Introduction

In November 2012, the then Spanish Justice Minister Alberto Ruiz-Gallardon made an extraordinary announcement, rescinding the 500-year-old edict of expulsion ordered by King Ferdinand and Queen Isabella of Spain in 1492 in which they had decreed that their Jewish subjects convert to Catholicism or face expulsion. The Spanish government will now invite descendants of the Sephardic Jews of Spain – that is, those who had not converted to Catholicism – to return, offering them full Spanish citizenship.[1] The Portuguese government is also enacting legislation conferring Portuguese nationality automatically on descendants of those who suffered during the Inquisition. These much delayed apologies, admission of error and wrongdoing against the Jews, and the implicit recognition of cultural, social and economic loss to the two countries, has provided an unexpected context for this book.

As a result of the 1492 edict, several hundred thousand Jews had fled to the port cities of the Mediterranean and Atlantic seaboards. Large numbers sailed directly for North Africa, others went to the Levant, eventually settling in Constantinople, Thessaloniki and Sofia. Some went to Livorno, Venice and Trieste. Many took shelter in Portugal where their financial and commercial skills and their networks elicited initial enthusiasm from King Manuel I, a welcome which lasted a mere five years. Some achieved relative safety in a few northerly European cities, congregating in urban areas of Amsterdam and London. By the middle of the sixteenth century, a number had also settled in small groups in France, in Bordeaux and in what is now a suburb of Bayonne, St Esprit-lès-Bayonne. This market town, which quickly became the largest Jewish settlement in the southwest, some 2,500 by the end of the eighteenth century, was a

centre for other small towns further afield where Sephardim made their homes, in Bidache, Dax, Labastide-Clairence and Peyrehorade.

Many Jews also took the path to conversion, thus disappearing forever into the protective anonymity of Spanish society. Others who stayed in Spain or Portugal did so under suspicion of the authorities, coming to be known as *conversos*, crypto-Jews, a term frequently applied indiscriminately but carrying life or death consequences. Still others did indeed continue to practice their religion covertly, living a clandestine existence in fear. The fruits of this complex history of population movement and religious upheaval are crystallised for us in the Sephardic diasporas around the Atlantic seaboard where Jews, crypto-Jews and *conversos* alike formed a complex pattern of trading networks in the New World.

The brothers Emile and Isaac Pereire were among the descendants of these Spanish *conversos* and Portuguese refugees from *auto da fe*.[2] They were to become pivotal and sensational figures in nineteenth-century France, their lives and careers a lens through which to re-examine its history. They were born in extraordinary times: Emile in 1800 during the Consulate of Napoléon Bonaparte; Isaac in 1806, after Napoléon had crowned himself Emperor. They were children of Bordeaux, an eighteenth-century trading power-house brought to its knees by the demise of the slave trade and incessant war against Britain and other European enemies. They were also beneficiaries of the French Revolution, among the first Jewish citizens of France born free and equal amid a cohort described as 'the French generation of 1820'.[3] Gifted men born into poverty at a time of economic depression, the Pereires were brilliant, idealistic and ambitious, determined to achieve great things in post-revolutionary France. Leaving Bordeaux in the early 1820s for the opportunities promised in the capital, the brothers were thus part of a wave of young people who surged to Paris from the provinces. The legacy they took with them was to be crucial in shaping their perceptions and their future actions.

Fascinated by the teachings of the economist and philosopher Claude-Henri de Rouvroy, comte de Saint-Simon, they contributed significantly to Saint-Simonianism, the evolving philosophy of social, economic and financial reform which emerged after the death of Saint-Simon. Drawing on the ideas, skills and networks with which Saint-Simonianism provided them, and added to an acquaintance with the industrial and technological innovations transforming Britain, they were among the first to implement the new rail technology in France. It was to be Emile, a financial wizard and not a scientist or engineer at all, whose capacity nevertheless to comprehend and implement complex scientific and engineering ideas led to the first passenger railway in France, from Paris to St Germain-en-Laye,

the industrial and commercial significance of which, as is often said, far exceeded its nineteen kilometres. Isaac, a genius with figures, contributed to their partnership in financial matters in critical ways. More innovations and a plethora of business enterprises were to flow from the remarkable and complementary talents and personalities of the two brothers.

Their Saint-Simonian understanding that major railway development required investment capital on an unprecedented scale saw them launch the first investment bank of any size in Europe, the Crédit Mobilier. Through innovative organisation structure the bank became the holding company for enterprises in which it had major investments. They initiated the first regular passenger shipping service between Le Havre and New York and the first regular postal service between France and North America; they founded one of the first department stores in Paris, Les Grands Magasins du Louvre; they were among the first to use the new telegraph; they financed the photographer Nadar; and funded construction of the main sewerage line in the capital. They operated companies distributing gas lighting and water heating throughout Paris; providing horse-drawn public transport and taxi services, as well as industrial laundries to the metropolis; and La Ceinture, the forerunner to the Métro, owes much to the Pereires. Their hotels, the Grand Hôtel du Louvre and the Grand Hôtel, were probably the first purpose-built elements of Paris' tourism infrastructure. They purchased and developed Château Palmer, a splendid *vignoble* in the Médoc and developed Arcachon on the Atlantic seaboard as one of the first seaside resorts. They redeveloped great swathes of Paris' right bank, and attempted to do the same for Marseille. Indeed, Paris' seventeenth *arrondissement* is in large part a Pereire creation and so are chunks of the eighth and ninth. Nor were their activities confined to France, for they stood behind banks and railways in Spain, Germany, Italy, the Netherlands, Russia, Switzerland and the Austro-Hungarian and Ottoman Empires. The nature of every one of their enterprises bespoke modernity, and the verve with which they implemented their ventures demonstrated a new mentality. Emile and Isaac Pereire were thus major players in the industrialisation of France and in the modernisation of French banking, critical figures in implementing domestic and foreign-policy initiatives of government.

For these reasons alone – the sheer scope, significance and spectacular nature of their achievements, their fascination with technology, their capacity to grasp its potential – the Pereires should interest us. But there are further explanations, for their story casts light more broadly on the richness, complexity and pivotal nature of the world into which they were born.

As Jews empowered for the first time in European history to make their own way, their story is one of enormous self-confidence and bravura. Sephardic Jews, they were born into a religious culture which regarded its members as part of the Jewish nobility, different from and superior to their co-religionists, the Ashkenazim. For the Sephardim claimed descent from the royal house of Judah and, throughout most of their history, had accommodated to the host communities within which they lived and worked. Before their expulsion from Spain they had reached positions of power and influence there, achieved great wealth, and produced important philosophers, poets and musicians. Over several centuries during the period of the three religions, they had learned to co-exist with Christianity and Islam without losing their faith but, with the order to leave or to convert to Catholicism, many chose the latter course. In the wake of the edict of expulsion the small number who sought refuge in France integrated as Jews within the Catholic majority, becoming a vital part of the booming mercantile economy in eighteenth-century Bordeaux. Successive monarchs accorded them increasingly liberal civic and economic rights so that by the time of the French Revolution they were able to argue, rightly or wrongly, that they were in no need of emancipation since they had achieved it already.

Emancipation which broke down the legal barriers to progress and gave them equality also confronted them with dilemmas, of reconciling their new citizenship with their religion. Nor was this equality unquestioned as anti-Jewish activity and anti-Semitism gathered strength over the century, challenging the very basis on which Jewish equality had been accorded. The Pereires as Jewish success stories and members of France's *grande bourgeoisie* are thus persons of interest in the historiography of assimilation and acculturation.

In post-revolutionary France, theories of political, social and economic reform proliferated. As Saint-Simonians the Pereires were in the vanguard of two apparently contradictory philosophies: of capitalism, which Saint-Simonianism encouraged through its emphasis on banking and credit, industry and technology; and of socialism, which was implicit in the Saint-Simonians' doctrine of social reform and explicit in its application to 'the poorest and most numerous class'. That these ideologies could be reconciled at an early stage in the development of each bears witness to the integrating character of Saint-Simonianism as well as to the capacity of the Pereire brothers to distil what they needed and make the result work. While the early socialism of which the Pereires had been proponents gave way to militancy as the French industrial working class increased in number and sophistication, becoming more vocal and better

organised, the Pereires retained what now seems a rather naïve faith in the power of business to avert through job-creation the violence which became a hallmark of later nineteenth-century socialism. But their Saint-Simonian education did not let them down when we consider how many of their spectacular commercial and industrial achievements (and some of their failures also) can be laid at the door of Saint-Simonianism.

Political regimes changed like a series of revolving doors in nineteenth-century France, yet it was a period of surging economic growth. The Bourbon Restoration which was in many respects repressive and backward-looking unleashed a ferment of ideas which were to be exploited during the succeeding government of Louis-Philippe. The July Monarchy, which ended in revolution, saw the triumph of the bourgeoisie and the beginning of the railway age. The Second Republic, which also ended in regime change, placed opportunity into the hands of Saint-Simonians who created new banking initiatives to expand the new industries. The Second Empire, oppressive and unstable as it was towards the end, was a period of concerted efforts to expand the economy and revive commercial and industrial growth. The Pereires' story is a commentary on this history.

For each of them, then, Saint-Simonianism was the logical expression of the values and attitudes instilled from an early time and the instrument through which they transformed, albeit differently, their experiences as Jews: the religious acculturation; the sense of responsibility for others inherited from the Sephardic communities of the southwest; an impoverished childhood; and the lessons inherent in the depressed economy of Bordeaux. While their exploits were frequently reported in contemporary nineteenth-century journals in Britain and North America, the lives and careers of Emile and Isaac Pereire are scarcely known in the English-speaking world today. Where they have been addressed at all, and frequently this is no more than a mention, the Pereires are often typecast as villains or as *parvenus*, lackeys to Napoléon III; foils to the infinitely more clever and ultimately triumphant James de Rothschild; or corrupt business figures intent on enriching themselves at the expense of the life savings of thousands of small investors. The ideas they developed from Saint-Simonianism have largely been ignored; their roots in the provincial centre of Bordeaux treated cursorily; their cultural formation as Sephardic Jews at a time of Jewish emancipation neglected.

They have been better served in their native country, both in monuments and in literature. In Paris, there is a Métro station and a suburban (RER) railway station named after them, and the bifurcated boulevard Pereire Nord and Pereire Sud. At one time these boulevards issued into and out of a handsome place Pereire now, and only after opposition from

residents, re-named place Maréchal-Juin.[4] Plaques commemorating their activities are to be found at various significant places in the capital. The penumbra of their renown has spread to other members of their family as well, for in Bordeaux a street recalls their grandfather, Jacob Rodrigues Pereire, and in Bayonne a plaque inside the railway station notes that their mother, Rebecca Henriette Lopès Fonseca, was a Bayonnaise. There are reminders in other towns of their significance to France. And in each of the past two centuries and the present one, biographies of the Pereire have appeared.[5]

A biography of Emile and Isaac Pereire must be construed from many different archival sources. While these are summarised in the Select bibliography, the private Archives de la famille Pereire in Paris particularly require comment. Consisting of letters, manuscripts, company documents, privately published articles, a complete set of Pereire publications, this is an important collection but one which has suffered some depredation over the years. What has survived is thus largely incomplete and tends to be concentrated on certain subjects, a random collection thrown together by the hazards of time. Despite this imbalance the surviving material nevertheless covers a long period, from 1715 to 1900, and has been more than sufficient to allow this portrait to emerge when supplemented with other archival documents.

The historian is indebted to Emile Pereire himself: his habit of retaining drafts of much of his written correspondence as well as many of the responses to it is something of a godsend. Similarly, submissions the Pereires drafted for government on matters associated with their businesses frequently survived. One other element of the Archives demands special comment: that is, the volumes of Pereire journal articles and other writings, twenty-seven in all, gathered together early in the twentieth century by Isaac's son Gustave.[6] While most of this material was published at some time or other and is thus theoretically accessible, it remains largely unknown. The complete writings of Emile Pereire for the journal the *National* in the 1830s, and Isaac's for the *Journal des débats* in the 1840s among others, are readily accessible only through Gustave Pereire's efforts on behalf of the two brothers.

While writing is a solitary occupation, historians do not write in a vacuum. Our work inevitably rides on the shoulders of previous scholars and is influenced for good or ill by our peers. France's economy and financial institutions in the nineteenth century have been particularly blessed with the quality of historical analysis and meticulous attention of past historians: Louis Bergeron, Jean Bouvier, Bertrand Gille, Louis Girard, Maurice Lévy-Leboyer and Alain Plessis, all of whom in one way

or another have dwelt on the impact of the Pereires' ideas, vision, energy and skills, and all have contributed in important ways to this book. The fine work of Rondo Cameron and David S. Landes, writing over a long period in English, must also be recorded here. More recent economic historians, especially Hubert Bonin, Michael Stephen Smith and Nicolas Stoskopf, have shed light on individual institutions and individuals and their work has been stimulating and similarly invaluable.

This book is not a work of economic history, however. It engages more broadly, using the lives of two remarkable individuals to re-examine the history of France in the nineteenth century. It is concerned with their experiences as Jews, as Saint-Simonians, as provincials arriving in a metropolis and as capitalists close to the seat of power, as well as with the impact and significance of the enterprises they founded. The historiography in which they figure is thus wide-ranging. Previous biographical works on the Pereires, all written in French, entertained differing intentions depending, as biographies often do, on the interests of the author. The work of Jean Autin, who worked through the same family archives as I have, is the most comprehensive of these but his biography showed less interest in the Pereires' context than in their accomplishments. Autin's work remains a valued reference, nevertheless. I must also acknowledge and pay particular respect to the significance of Barrie M. Ratcliffe's articles on several aspects of the Pereire brothers' early lives and careers, written in the 1960s and 1970s and drawing also on the Archives de la famille Pereire. Finally, Saint-Simonian historiography, the life of which started on the movement's demise with Henri Fournel in 1832, now profits from the painstaking research and publication programme of scholars associated with the Société des études saint-simoniennes at the Bibliothèque de l'Arsenal in Paris. I am indebted to many of my predecessors and continue to learn from my contemporaries.

Notes

1 Gerry Hadden, 'Sephardic Jews invited back to Spain after 500 years', *BBC News Magazine*, 6 March 2013.
2 Richard L. Kagan and Philip D. Morgan (eds), *Atlantic Diasporas: Jews, Conversos, and Crypto-Jews in the Age of Mercantilism, 1500–1800* (Baltimore, 2009).
3 Alan B. Spitzer, *The French Generation of 1820* (Princeton, 1987).
4 Restaurants, pharmacies and a florist continue to use the name 'Pereire'.
5 Hippolyte Castille, *Les Frères Pereire* (Paris, 1861); Jean Autin, *Les Frères Pereire: le bonheur d'entreprendre* (Paris, 1984); Guy Fargette, *Émile et Isaac*

Pereire: l'esprit d'entreprise au XIXe siècle (Paris, 2001); Maurice-Edouard Berthon, *Emile et Isaac Pereire: la passion d'entreprendre* (Paris, 2007).

6 Emile et Isaac Pereire, *Écrits de Emile et Isaac Pereire* (Paris, 1900–9), 8 volumes further divided into at least 27 'Fascicules' and 'Parties'.