

The first private banks

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By the end of the eighteenth century and the beginning of the nineteenth, several Basel houses had become primarily banking houses. The names of these early private banks are recorded in the history of the city and in the prehistory of the Basler Bankverein. They include the houses Bischoff zu St. Alban, Ehinger & Cie, J. Merian-Forcart, Passavant & Cie, J. Riggenbach and von Speyr & Cie, which in 1854 formed the consortium from which the Bankverein would emerge.¹ Other houses of this period included La Roche & Co, whose origins go back to 1787 and which still exists today as one of the oldest private banks of Switzerland, and Dreyfus Söhne & Cie, founded in the early nineteenth century by a Jewish family from Alsace, which also still exists.²

The early private banks of Basel were family businesses, owned and managed by partners who were usually members of the same family or of related families. Their capital was the partners' own wealth. Their clients were merchants, manufacturers, patrician families and institutions of the city and the region. Their business included the discounting of bills of exchange, which provided short-term credit to merchants and manufacturers; the acceptance of deposits from families and institutions; the granting of loans secured on real estate or securities; the purchase and sale of securities on behalf of clients; the safekeeping of valuables and securities; and the management of the wealth of families. Some of them also acted as correspondents for foreign banks and handled international payments.

The Dreyfus bank deserves particular mention, because its history illustrates the situation of Jewish bankers in Basel. As Part A showed, Jews had not been allowed to reside permanently in Basel since the late fourteenth century, restrictions that persisted into the nineteenth century. Jewish merchants from Alsace, where a large Jewish population lived, traded with Basel and sometimes obtained permission to reside or to do

business in the city under special conditions. The full emancipation of the Jews in Switzerland, which granted them freedom of establishment, came only in 1866 and was completed by the Federal Constitution of 1874. The founders of the Dreyfus bank operated in this context of restriction and gradual emancipation. The success of the bank over two centuries shows the contribution of Jewish families to the Basel financial centre.³

1 Notes

1. On the six Basel private banks that formed the Bankverein consortium in 1854 (Bischoff zu St. Alban, Ehinger & Cie, J. Merian-Forcart, Passavant & Cie, J. Riggenbach, von Speyr & Cie), see the history of the Swiss Bank Corporation and HLS, article "Schweizerischer Bankverein". Names and date to be verified. ↩
2. On La Roche & Co Banquiers (founded 1787) and Dreyfus Söhne & Cie AG, Banquiers (founded 1813), see the histories published by the banks and HLS, articles "La Roche" and "Dreyfus". Dates to be verified. ↩
3. On the conditions of residence of Jewish merchants and bankers in Basel before emancipation (1866/1874), and on the history of the Dreyfus family and bank in Basel, see HLS, articles "Judentum" and "Dreyfus"; the publications of the Jüdisches Museum der Schweiz. To be verified. ↩

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