kenneth, 211  
 Rolling Stones, the, 18  
 Roman Empire, 9, 17, 33  
 Roman Republic, 17, 33  
 Rome, 9, 17  
 Rothschild, David Mayer de, 64  
 Rothschild, Edmond de, 66  
 Rothschild, Gutle. *See* Schnaper, Gutle  
 Rothschild, James, 54  
 Rothschild, Lionel Walter, 64  
 Rothschild family, 52–54, 60, 63–64, 149  
     motto and crest, 60  
 Rothschild, Mayer, 52, 60  
 Rothschild, Nathaniel Philip, 64  
 Rothschild, Raphael de, 64, 71  
*Roydammna*, 268  
 Russell, Richard, 89  
 Russia, 177–178. *See also* Soviet Union  
 Samuelson, Robert, 21  
 Sanderson, Madame Justice Mary Anne, 277  
 Santa Fe, 58  
 Sarkozy, Nicolas, 284  
 SAT tests, 145  
 Saunders, Ernest, 289  
 Savings rate, 37  
 Schlichter, Detlev, 204  
 Schnaper, Gutle, 53–54  
 Securities and Exchange Commission, 98  
 Seligman family, 64  
 September 11, 201  
 Seville, 282–283  
 Shadowstats.com, 94  
 Shareholders:  
     rights of, 138  
     role of, 139  
 Siberia, 233–234  
 Siberian Cross, 235  
 Snider, Jeffrey, 175–176  
 Social Security, 21–22, 95  
 Soft structures:  
     functions of, 252  
     setting up, 253–254  
 Somerset Webb, Merryn, 15  
 Soviet Union, 10, 28–29, 33–34, 176, 232–235  
 Spain, 282–283  
 Sprott Asset Management, 181–183, 209  
 Stagflation, 207  
 Standard & Poor's 500, 93, 97, 158, 205, 222  
 Stanley, Thomas, 15  
 Start-up businesses, 128, 137  
 States' rights, 11  
 St. Johns College, 58  
 Stock market, 84–87, 96, 99, 122  
*Stocks for the Long Run*, 164  
 Sulzberger, Arthur, 44  
 Sulzberger, Iphigene Ochs, 44  
 Supreme Court, 11

- Szablicki, Marion, 232–235  
 Szablicki, Victoria, 232–235
- Taiwan, 178  
*Tanaiste*, 268  
*Tanist*, 268, 272
- Taxes:  
     avoidance, 217–227, 236–247  
     evasion, 220–221, 238  
     havens 226–229, 231, 236–237,  
         241–243  
     history, 18–19, 184  
     income. *See* Income tax  
     strategies, 237–243
- Tea Party, 14
- Tech bubble, 88, 164
- Technology, 186–188
- Terrorism, 201
- Third World, investing in, 124–125
- Thurn und Taxis, Albert von,  
     280–282
- Thurn und Taxis, Gloria von,  
     281–282
- Thurn und Taxis, Johannes  
     von, 281
- Turner, Ted, 82, 124
- Twitter, 202
- Tyson, Mike, 129
- U.K. *See* United Kingdom
- Ukraine, 34
- Unemployment, 10, 12
- United Kingdom, 12, 15, 18,  
     33, 128  
     as a tax haven, 241  
     GDP, 12
- UPS, 133
- U.S. Census Bureau, 13  
 U.S. Federal Reserve, 163, 167, 204  
 U.S., history of, 11–12, 18, 101,  
     179–180
- U.S. Military Academy, 201
- U.S. Postal Service, 133
- USSR. *See* Soviet Union
- U.S. trade deficit, 109
- U.S. Treasury bonds: 1, 2, 4, 18,  
     87, 93–99, 107–108, 152,  
     162–167, 171–172,  
     176–179, 194, 197, 205, 207,  
     231, 297
- Vallar PLC, 64
- Value investing, 170
- Venture capitalists, 97–98
- Viacom, 292–293
- Virgil, 32–33
- Voigt, John, 152
- Volatility, 175–176
- Volcker, Paul, 163, 167, 176,  
     206–208
- Wages, 183–184
- Wall Street, 4, 16, 158, 168, 171  
*Wall Street Journal*, 13, 204
- War Between the States, the, 11, 45  
*Washington Post*, 295, 300
- Waxman, Chester, 276–278
- Waxman family, 276–278
- Waxman, Isaac, 276
- Waxman, Morris, 276–278
- Waxman, Robert “Bobby,” 278
- Waxman vs. Waxman, 277–278
- Welch, Jack, 99
- Weldon, Bill, 137

- Wilhelm, Pascal, 283–284  
William the Conqueror, 100  
Williams, John, 94  
*Wissen*, 191–192  
Woerth, Eric, 284  
Woerth, Florence, 284  
Work hours, 142–143, 147  
World War II, 164, 178, 231–235  
Zimbabwe, 236  
Zloty, 233–234  
Zombification, 215

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>



## **Is Your Family Prepared to Pass on Wealth?**

Take the complimentary Family Wealth Survey to find out: [www.bonnerfamilyoffice.com/wealth](http://www.bonnerfamilyoffice.com/wealth)

*Bonner & Partners Family Office* helps members setup their own family office structure within 12 months.

Managed by authors Bill and Will Bonner, it provides daily guidance in the markets, a weekly family wealth-building report, a model asset allocation, monthly legacy investing recommendations, a comprehensive guide to family governance, and advice on legal structures and tax avoidance.

To find out more about applying for membership, please contact our Member Liaison, Emma Walsh, at 1-855-849-2885. You can also reach Emma by email at: [ewalsh@bonnerfamilyoffice.com](mailto:ewalsh@bonnerfamilyoffice.com).

The Family Wealth Survey is the best way to get started in setting up your own family office structure. You can find out more at: [www.bonnerfamilyoffice.com/wealth](http://www.bonnerfamilyoffice.com/wealth)