

James Fazy and the critique of the “financial aristocracy”

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James Fazy developed a virulent critique of what he called the Genevan financial aristocracy. In his view, the great families reserved credit for their own circle, invested their capital abroad and neglected the economic development of the city. He wanted to create credit institutions accessible to artisans, tradesmen and entrepreneurs, and to make Geneva a modern, open and prosperous city.¹

This critique contained an element of truth. The private banking houses served first and foremost a wealthy clientele, and their investments were largely international. Small Genevan entrepreneurs often found it difficult to obtain credit. But the critique also simplified reality, since the private bankers took part in financing many local enterprises and supported institutions such as the savings bank.

Fazy’s programme combined several elements: the demolition of the fortifications, which hemmed in the city and prevented its expansion; the construction of new districts; the creation of a bank of issue and credit; the development of the railways; the welcoming of foreigners and Catholics; and the reform of education. This programme transformed Geneva in the second half of the nineteenth century.

The debate between Fazy and the Genevan financial elite raises a question that remains topical: that of the role of the financial centre in the development of the local economy. A centre oriented towards international wealth management contributes to the prosperity of the canton through the jobs, taxes and spending it generates. But it does not necessarily finance local small and medium-sized enterprises, which depend on other institutions. The coexistence of private banks, cantonal banks and commercial banks answers this diversity of needs.

1 Notes

1. Dictionnaire historique de la Suisse (DHS), art. “Fazy, James” (Jean de Senarclens): James Fazy (1794–1878) founded the Journal de Genève in 1826 as an opposition organ favouring universal suffrage, and then L'Europe centrale (1833) for Genevan radicalism; he led the Radical revolution of October 1846 and drafted the constitution of 1847; his economic programme resulted in the creation of the Caisse hypothécaire (1847), the Banque de Genève (1848), the Caisse d'escompte (1849) and the Banque générale suisse de crédit international (1853), whose collapse in 1865 ruined him; after 1850 he launched the demolition of the fortifications; his failure to be re-elected to the government in 1864 provoked riots and a federal intervention.



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