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## **Jewish bankers and businessmen as art collectors and philanthropists in nineteenth and early twentieth century Amsterdam<sup>1</sup>**

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## Introduction

Businessmen who collect art or participate in charity are a well-known phenomenon in the past and present. There might be many ways to explain the motives for a businessman to collect art, such as speculative investment or as the ‘conspicuous consumption’ of a parvenu as the sociologist Veblen once put it.<sup>2</sup> One might even argue that they collect art because they like art or they participate in charity out of compassion with disadvantaged fellow men and women. Although this might be a reasonable assumption in a number of cases, this is not the concern of the present paper. As was the case with many a gentile businessmen, Jewish bankers and businessmen were active in charity as well. They supported also a wide range of religious, cultural and scholarly institutions in the nineteenth century and early twentieth century. And some were collectors of art too. The name Rothschild still stands for wealth and conspicuous consumption as shown, for instance, by their huge country houses in England and France dating from the early twentieth century. Members of this Jewish banking dynasty also collected art in surprisingly large quantities. As many gentile businessmen, they were also active in philanthropical foundations and charity, although they usually restricted these activities to their co-religionists. Moreover, they supported a wide range of religious and scholarly Jewish institutions. James Rothschild in Paris also supported Zionist movements. The Rothschild family remained perhaps the best remembered example of these pursuits, but as so often the Rothschilds they form a league of their own. It is the scale of their success and activities compared to other bankers or coreligionists that still surprises today. But it is difficult to base generalisations on their exceptional behaviour. On – perhaps – a somewhat smaller scale of wealth and activities, there were many other Jewish bankers or businessmen who were active outside the world business or finance. The Camondos in Paris, the Bischoffheims in Amsterdam, Brussels and Paris, are just two contrasting examples among many bankers who were also art collectors or philanthropists, or both.<sup>3</sup>

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<sup>2</sup> Thorstein Veblen, *The Theory of the Leisure Class*, (New York: Dover Publications, INC., [1899] 1994).

<sup>3</sup> The Camando banker family arrived from Istanbul in Paris around 1806. One of the most famous paintings from their art collections is Paul Cézanne’s *Card Players* painted in 1885. It was presented to the Louvre in 1911. Nowadays, it can be seen in the Musée d’Orsay in Paris.

The phenomenon raises several questions. Was collecting art and the sometimes huge gifts from their art collections to museums correlated to the desire of a rising Jewish bourgeoisie to be accepted by their economic non-Jewish equals? Did they try to catch up with the aristocratic life style as one can perceive among gentile businessmen, especially in Germany, as well in that era?

Jewish bankers and businessmen were also active in charity, sometimes founding their own institutions, sometimes by becoming a member of the board of such an institutions and sometimes only by presenting gifts to individuals or societies. Charity was not restricted to the male members of Jewish families. On the contrary, in several cases wives were the driving force behind these pursuits. They followed in the footsteps of wives of wealthy non-Jewish businessmen. Another question is to what extent the founding of philanthropical institutions were useful for financial and business activities, as the networks between male and female members of boards might have contributed to the trust and cooperation between business partners. Therefore directly related is the question whether these activities contributed to the social capital of these businessmen. I will begin, however, with the question why so large extent of charity existed among the Dutch Jewry, especially in Amsterdam where the vast majority of the Jews in the Netherlands lived.

## **Emancipation**

Over many centuries Amsterdam had the reputation of a liberal city towards Jews and rightly so in comparison with Austrian, German, Polish or Russian cities. In Amsterdam there has never existed an enforced ghetto, although Jews had the tendency to concentrate in one neighbourhood near the synagogues. However, this relative liberal attitude by the Dutch state did not imply that Jews had the same rights as Dutch citizens in every aspect of their lives. That changed in the era of the emancipation of the Jews. Already in 1796, the emancipation of the Jews Netherlands gave Jews equal rights as other Dutch citizens and formal barriers to enter any particular occupation or profession were eliminated. Other nations followed sometimes many decades later. But full emancipation of the Jews was usually a long process as Table 1 shows and the also shows clearly that there is a

division between France and The Netherlands on the one hand and other European countries on the other in this respect.

Table 1 Years when Emancipation of the Jews  
Took place or was completed in several countries

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France	1791
The Netherlands	1796
England	1830-1871
Italy	1798-1870
Austria	1848-1871
Germany	1808-1871

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Soon after the Revolution, France became the first European country to pass an Emancipation Degree, although Napoleon Bonaparte weakened this Degree again in 1808. The Netherlands followed very soon afterwards with their own Emancipation Degree due to the great French influence during the period of the so-called Batavian Republic (1795-1801), a period when the Netherlands had almost the status of a French vassal state. Not all Dutch Jews accepted the Degree with great joy or relief, because as a consequence many a rabbi or administrator of a Jewish institution lost much of his (very rarely her) influence and status within the Jewish community, much to the chagrin of those involved. This emancipation, however, did not lead immediately to economic progress and increasing wealth among the Jewish population of which up to twelve per cent percent was very poor indeed. This percentage hardly changed during the nineteenth and early twentieth century.

The employment structure hardly changed either in the first half of the nineteenth century. The traditional Jewish businessmen did not immediately opt for new opportunities offered by the new legal status as many a family preferred to continue their long-standing economic activities in banking, small-scale diamond trade or the garment industry. Only when Amsterdam entered its so-called Second Golden Age, starting in the early 1860s, this situation changed considerable, but even then the change was for a substantial part due to new and enterprising German-Jewish

immigrants who arrived in Amsterdam from neighbouring German regions, especially Westphalen.

The only exception is the rise of a new diamond processing industry in Amsterdam at the end the nineteenth century. The industry was mainly in Dutch-Jewish hands and offered some people the opportunity to accumulate a large capital in a short time. But the impact of this new wealth hardly diminished the large proportion of poor Jews in Amsterdam.<sup>4</sup> Many of them remained in need of charity.

### **Tsedaka**

One explanation of the many philanthropical activities by wealthy Jews might be found in the typical Jewish rule of Tsedaka, a Hebrew word that means social justice and refers to many forms of charity as defined in the Bible: the care of widows and orphans, the sick and the poor, the old and the dead, but also destitute students and poor brides. Gifts and contributions were obligatory. The rule has much in common with the principle of the Good Samaritan for Christians. Jewish authorities explicitly stated that good deeds should not be restricted to Jews alone, but to all people. However, in practice philanthropical institutions restricted their activities usually to co-religionists, as is clearly indicated by the names of most foundations. For instance, the *Nederlansche-Israelietisch Armbestuur te Amsterdam* [Dutch-Israelite Foundation for the Poor in Amsterdam] where all directors were members of the Jewish bourgeoisie in the capital. The emancipation of the Jews in the Netherlands did not change much in this respect. At least eleven per cent of the Jewish population remained poor (in contrast to two per cent of the Dutch population as a whole) and therefore charity was much in need in a time where welfare by the state existed, but certainly not as well-developed and to the large extent as in present Dutch society.

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<sup>4</sup> See for examples Huibert Schijf and Edward van Voolen (eds.), *Gedurfd verzamelen. Van Chagall tot Mondriaan [Daring collectors]* (Zwolle: Uitgeverij Waanders 2010)

## **Jews in Amsterdam: a diversity of groups**

Over the centuries many Jews came to Amsterdam. As in many other cities there were are two principal groups: the Sephardic and the Ashkenazi Jews. Although the Sephardic formed by far the largest proportion of the Jewish population in Amsterdam at the beginning of the seventeenth century their fraction declined substantially over time. From the 1850's on they formed about a quarter of the Jewish population of Amsterdam. It is certainly not true that all Sephardic families were wealthy in the nineteenth century, but some the families were very wealthy indeed. They were regarded as well-established in Amsterdam and some even started to convert to Christianity. These families often saw themselves as aristocratic and there occurred very little marriages between Sephardic and Ashkenazi families. Contemporaries started to say that they were no longer the energetic bankers and trading families from the past. The successful Sephardic bankers and merchants from the seventeenth and eighteenth century had almost all retired from their business in the early nineteenth century.

During the nineteenth century, as many new Jewish immigrants from Germany arrived the proportion of Ashkenazi Jews increased substantially. At the beginning of the century there were several bankers among the new immigrants and at the end of the century a number of fashion houses in Amsterdam were founded by German immigrants, who were either Jewish or Catholic. During the nineteenth century the demography of the Jewish population changed substantially. In 1808 there lived 21,441 Jews in Amsterdam, forming about eleven per cent of the total population in Amsterdam. At the end of the nineteenth century 59,117 lived in Amsterdam on a population totalling 513,733; and in 1930 their number was 65,558 on a population of 768,409 inhabitants in Amsterdam. The proportion of the Jews remained around eleven per cent. This percentage was larger than in cities like Berlin, London or Paris, although, of course, the absolute numbers of Jews were much larger in these capitals.

Soon after the French occupation of the Netherlands ended in 1813, a handful of German-Jewish bankers arrived in Amsterdam, a city then very much in decline. Wealthy Jewish businessmen continued in the same economic sectors as their ancestors had done: finance, the trade of diamonds and the garment industry. None of these sectors showed much

dynamics before German immigrants started to arrive. Although economically speaking the capital was in a bad shape, several factors made Amsterdam an attractive financial place for newcomers again. The end of the British blockade during the French occupation opened up the economy based on international trade again, although the economy as a whole remained in a very poor condition for several decades. Important for the stability of the economy was the foundation of a central bank, the *Nederlandsche Bank*. The vast colony in the East Indies offered again many business opportunities after the British state returned it in 1816. In this period of a new economic take-off, the foreign bankers brought a cosmopolitan culture and international financial contacts to Amsterdam.<sup>5</sup> The new bankers adapted to the local circumstances, but they remained also part of internationally oriented kinship networks, especially towards Germany where at least some sedentary siblings lived. The Bischoffsheims form an interesting example. The brothers Louis-Raphaél and Jonathan-Raphaél Bischoffsheim were born in Mainz, respectively in 1800 and 1808. At an early age Louis went to Frankfurt where he learned the business of banking from Hayum Salomon Goldschmidt during his internship at Goldschmidt's bank. This procedure was quite common at that time among bankers and entrepreneurs in general. Bischoffsheim would become a friend of Goldschmidt's son Benedict Hayum and he married one of his sisters in 1822. Jonathan-Raphael would also marry a daughter of Hayum Salomon Goldschmidt in 1832, creating another tie with the Goldschmidt bank in Frankfurt.<sup>6</sup> In 1820, Louis-Raphaél Bischoffsheim arrived in Amsterdam. Bischoffsheim would also buy a splendid canal house where he lived among the Gentile bourgeoisie of Amsterdam. His younger brother Jonathan-Raphael, who was then only thirteen, joined Bischoffsheim in 1821. After Belgium became independent, Jonathan-Raphaél decided to found a semi-independent investment-banking house called Bischoffsheim & Goldschmidt in Brussels. His daughter Clara would marry the banker Maurice de Hirsch and the couple moved to Paris. Maurice founded a new banking house

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<sup>5</sup> J. Jonker, 'In het Middelpunt en toch aan de Rand. Joodse Bankiers en Effectenhandelaren 1815-1940.' in *Venter, Fabriqueur, Fabrikant. Joodse Ondernemers en Ondernemingen in Nederland 1796-1940*, (Amsterdam, 1994), pp. 92-113; J. Jonker, *Merchants, Bankers and Middlemen*, pp. 249-53; N.P. Van den Berg, 'Een Geschenk aan de Stad Amsterdam. Achtergronden van de Bibliotheca Rosenthaliana', *Jaarboek Amstelodanum*, 84 (1992) pp. 135-41.

<sup>6</sup> C. Grange, 'Les réseaux matrimoniaux intra-confessionnels de la haute bourgeoisie juive à Paris à la fin du XIX<sup>e</sup> siècle', *Annales de Démographie Historique*, @ (2005) p. 150.

and the couple became involved in many charitable activities.<sup>7</sup> After Maurice's death his widow continued these activities on even larger scale in Paris.

### **Connecting people**

In his seminal *The Strength of Weak Ties*, Granovetter divides a personal network in two types of links with other people, strong ties and weak ties.<sup>8</sup> Strong ties are the close links with friends and family and they represent multi-faceted connections, i.e. they fulfill more than one single purpose. In the case of banking families, kinship networks are the most conspicuous example of strong ties as was already the case in early modern times. Marriages within the family contributed to maintaining these strong ties, as genealogical information shows. It will be argued that these ties are of the utmost importance for keeping capital within the family, for maintaining trust among business partners and therefore keeping transactions at low cost. However, if a person's strong ties are those in which there is a strong investment of time and affect, then this creates a paradox. The disadvantage of these particular links is that they can create inward looking clusters where receiving new information or perceiving new business opportunities is limited. On the other hand, weak ties are usually single-purpose links between acquaintances, in this case business partners. In his study on the spread of new information through a network, Granovetter argues that the strength of these weak ties lies in *bridging* closely-knit groups with other closely-knit groups. In addition, by bridging these clusters new information and hence new business opportunities might emerge.<sup>9</sup> Through networks, people can acquire social capital.<sup>10</sup> According to the classic definition by Bourdieu, social capital refers to 'actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or

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<sup>7</sup> Donique Frischer, *Le Moïse des Amériques. Vies et oeuvres du munificent baron de Hirsch*, (Paris: Grasset, 2002).

<sup>8</sup> M. Granovetter, 'The Strength of weak Ties', *American Journal of Sociology*, 78 (1973) pp. 1360-80; M. Granovetter, 'The Strength of weak Ties: a Network Theory revisited', *Sociological Theory*, 1 (1983) pp. 201-233.

<sup>9</sup> M. Granovetter, 'Network Theory revisited', *Sociological Theory*, 1 (1983), p. 217

<sup>10</sup> A. Portes, 'Social Capital: Its Origins and Applications in Modern Sociology', *Annual Review of Sociology*, 24 (1998) pp. 1-24.



recognition'.<sup>11</sup> However, maintaining such a network successfully also implies mutual trust and cooperation among the members, and, of course, the ability to sanction misbehaviour by partners. Participation in groups outside the business world can be seen as such a bridging device.<sup>12</sup> There were, of course, many meeting places: social clubs, the municipal council, societies for the performing arts and so on. For the argument of this paper philanthropical societies will also be seen as institutions functioning as meeting places where weak ties are created between diverse groups. As will be shown women played an important role in these societies after 1900.

### **Art collectors: a way of distinction in Amsterdam?**

Compared to art collectors abroad like the Vanderbilts and Frick in the USA, the Jewish Camondos in Paris, the Jewish merchant James Simon and his cousin Eduard in Berlin, Gentile and Jewish citizens in the Netherlands formed only relatively modest art collections. In her overview of Jewish collectors in nineteenth century Amsterdam Bergvelt shows that many of them were Sephardic Jews.<sup>13</sup> They can hardly be called parvenus and it is much more likely they had an art collection as part of their aristocratic life style. Among the newcomers there were very little collectors of paintings on a larger scale. Of course, some of them commissioned portraits, but because of these family portraits they can not be called art collectors. An exception is Andries S. van Wezel (1856-1921) who made his fortune very quickly in the diamond industry at the end of the nineteenth century. As Maecenas of young contemporary painters he formed a large collection of their then modern paintings. After his death the Rijksmuseum received his complete collection. Given the scarce practice of collecting art one can barely argue that this was a way to distinguish oneself. Certainly, wealthy Jewish newcomers tried to distinguish themselves in Gentile society but with limited overall success as socially they remained excluded. But their desire of distinction by conspicuous consumption can be

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<sup>11</sup> Cited in A. Portes, 'Social Capital', p. 3.

<sup>12</sup> See for an elaboration of this argument Huibert Schijf, *Netwerken van een financieel-ekonomische elite* (Amsterdam: Het Spinhuis, 1993), pp.144-146.

<sup>13</sup> Elinoor Bergvelt, 'Joodse kunstverzamelaars en hun culturele netwerken in Amsterdam tot circa 1900', in *Gedurfd verzamelen*, pp. 40-55.

found in the location, ostentatious architecture of the exterior and interior of their houses and the luxurious appearances of their magazines and fashion houses.

### **Two philanthropists and several institutions**

Bankers with their wealth, specialist financial knowledge and connections within the financial world were always in demand as members of the board of industrial enterprises. Their activities were never restricted to the business world. They also participated in many board of philanthropical institutions, very often as treasurer as Jewish Almanacs show.<sup>14</sup> Of course, it was expected from bankers that they were active in raising money or even in contributing money to the institutions themselves. This could even happen within the same family. The wife of still another Jewish banker George Rosenthal in Amsterdam appeared to have paid happily the money his wife Sophie Rosenthal-May needed to keep her charity institutions running.

#### *Bischoffsheim and his Bischoffsheim foundation*

Soon after his arrival in Amsterdam, Louis Bischoffsheim started an active role in a charity. It shows his willingness to participate in Amsterdam Jewish social life, although restricted to members of Jewish bourgeoisie. In 1825 the Nederlandsch-Israelietisch Armbestuur was founded. As was almost always the case these foundations the governors belonged to the high circles of Jewish Society. They were rich merchants, professionals and so on. Their average yearly income belonged to the two per cent highest incomes in Amsterdam.<sup>15</sup> In 1832 Bischoffsheim became a member of the board. A position he held until 1851, several years after he had left for Paris. But after he moved he remained in contact with Amsterdam, both in business as in charity. As one of the founders of the present PARIBAS bank he appointed one of his Amsterdam colleagues as the director of the Amsterdam subsidiary. Around 1860 he and wife Amalia prepared plans to found their own philanthropical foundation. The Bischoffheimstichting would have three

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<sup>14</sup> See for instance for Jewish bankers the *Jaarboek van 5674 (1913-14). Uitgegeven door Centrale Organisatie voor de religieuze en moreele verheffing der Joden in Nederland*, (Amsterdam: 5673/1913).

<sup>15</sup> Marco H.D. van Leeuwen, 'Arme Amsterdamse joden en de strijd om hun integratie aan het begin van de negentiende eeuw', in Hetty Berg (ed.) *De Gelykstaat der Joden. Inburgering van een minderheid* (Zwolle: Uitgever Waanders, 1996), pp. 55-67.

branches, one in Amsterdam, one in Mainz (his place of birth) and one in Paris where he lived. The purpose of foundation was to provide Jewish boys and girls an opportunity to learn a 'useful' occupation.<sup>16</sup> The procedures for the founding turned out a complicated affair that is not the subject of this paper. For the argument of this paper it is of importance to see who participated in the foundation and its founding. The first request to the Dutch king was done by prominent Amsterdam Jews: two lawyers, his co-director and relative of his bank in Amsterdam, a well-known doctor and project developer in Amsterdam, although not always successful, and a city councilor. Involved in the preparations was also M.C. Hall, a banker and friend of Louis. He was the only protestant among the founders. Later he would become the first director of the Amsterdam subsidiary of the PARIBAS. The Bischoffsheimstichting was accepted in 1862 by the Dutch state and started soon after. In that year the first candidates received their financial support to study a 'useful' occupation. The active participation of bankers would remain. In 1911, B.L. Gompertz would become the chair of the board of governors. He was affiliated with the Wertheim & Gompertz bank and seen by contemporaries as one of most prominent financial figures in Amsterdam.<sup>17</sup>

#### *Berg/Kahn family and the Berg foundation*

In 1882, two young men (both 25 years old) arrived in Amsterdam. Sylvain Kahn was born in a small village in the Elzas; Sally Berg was born in Warburg in Westphalen. They knew each other from their apprenticeship at the fashion house Hirsch & Cie in Brussels. They were looking for a location to open a subsidiary of Hirsch in Amsterdam. They succeeded and in 1882 the new shop was opened. In contrast to Bischoffsheim who was a member of internationally operating network of private banking houses, Berg and Kahn are examples of economic migrants without a supporting kinship network. But obviously they expected to stay in Amsterdam when successful. They were. In 1885 Sylvain married Sally's sister Julie Berg. They started to become integrated in Jewish society Amsterdam. This can be demonstrated by members of the family who participated in several Jewish philanthropical societies. It was especially Julie who participated in these

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<sup>16</sup> Archives of the Bischoffsheimstichting (private property). I thank Ilan Kisch for his friendly help.

<sup>17</sup> *Nieuwe Israelietische Almanak*, 1916: 35.

foundations, among them, an orphan house for Jewish boys.<sup>18</sup> It offered her, and her family, many opportunities to get acquainted with many (female) members of the Jewish bourgeoisie in Amsterdam. When she died in 1935 obituaries praised her compassion for the poor. Her husband Sylvain would become a member of the board of the Centrale Israëlietische Ziekenverpleging [Central Jewish Care of the Sick].

But most of all it was Sally Berg who with the foundation of his own Berg-Stichting in 1909 contributed to charity in Amsterdam, although the buildings were located outside Amsterdam. The purpose of the society was the care of children neglected by their parents. The foundation would play a substantial role in Jewish charity in the Netherlands. He founded the Society together with his sister and the help of the prominent banker H.A. van Nierop. Sally Berg died in 1924. In his will he bequeathed large amounts of money to Jewish foundations among them foundations where his sister was a member of the board, such as an organization to the support of poor Dutch-Jewish midwives. The names of some societies suggest the bequest were restricted to Jewish foundation, but this is not true at all. Obviously them of these had a wider purpose and Berg a wider perspective of useful organizations.<sup>19</sup>

### **Towards a Jewish ‘pillar’?**

Although the wealthy Jewish bourgeoisie spatially distanced themselves from their poorer co-religionist their participations in charity shows that many well-to-do Jewish businessmen kept their loyalty to the Jewish poor. In the segmented Dutch society of that time where denominational schools, hospital and charitable institutions were natural, these Jewish charitable activities and welfare institutions almost lead to a Jewish ‘pillar’, although without a separate Jewish political party.<sup>20</sup> In the segmented Dutch society denominational schools were, and still are, completely subsidized by the Dutch state. However, Jewish administrators showed a large reluctance to apply for this support. As consequence charity and contributions by wealthy Jews remained important and

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<sup>18</sup> *Jaarboek 5674 (1913-14)*, p. 38, 43, 80 and 98.

<sup>19</sup> Peter Cohen, *Geschiedenis van de Berg-Stichting* (Den Haag, 1992) p. 19-20.

<sup>20</sup> H. Daalder, ‘Dutch Jews in a Segmented Society’, *Acta Historiae Neerlandicae. Studies on the history of the Netherlands*, vol. X, 1978, pp 175-194.

sometime absolutely necessary. What had started as individual actions by wealthy bankers and businessmen (and their wives!) became more and more institutionalized. One might explain this as a consequence of that typical phenomenon of 'polarization' of Dutch society. For the Jewish community these institutions contributed to its identity, but also kept them sometimes separated from Dutch society as a whole.

The Shoa largely destroyed Jewish life in the Netherlands, but never completely. After the Second World War many Jewish philanthropical institutions have been dissolved as most people who needed their help were murdered. But the Bischoffsheimstichting still continues its work. The Bergstichting was not longer needed in its original function, but was not dissolved either, discreetly still doing good deeds.