

One Hundred Years of the ‘Bluff Rothschildien’: Housing the Poor in Paris

Klaus Weber, Director of a new European research project based in The Rothschild Archive, describes a pioneering charitable scheme in France in its centenary year

Elevation of
Fondation
housing in Paris,
by the architect
Augustin Rey



The charitable institution, the *Fondation Rothschild*, which still operates today, was set up in Paris in 1904. Its 100th anniversary coincides with the 130th anniversary of the *convention de famille* which underpins the *Fondation*.

This commemorative article has emerged from the initial phase of a three-year research project on Jewish welfare and charity, which has been recently launched by The Rothschild Archive and the Parkes Institute for the Study of Jewish/non-Jewish Relations at the University of Southampton, with the financial support of the Hanadiv Charitable Foundation. The investigation incorporates a special focus on the Rothschild family and, as a result, looks at Germany, Austria, England, Italy and France, where family branches were established. The article cannot yet reflect any of the project's outcomes, but touches on some of the questions which have already emerged and tries to illustrate the many key problems that overlap in the iridescent subject of modern philanthropy.

Ambrose Bierce, in his sarcastic *Devil's Dictionary*, puts some of this iridescence into one pithy phrase: "Philanthropist, n. A rich (and usually bald) old gentleman who has trained himself to grin while his conscience is picking his pocket."¹ Many contradictory motives may be entangled where

charitable activities are concerned: genuine compassion, ambitions for social respectability, religious obligations, vanity, intentions to exercise social control – to name but a few.

The early industrial age witnessed not only the formation of a new class of working poor and the rise of self-made businessmen and industrialists, but also an unprecedented development of voluntary charity. Though often depicted as models of greed and social irresponsibility, many industrial magnates were well aware of the threats and conflicts arising from the enormous gap separating the rich and the poor. At the same time, they tried to prove that in resolving the social problems of an industrial society, the liberal principle of voluntary philanthropy would function better than a welfare state, whose mandatory redistribution of financial means could be fuelled only by fiercer taxation of profits and income.

A case study of Rothschild initiatives in 19th- and 20th-century philanthropy is of particular interest. Here, the general subject of individual voluntary charity merges with the specific issue of the identity of European Jewish communities. On the one hand, their far-reaching exclusion from Christian societies at large forced Jews to focus on their own community institutions, inspired by the traditional Jewish concept of charity: *tzedakah*, outlined in the Torah and the Bible. On the other hand, during the 19th century, the eagerness of many Jews to adapt to modern secular society and to achieve equal civil rights encouraged the creation of charitable institutions intended to bridge religious and cultural lines of separation. Thus, quite a number of Jewish institutions spearheaded secular modernisation.

Most of the Rothschild entrepreneurs took classic liberal stances. Nathaniel (“Natty”), the 1st Lord Rothschild (1840-1915) completely identified with the conservative interest in opposing both a state-funded and a contributory old-age pension system, as exemplified in the German model that had been in existence since 1891. In Paris, his brother-in-law Alphonse (1827-1905) criticised the government’s protective trade policy, influenced by the moderate socialist Jean Jaures. When interviewed by the writer Jules Huret in 1897, he stated: “There are richer men and poorer men and that’s all there is to it! Some are richer today and will be poorer tomorrow ... Everyone is subject to such variations ... As for these agglomerations of capital, it is money which circulates ... [and] bears fruit. It’s the wealth of the nations! If you frighten it away, ... all will be lost. ... Capital is labour! Apart from some unfortunate exceptions ... each man ... has that share of the available capital that his intelligence, energy and industry merit.”² This, of course, was the common standpoint of industrial leaders. Yet many of them did not simply oppose the development of state welfare, but launched paternalistic initiatives of their own. German industrial magnates like Alfred Krupp (steel) and August Borsig (locomotives), the French Emile Menier (chocolate industrialist and left-wing Député at the National Assembly), or the Czech entrepreneur Thomas Bat’a (leather and shoes) provided housing, pensions and health schemes for their employees.³

Nevertheless, the mere fact of capitalist magnates being engaged in philanthropy was an indicator that the liberal system did not work in the terms outlined by Alphonse. In being a philanthropist, the liberal capitalist was contradicting his own premise on this subject. Had a liberal economy enabled everybody to have his fair share of the riches of this world, according to each person’s abilities, why should there be a need for any intervention, voluntary or state-run? This inconsistency need not be examined more closely in this article but it is these very contradictions that, among other issues, make this investigation an interesting one.

Throughout the period under consideration, numerous members of the Rothschild family, across all its branches, were very active in a wide spectrum of charitable activities. They ranged from housing and relief for the poor, medical care and advanced medical research, orphanages and education, to cultural issues like patronage of the arts. One of their major concerns was the problem of housing for the poor. On this subject, Rothschild activities in Paris can be traced back to the early 1870s. In a letter

to the Mayor of Paris, dated 12 November 1871, the whole of the second generation of French Rothschilds - Alphonse, Gustave, Edmond, Charlotte, and Adèle, the widow of their brother Salomon - announced the wish of their late father James (1792-1868) to create a *fondation spéciale et perpétuelle*. Its purpose was to pay rent subsidies to the city's needy families. On 11 January 1874, the charitable foundation *L'Oeuvre des Loyers* was established by a *convention de famille*, with a capital of a million francs, later augmented by another 0.6 million after the death of James's widow Betty in 1886. Over the following decades, the *Oeuvre* paid 100,000 francs each year, which the mayors of the 20 Paris *arrondissements* helped to distribute to tenants with annual rents below 400 francs, regardless of their political or religious backgrounds.⁴

On 27 June 1904, Alphonse, Gustave and Edmond de Rothschild informed the *Ministre du Commerce* about a far more ambitious project for providing social housing. The brothers were to create the *Fondation Rothschild*, the primary aim of which was to "ameliorate the material living conditions of the workers." This was a rather unspecific and general way of putting it. The statutes, however, set out a programme that went beyond housing, embracing such matters as health, education, nutrition, and childcare. The State approved its charitable status in the following month of July.⁵

These Rothschild activities must be seen against a wider background. Among the urban elites, the rapid expansion of cities in 19th-century Europe had instigated lively public discussions on the problem of housing, linked with concerns about disease, delinquency and social unrest in slum areas, the unsuitability for military service of unhealthy young men and, especially in France, low birth-rates. At the *Expositions Universelles* of 1867 and 1878, the issue was presented in the form of model designs for cheap and decent housing, and, simultaneously with the 1889 exhibition, the first international congress on the issue of housing for the poor was held in Paris. The conference revealed that France, in favouring somewhat idyllic attached and semi-attached houses, appeared backward in comparison with England and Germany, where more radical approaches had led to vast blocks of social housing that made more efficient use of expensive urban spaces. The 1889 International Housing Congress encouraged the creation of the *Société Française des Habitations à Bon Marché* later in the same year. This body was actively involved in an incessant Europe-wide exchange of know-how in designing, building, and managing social housing schemes, an exchange which lasted until 1914.⁶

Yet its outcomes proved rather feeble. In Paris, during the 1870s and 1880s, the social housing sector grew at a mere 8 per cent in 5 years, while, in the same period, luxury apartments grew at a pace of 20, sometimes even 40 per cent. No speculator in search of an income from rents would have considered flats for the poor. New laws, meant to encourage investors, had little impact.⁷ No wonder that in late 19th-century Paris, a third of working-class families lived under appalling conditions in lodgings with only a single room, with diseases, particularly tuberculosis, spreading easily among the inhabitants. According to the *Bureau de l'Assainissement des Maisons de Paris*, some buildings in the city were so infectious that anybody entering them could be statistically assured of dying within ten years.⁸

The Europe-wide debate on this housing crisis may have led Alphonse, Gustave and Edmond to give the then breath-taking sum of 10 million francs for the erection of housing. Moreover, it illustrates the context of the extremely ambitious plans initiated by the *Fondation Rothschild* in 1904. Their scope was unprecedented, and not only in France. No comparably extensive project had ever been carried out before to provide a model. Therefore, the *Fondation*, with Frédéric Schneider as its first president, and prestigious members like Emile Cheysson (see n.6), launched an architectural competition and its experts undertook an exploratory trip to England.⁹

In this context *The Four Per Cent Industrial Dwellings Company* must be mentioned. Still in existence today under the name *The Industrial Dwellings Society*, it was initially conceived by a broad

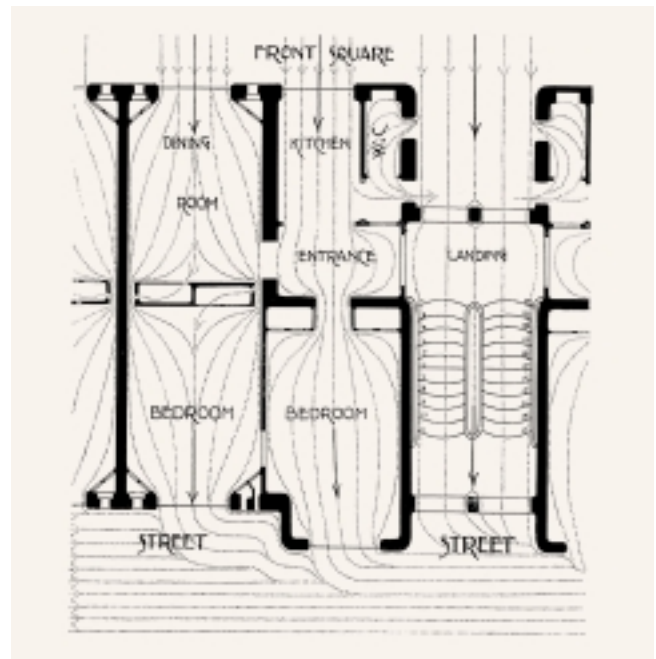
group of magnates from the Anglo-Jewish elite in London in 1884. But neither in Paris nor in London were tenement blocks for the poor considered a lucrative investment and, at the end of the day, it was Nathaniel de Rothschild who became the sole major stakeholder in the project. The name *Four Per Cent* embraced the economic formula of philanthropic housing schemes as acknowledged by the international community of social housing experts: a nett return in rents of 4-5% was considered the minimum profit margin that would attract capital and at the same time allow for the erection of hygienic, bright and properly aired tenement blocks providing affordable flats for workers, artisans and low-paid employees.¹⁰ Most probably, the *Fondation* experts studied the London model during their survey in England. Yet the *Four Per Cent*, with some 230 flats built in the crowded and impoverished East End before 1900, was within the average size of British philanthropic housing projects. The scheme of the *Fondation Rothschild* was to quadruple these figures.

The architectural competition was meant to inspire ideas, with significant prize moneys for the winners but no guarantee of their concepts being realised. In order to maintain efficiency in both planning and building and to avoid extravagant artist-architect attitudes, an architectural department was set up within the *Fondation*. Outstanding members of this team were Henri-Paul Nénot, its chief advisor, and the competition prize winners Augustin Rey and Henry Provensal.

The struggle against tuberculosis had a considerable impact on the layout. Constant optimum ventilation and bright rooms were the *sine qua non* of design. Medical experts on urban hygiene serving in the architectural department were inspired by advanced German T.B. sanatorium architecture, perhaps even by the sanatorium for Jewish women which had been founded by Edmond's wife, Adelheid de Rothschild (1853-1935) in the Black Forest in 1903. The Black Forest building itself had been designed by the pulmonary specialist Dr. Karl Hettinger.¹¹

Within a decade, the *Fondation* and its architects managed to erect five substantial housing complexes spread across five different Paris *arrondissements*, providing almost a thousand flats before World War I, and 1,125 by 1919. The existence of this foundation encouraged other magnates to create their own institutions, essentially along the Rothschild lines. Among them were the *Fondation Alexandre et Julie Weill* (1905), the *Fondation de Madame Jules Lebaudy* (1905), and the *Fondation Singer-Polignac* (1909).¹² Their success even induced the city authorities to obtain a state loan of 200 million francs in 1912 for the construction of 26,000 flats for families of modest income. These efforts were, however, obstructed by the outbreak of war.¹³ It was not until 1922 that the municipal *Assistance Publique* and the City of Paris managed to exceed the Rothschild scale, achieving some 1,450 flats each.¹⁴

So much for the philanthropic 'hard facts'. What about their political and self-representational aspects? In his ethical writings, the Jewish philosopher Maimonides (1135-1204) had distinguished eight degrees of *tzedakah*. One of the criteria to achieve the most pious and noble degree was that "the poor do not know the identity of their benefactor."¹⁵ Of course, Rothschild family members may have practised this form of philanthropy too, but good deeds exercised anonymously are, by their very definition, most



Ventilation plan for *Fondation* apartment, Augustin Rey



A *Fondation*
apartment block,
Augustin Rey

unlikely to become the subject of historical investigation. The charities considered here had purposes that went beyond generous assistance to the needy. They were a means of self-projection for the members of the urban elites, testifying to the respectability and social responsibility of this new class of self-made businessmen and industrialists. Public donations, in fact, were reminiscent of the benefactions that in earlier times had been expected from kings and noblemen. Only in generously re-distributing parts of it, did the enormous material wealth of the *nouveaux riches* of the industrial age become a respectable asset. This was even more the case when the magnate was of Jewish origin, making him easy prey to the well rehearsed charges of usury and avarice. Through visible commitments to non-sectarian charitable institutions wealthy Jews – and the Rothschilds are but one example – intended to counteract these stereotypes and make a statement about Jewish identification with national goals and issues and therefore affirm assimilation as a *fait accompli*.

Ironically, however, the more extraordinary the generosity, the more spiteful were the anti-Semitic attacks which followed. In 1911, on the occasion of the annual payment of the 100,000 francs by the *Oeuvre des Loyers* to the mayors of the *arrondissements*, the well-known anti-Semitic paper *Libre Parole* provided an example of this. An anonymous article declared the whole procedure to be a mean swindle dreamed up by the Rothschild bankers: the '*Bluff Rothschildien*'. The author claimed that on his deathbed James de Rothschild had intended

to bequeath two million francs directly to the municipally-run *Assistance Publique*. He accused the heirs of having, instead, invested this sum in their own bank, paying a miserable 5 per cent per annum to the *Assistance*, and illicitly shovelling the surplus into their own pockets.¹⁶ To date during this research, no evidence for such misappropriation has been found. What makes it highly unlikely is the Rothschild philosophy of sustainability in charitable giving. Such large sums were never handed over to other bodies for them to dispose of, but were rather invested in a perpetual foundation in which family members would continue to have a substantial say.

Whatever a Rothschild did or did not do in the field of philanthropy was meticulously observed and judged, not only in public, but also within the family. When Maurice de Rothschild (1881-1957, a son of the above mentioned Edmond) masterminded a new housing project in 1930, his brother James Armand prepared very critical dossiers on the plans. With partners from the property world, Maurice conceived a mixed project, with more than 10,000 flats and integrated commercial spaces to be built on municipal land provided on long-term leases, 4,000 of which were to be let on strict social housing terms. James Armand and his advisers were highly critical of the economic aspects, but feared even more Maurice's close contacts with the Socialist-run municipality. This, and the dubious reputation of some of the real estate companies that he was involved with would be an easy target for more attacks.¹⁷

This brief and incomplete account of Rothschild housing initiatives raises more questions than it can answer. One might have suggested that magnate families would have gradually withdrawn from philanthropic activities as state welfare – and taxation – developed. Instead, the Rothschild housing projects were not reduced but obviously multiplied in scope each time a new generation took charge. This demands closer examination. Taxation on income and succession may have been an incentive for

charitable giving, encouraging successful businesses to reduce profits before taxation by making donations. This strategy would have been even more enhanced once tax deductions for charitable activity had been invented. Furthermore, what specific influence did Jewish issues have on decision-making? It is evident, for example, that the mass immigration of Jews from Eastern Europe into the East End of London was a major factor in the setting up of the *Four Per Cent Dwellings* in London; were similar considerations in play in Paris? Or was the 1904 donation intended rather to counteract anti-Jewish sentiments stimulated by the Dreyfus affair? How far was there a family network of information on philanthropic issues exchanged across borders and leading to the spread of up-to-date ideas and practice – even of competition?

In the course of this project, it is hoped, more light will be shed on some or all of the questions raised.

Dr. Klaus Weber is Director of the Research Project and a Research Fellow at the Parkes Institute for the Study of Jewish/non-Jewish Relations at the University of Southampton. He is the author of Deutsche Kaufleute im Atlantikhandel 1680 – 1830, (München, 2004).

NOTES

- Ambrose Bierce: *The Devil's Dictionary* (Vol. VII of *The Collected Works*). New York 1911.
- The interview is quoted by Niall Ferguson: *The World's Banker. A History of the House of Rothschild*, London 1998, p.862. As Ferguson carefully considers, "it may be that Huret misquoted Alphonse, but Alphonse's letters to London suggest" that this was not the case. Ferguson concludes that these writings expressed an "uncompromising, not to say crass, *laissez-faire* view of the labour market ...".
- Helmut Lackner: 'Das System Bata' in Architekturmuseum Basel (ed.): *Die Bata-Kolonie in Möhlin*, Basel 1992, pp. 61-67.
- RAL, Lafite Papers, OC 161, including the letter to the Mayor of Paris (1872), 'Règles à suivre dans la distribution des fonds' (1907), annual letters to the mayors of the *arrondissements* (1890s); OC 220, obituaries, Betty de Rothschild (1886).
- RAL, Lafite Papers, OC 161, statutes of the *Fondation Rothschild* (1911).
- Marie-Jeanne Dumont: *Le logement social à Paris 1850-1930. Les habitations à bon marché*, Liège (Pierre Mardaga) 1991, pp.15-20. Georges Picot (1839-1909) and his fellow campaigners Jules Siegfried (1837-1922) and Emile Cheysson (1836-1910) were probably the most prominent figures in the French social housing sector and members of numerous bodies, e.g. the *Alliance d'Hygiène Sociale*. Picot's persuasive booklet "Un devoir social et les logements d'ouvriers" (1885) drew heavily on the English housing model and for some 20 years it remained the 'bible' to this sector of philanthropy.
- Dumont: *Logement social*, pp.113, 165.
- Dumont: *Logement social*, pp.18-19, 39. See also Jerry White: *Rothschild buildings. Life in an East End Tenement Block 1887-1920*. London (Pimlico) 2003, pp.12-13.
- Dumont: *Logement social*, pp.31-35.
- Since the 1860s, some thirty organisations or individuals (Peabody among them) had already built tenements for almost 7,000 London artisan families, though not all with philanthropic aims. The Four Per Cent was provided with a capital of £40,000, which was to be doubled in 1891. White: *Rothschild buildings*, pp.14-24, 28. A more recent assessment is offered by Susannah Morris: 'Market solutions for social problems' in *Economic History Review*, 44 (2001), 3, pp.525-545.
- Uwe Schellinger: 'Adelheid de Rothschild (1853-1935) und die Gründung der M.A. von Rothschild'schen Lungenheilstalt in Nordrach' in *Die Ortenau* 82 (2002), pp.519-28. Due to the healthy climate of this particular village, half a dozen sanatoriums had been erected there before 1914. The impact of the methods developed in Nordrach on British T.B. treatment cannot be underestimated. While they were ignored in France's medical sector, they certainly did influence French social housing architecture. Also see Flurin Condrau: 'The Institutional Career of Tuberculosis Patients in Britain and Germany' in John Henderson (ed.): *The Impact of Hospitals in Europe, 1000-2002: People, Landscapes, Symbols*. In print.
- The Lebaudy institution had been founded as early as 1889 as *Groupe des Maisons Ouvrières*, but changed its statutes in 1905, under the influence of the Rothschild Foundation, the only one that was able to rival the considerable Lebaudy funds. Dumont: *Logement social*, pp.93-96.
- Dumont: *Logement social*, pp.113-115. Before 1912, the public sector had only provided for loans and tax exemptions, amounting to some 7.5 million francs, while the Foundations *Rothschild* and *Lebaudy* alone had donated 20 million francs by 1914.
- Dumont: *Logement social*, pp.167-71. Thousands of flats were built by the Ville de Paris up to 1933.
- Louis Jacobs: *The Jewish Religion. A Companion*, Oxford 1995, pp.72-73.
- RAL, Lafite Papers, OC 161, cutting from the *Libre Parole*, issue 22 January 1911. The author is citing "one of our well-informed friends." He insists that the reproach was entirely plausible, but admits it cannot be proved because of the municipal administration's refusal of any investigation into Jewish (and in particular Rothschild) matters. To include in the calumny a "good Jew", here represented by James, was (and is) a common pattern in anti-Semitic discourse. Martin Reisigl / Ruth Wodak (eds.): *Discourse and Discrimination. Rhetorics of Racism and Anti-Semitism*, London (Routledge) 2001.
- RAL, Lafite Papers, OC 148, comprises a dozen reports on this subject, see reports no. 1-2 and nos. 5-7.