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## NOTES

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### *Thoughts on the Evolution of the French Capitalist Community in the XIXth Century*

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In recent times historians have studied nineteenth century French capitalists primarily with regard to their role in the rise of specific enterprises and industries or, more broadly, with regard to their contribution to French economic development. There has been less interest in the capitalists as an emerging socio-occupational group — that is to say, as a subject in themselves.<sup>1</sup> Consequently, important questions have not yet been satisfactorily answered. Was there a coherent capitalist class or community in nineteenth century France? If so, when and how did it come into being? What were its structure and character? To begin the search for answers to these questions and, more broadly, to provide a better focus for research into the social history of French capitalism, I wish to present the following hypotheses: 1) that French capitalists — meaning, in Gille's sense, the owners and managers of France's *grandes entreprises capitalistes* — were being integrated, knowingly or unknowingly, into a coherent community (or coherent communities) in the course of the nineteenth century; 2) that geography did much to determine the form and pace of this integration; and 3) that the process of integration unfolded chronologically in two stages. The first stage, running through the 1850's, involved the development of distinct regional capitalist communities, reflecting the regional diversity of the French economy in that period; the second stage (roughly 1860-1900)

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<sup>1</sup> To be sure, Guy Palmade furnished much biographical information on French capitalists, but the "hero" of his story is clearly capitalism, not the capitalists, as the title of the English translation of his book indicates (*French Capitalism in the Nineteenth Century* [Newton Abbott: 1972]).

saw the rapid disappearance of geographic and legal barriers to trade and the emergence of national and international markets and, consequently, saw increased contact and conflict among the pre-existing regional capitalisms, leading toward (but not completing) the formation of a single, national capitalist community. We can explore all these points by treating each of these two stages in turn.

The most striking features of the French economy before the building of the rail networks were geographic fragmentation and regional diversity. For most commodities, including fuel, metals, and the cheaper textiles, there was no national market to speak of, but only a collection of local and regional markets through which, accordingly, production was dispersed in small units. Even for commodities for which a national market was emerging — such as high quality woollens and cottons — production remained decentralized and differentiated by locale. Thus, as Claude Fohlen has emphasized,<sup>2</sup> the French cotton industry was not concentrated in any one region (in contrast to the English cotton industry, which was concentrated in Lancashire), but rather was divided among a number of manufacturing centres, each with its own speciality. Similar examples could be cited, but the point would remain the same: it makes more sense to speak of the Alsatian or Lyonnais or Norman economy than to speak of the French economy in the first two thirds of the nineteenth century.

What was the effect of this geographical fragmentation of economic activity on the evolution of the capitalist community? Of course, there might have been none. Given the high mobility of men and money in the pre-railway age, in comparison to the low mobility of raw materials and most finished goods, it is theoretically possible to have had a compact capitalist elite circulating through and organizing diverse economic units, just as for centuries royalty constituted a somewhat self-contained governing elite circulating through and organizing diverse political units. However, this does not seem to have been the case in early nineteenth century France. Rather, patterns of marriage, kinship, and investment — insofar as they are known to me — indicate that geographical fragmentation of the French economy did, indeed, lead to fragmentation of the capitalist community.

This fragmentation was manifested at the broadest level by a cleavage between regional communities devoted principally to commercial-financial capitalism (Paris, Lyon, and the ports) and those devoted principally to industrial capitalism (Normandy, the Nord, and Alsace, among others). This cleavage was a relative thing, of course. There are plenty of examples of men and money from one side crossing to the other, especially in metallurgy, where the merchant-bankers' interest in railroads

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<sup>2</sup> CLAUDE FOHLEN, *L'Industrie textile au temps du Second Empire* (Paris: 1956), part II.

brought them into iron and steel from the 1830's on, and also in coal, where one could cite the Periers' control of Anzin. Yet it must be noted that the Periers' presence in Anzin was somewhat exceptional. Most mining concessions in the Nord remained in local hands, and most Paris bankers avoided direct investment in industry whether in the Nord or elsewhere. Thus, on the whole, the distinction between industrial regions and commercial regions holds up.

Beyond this fundamental split there were further geographic divisions. Within the mercantile community, the capitalists of Paris and Bordeaux, for example, hardly constituted a monolithic group, although they certainly had more in common with one another than with the industrialists of Rouen or Lille. The Bordelais did on occasion supply talent to Paris — as in the case of the Pereires — but normally they had little contact with the Parisians and little interest in their projects, as Pierre Guillaume has shown.<sup>3</sup> On the industrial side, segregation of the various regional communities was even more pronounced. One can cite, in this regard, the well documented cases of the close-knit, in-bred textile dynasties of Lille, Roubaix-Tourcoing, and Mulhouse. The point seems self-evident. In an era of economic regionalization, France played host not to a single capitalist community, but to an aggregation of regional capitalist communities.

This situation changed, or at least was called into question, after 1860. The completion of the primary and secondary rail networks destroyed physical barriers to trade while the commercial treaties reduced man-made barriers. As a consequence, previously self-contained regional economies were becoming parts of a unified national economy and were increasingly being integrated into the international economy, and, *pari passu*, formerly distinct, geographically separate capitalist communities were being brought into increasing contact with one another and with the rest of the world. The result in the period, 1860-1900, was a increase in conflict and competition among these communities.

This new level of conflict was first expressed in the battle between commercial and industrial communities over economic policy. In particular, a coalition of merchant capitalists from Paris, Lyon, and the ports hoped to prosper by orienting France toward international trade and, accordingly, pushed a policy of low tariffs and preferential freight rates for long-haul traffic. Meanwhile, in opposition, a coalition of industrialists — especially from textiles, metallurgy, and coal — seeing that there was no room for them in the international marketplace, sought to claim and control

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<sup>3</sup> PIERRE GUILLAUME, "Essai sur la composition et la répartition de la fortune bordelaise au milieu du XIX<sup>e</sup> siècle", *Revue d'histoire économique et sociale*, XLIII (1965), pp. 321-362.

the emerging national market through protective tariffs and a freight rate structure tailored to their needs.

After two decades of controversy, these issues were settled and the interests accommodated by the Méline tariff and by the reduction of freight rates in the 1890's, but conflict continued in the form of interregional competition among former allies within each industry.<sup>4</sup> Thus, even as they worked together to eliminate British competition the cotton manufacturers of Rouen, the Vosges, and the Nord fought among themselves for dominance of, or survival in, the national market.<sup>5</sup> Likewise, the pig iron producers of the Centre and the Loire struggled desperately — and unsuccessfully — to hang on in the face of mounting competition from the Nord-est, while coal producers, especially in the Nord, sought to expand their share of the home market, at the expense of others, by manipulating freight rates in league with the railroad companies of their respective regions.<sup>6</sup>

How did this conflict and competition influence the structure of the French capitalist community? Do we find the struggle among regional groups bringing about, by a sort of Marxian dialectic, the formation of a national capitalist class by the end of the nineteenth century? Certainly there are signs that regional boundaries were breaking down under the pressure of competition and growth. In textiles, we find that the Alsatian-Vosgian community was reaching out to take over much of the Norman cotton industry and much of the French dye industry by the first decade of the twentieth century, thereby becoming more national in its economic orientation (without, of course, necessarily associating and intermarrying

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<sup>4</sup> This is somewhat simplified, of course. Interregional competition began well before the 1890's and developed simultaneously with the broader conflict between commercial and industrial regions. Moreover, it was accompanied by intraregional competition whereby the larger, more technically advanced producers in a department or province were elbowing out the smaller, less advanced producers. In Normandy, for example, Rouen cotton manufacturers expanded at the expense of those in Flers and elsewhere, thereby converting a Norman industry into a Rouennais industry.

<sup>5</sup> Reflecting this development, the Bolbec chamber of commerce pointed with alarm in 1896 to the expansion of the Vosges' weaving plant and to the increased spindlage of the Nord and demanded that the authorities take action to head off general overproduction and internal competition, "la plus terrible de toutes" (Prefect to the Conseil-général de la Seine-Inférieure, A.D. Seine-maritime 6 MP 5166).

<sup>6</sup> The plight of the Centre and Loire *fonte* producers was aired in the controversy over *admissions temporaires des fontes* in the 1880's. See Conseil supérieur du commerce et de l'industrie, *Admissions temporaires des fontes* (Paris: 1887), and [Comité des forges], *La sidérurgie française, 1864-1914* (Paris: n.d.), pp. 418-426.

On competition among colliers and railroad rates, see FRANÇOIS CARON, *Histoire de l'exploitation d'un grand réseau: la Compagnie du chemin de fer du Nord, 1846-1937* (Paris: 1973), pp. 383-86.

more frequently with capitalists of other regions).<sup>7</sup> Regional identities were likewise disappearing in metallurgy as firms moved into new areas in search of fuel and ore — as seen in the relocation of the Marine steelworks of Saint-Chamond at Boucau (Landes) and in the Schneiders' colonization of Lorraine through their joint venture with the Wendels at Joeuf — or as firms brought in talent from outside their region to upgrade their management, as illustrated by the recruitment of Alexandre Dreux to head the Comptoir de Longwy and the Acieries de Longwy. Moreover, there were not only signs of integration of regional groups within industries, but also signs of integration across industrial lines (textile owners in the coal industry, for example), as well as signs of merger between commercial-financial capital and once separate industrial capital.<sup>8</sup>

It would be wrong, however, to take these cases as proof that the blending of previously distinct regional capitalisms had been achieved by 1900. Various efforts to organize markets and curtail competition — including the partitioning of the steel market by the Comité des forges in 1887 and the cartelization of linen and cotton production at the turn of the century — were specifically designed to preserve regional economies, as were the railway rate regulations set down by the Comité consultatif des chemins de fer.<sup>9</sup> To the extent that they succeeded in maintaining regional economies, these actions undoubtedly contributed to the continued distinctness and segregation of regional capitalist communities (one again thinks of the dynasties of Lille and Roubaix which remained in-bred despite economic expansion). So, in the end, one is forced to conclude that, while regional boundaries between capitalist communities were losing their significance, no united, homogenous community had emerged by 1900. My own research into patterns of intermarriage and business association among capitalists in the free trade and protectionist movements in the late nineteenth century points up the persistence of regional identities and, especially, the continuing segregation between commercial capitalists and industrial capitalists.<sup>10</sup>

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<sup>7</sup> The Blanchisseries et teintureries de Thaon, owned jointly by the chief *cotonniers* of the Vosges, took over dyeworks in eight other departments in the first decade of the twentieth century (PIERRE HOFFMANN and JULES DEBOFFE, *Cinquante ans de travaux sur l'agriculture et sur l'horticulture, 1877-1927*).

<sup>8</sup> Alfred Motte of Roubaix and the Girauds of Lyon, for example, joined together in developing textile manufacturing in Russia in the 1890's (RÉNÉ GIRAULT, *Emprunts russes et investissements français en Russie, 1887-1914* [Paris: 1973], p. 525).

<sup>9</sup> FRANÇOIS CARON (*op. cit.*, p. 389) has eloquently discussed the Comité's use of freight rates to sustain "structures dispersées de la production".

<sup>10</sup> MICHAEL S. SMITH, "The Haute Bourgeoisie Capitaliste in the Late Nineteenth Century: a Prosopographic Inquiry", in *Proceedings of the Western Society for French History*, vol. III, 1975, pp. 354-362.

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In any case, simply to say that in 1900 France lay somewhere between the era of regional capitalism and the era of national capitalism obviously does not take us very far. We need a more precise notion of the structure of the capitalist community at all points in its development, which means we need more knowledge of patterns of kinship and intermarriage. That, in turn, will depend on the researching and writing of more biographies, family histories, and genealogies (in this area, historians of French enterprise are clearly far behind historians of British or American enterprise). If nothing else, I hope this presentation has demonstrated the need to move in this direction.