
Review by Helen M. Davies, University of Melbourne.

Hervé Joly, director of research at CNRS (Laboratoire Triangle, Université de Lyon), has written an immensely detailed and meticulously researched history of the Gillets of Lyon, a highly influential, although somewhat reserved industrial family active over almost 200 years. It is a major contribution to the study of family capitalism in Europe. In his book Joly sets out to analyse and explore the means by which a Lyonnais artisanal silk-dyeing concern established in 1836 developed into the most significant business in French textiles processing and a force in the French chemicals industry. His task was complex and labyrinthine. The family’s business dealings were notably private. The number of companies and the range of their activities was formidable involving a large cast of owners and managers, and the commercial, industrial, financial and technological developments during two centuries were dramatic.

As Joly tells it, we are not in the presence of a unique enterprise, nor of a mother-house with subsidiaries. While the Gillets unsuccessfully attempted a vertical integration model several times, by the mid-twentieth century their empire consisted of “une myriade de sociétés commerciales, plus ou moins contrôlées par la famille” (p. 17). The Gillet group was thus atypical in French industry and could not be compared readily with other industrial establishments or families.

Joly situates his work at the junction of the history of the enterprise and of family biography, each of which has a rich historiography in France. Previous scholarship, which he cites comprehensively, has formed a foundation for his own.[1] Nevertheless, there are few histories of the French textiles or chemicals industries. The first part of his book deals in more or less chronological order with the Gillet enterprises, the industries and businesses in which the family engaged. He uses the Gillets’ history to pose broader questions concerning, for instance, how a man of humble peasant stock rose to become an industriel in nineteenth-century France, seeing off considerable competition among the silk dyers of Lyon, how succeeding generations expanded the repertoire and reach of their industrial activities, and how the family integrated quite differing industries within its range of interests. In the second part, he addresses the social, cultural and religious history of the family, adding richness in the process.

Joly first introduces the founder, François Gillet (1813-1895), eldest surviving son of a largely illiterate farming family in the commune of Bully, department of the Rhône. At the age of seventeen, he became an apprentice silk dyer in Lyon. At twenty-four, he started his own modest dyeing business in a partnership which rapidly became untenable. He became the sole proprietor. By 1878, he controlled an enterprise with a turnover of nearly eight million francs and a workforce of between 900-1200 in Lyon and 160 elsewhere (pp. 66-67).
François possessed many gifts essential to survival and growth in contemporary businesses, not the least being his intuitive understanding of how to manage them. He was a fearless innovator, introducing new methods of dyeing and treating silk (embossing, moiré, impression), perfecting the quality of the finished product, introducing steam, lowering costs by mechanising production, and enlarging the product range. He expanded capacity within Lyon and to Izieux, then a commune of the Loire, the first dyeing establishment outside of Lyon. The company exhibited in the Expositions Universelles of 1855, 1867 and 1878, winning a gold medal and other accolades. Gaining a major contract with one of Lyon’s foremost silk manufacturers, Gillet expanded to several other European countries.

Following technical training in silk dyeing, two of his sons joined him. Joseph (1843-1923), the elder of the two, possessed gifts the equal of his father. Gillet et Fils prospered further, diversifying into silk printing, increasing the numbers of factories in production, and investing in further mechanisation. On François’s retirement, his was supreme among the dyeing houses of Lyon. Joseph led it to greater heights, investing in other dyeing businesses in Lyon and abroad and profiting from improved equipment and dyeing techniques. His sons, Edmond (1873-1931), Charles (1874-1971) and Paul (1879-1972), continued his work.

A characteristic of the Gillets was their capacity to identify opportunities as they arose. Another was their prudent management of finances, conserving dividends and financing new ventures to a large degree from within their own resources. Thus they made sound investments in struggling companies without significant recourse to external sources of funding. They began to invest in cotton dyeing and finishing. Following World War I and after Joseph’s death, Gillet et Fils transformed what had been a small investment into virtual control of the principal French cotton dyeing, printing and bleaching establishment, Blanchisserie et Teinturerie de Thaon (BTT) of the Vosges, which had encountered financial strife in 1931. Out of this, Gillet-Thaon emerged in 1935, expanding its range to spinning and weaving natural fibres after World War II.

Gillet et Fils had also invested in 1902 in the spinning of viscose, an artificial silk derived from cellulose. Together with the Carnot family (descendants of the assassinated President, Sadi Carnot), they formed a joint venture leading in 1911 to the Paris-based Comptoir des Textiles Artificiels (CTA). The business expanded into different products including cellulose, cellophane, and imitation horsehair. CTA acquired further companies manufacturing rayon and made a small investment in Rhodiaceáta (originally Rhodiaseta), a subsidiary of what later became Rhône-Poulenc. In 1930, CTA accounted for 14.9 percent of world production of artificial textiles; only Courtaulds in the UK was larger. Nevertheless, competition in the production of artificial textiles increased at home and abroad and during the 1930s over-production, under-consumption and faltering prices led to weaker profits and factory closures. Matters were worse for the competition, however. The Gillets survived and even absorbed some of their competitors.

Chemicals were an intrinsic element in the Gillet enterprises. In 1871, when François and Joseph Gillet formed Gillet et Fils, the production of chemicals was an objective secondary to dyeing silk. But by 1885 they saw and seized the opportunity to produce chemicals for industries other than textiles—leather tanning, agriculture, liquid chlorine. Significantly, the company’s move into artificial silk production also demanded a heavy use of chemicals. In 1918, they launched a limited company, Progil, an autonomous chemicals business. Up to World War II, Progil diversified its product range considerably to include carbonizing, paper, and even liquid malt extract for baking. Its seventeen factories at that time included facilities in Argentina, Italy, Madagascar and Morocco.

The family negotiated World War II with difficulty. As leaders of industry, Vichy demanded they participate in committees of organisation of those sectors in which they predominated. Joly finds that they were "relativement prudents" (p. 424) under complex circumstances: their actions on the whole were tied to their professional interests. They did not look to profit from aryisation policies, nor did
they advance their own interests through collaboration. But they did participate with Nazi Germany in an economic collaboration in artificial fibres, and while with Liberation they escaped formal charges, they did not avoid suspicion. The immediate postwar period was difficult for other reasons. Destruction of production facilities and falling profits forced the Gillets and the Carnots to restructure CTA under the banner of a new company, Celtex, which embraced an existing artificial silk company at Izieux (Givet-Izieux) and Viscose Française.

To the 1960s, the Gillets thus controlled or held significant interests in a multi-sector industrial empire having regional, national and international ramifications, notably centred on chemicals (Progil), dyeing and natural fibres (Gillet-Thaon), and artificial textiles (Celtex). Beyond these, the number of companies, small and large, in which they invested, either as minority or majority shareholders, or into which they entered licensing agreements, was staggering. Saint-Gobain, Pechiney, and Kuhlmann were some of the enterprises with which the Gillets formed partnerships. In 1959, the total workforce was estimated at 45,000 with a turnover of 115 billion francs. Joly outlines with great clarity the strategies the family employed to ensure they retained financial ownership, control or influence. They were fortunate perhaps that, on several occasions, a relatively modest stake initially handed them a larger opportunity in the end. The banks, Crédit Lyonnais in particular, were helpful.

Ultimately, however, the opportunism that had served the Gillets so well led to a notable lack of overall industrial coherence in their enterprises. French industry was undergoing major modernisation through government pressure and initiatives, the challenges of which Joly deals with comprehensively. Ownership in Gillet companies became increasingly dispersed with the progressive entry of their shares to the bourse. Demands for capital by Celtex and Progil especially presented a heavy burden on financial resources. Eventually, with the advent of the European Economic Community (1957), the providential association with Rhône-Poulenc that had commenced in 1922 through Rhodiacéta saw Rhône-Poulenc absorb both Celtex (in 1961) and Progil (in 1969), at considerable profit to the Gillets.

The family retained some influence in this new scenario (Renaud Gillet presided over Rhône-Poulenc from 1973-1979). But heavy foreign competition exacerbated a substantial diminution in French manufacture of artificial and synthetic textiles: rayon, viscose, and fibranne totally disappeared from the production line. A workforce of 27,000 in Rhône-Poulenc textiles in 1967 declined to 7,500 in little more than a decade. The Gillets gathered their residual family enterprises into a new company, Pricel, the principal task of which increasingly focused on managing the family’s financial assets.

As significant shareholders during a long period, the Gillets exercised control or influence over most of their businesses through positions on the board, in which they played an active role. They were hands-on, frequently one or other of them assuming the position of administrateur délégué (managing director) and endeavouring to fill a majority of board positions. The sheer number of businesses owned or influenced by the Gillets provided occupations for most of the male members of the family. It was not until the takeover of Blanchisserie et Teinturerie de Thaon that the position of administrateur délégué fell into the hands of a non-family member. By 1964, however, while the Gillets retained important directorial positions, management of their enterprises was principally in the hands of non-family professional managers.

In the second part of his book, Joly turns from this extraordinarily detailed analysis of the complex Gillet businesses to the family’s social and cultural relationships and interactions. It is unfortunate that private family archives that may have added to the account are no longer available, but his exhaustive use of public records goes a long way towards compensation.

Joly’s review of the position of women in the family is particularly striking. Several early partnerships in the dyeing business having failed, notably between François and a colleague and then with his in-laws, family ownership and control had become an issue, maintained in the first and second generations through a strict limitation of shares to François and his two sons, Joseph and François the younger.
Unlike the Schneiders or the Michelins, who excluded female family members from any involvement in their businesses but allowed them a share in the capital, female members of the first two generations of Gillet were specifically excluded from any form of ownership. Even upon François junior’s sudden and early death, his widow was persuaded to sell his share of the business back to Joseph and two male family members at a discount, leaving Joseph effectively in total control and his brother’s family disenfranchised. While later generations of female members did become shareholders, they never played a role in the business. Indeed, it was not until the fifth and sixth generations that Gillet female family members began to acquire education and employment opportunities similar to those enjoyed by previous generations of male descendants.

Joly notes that while the Gillets remain identified with Lyon, many years have passed since they lived or engaged in any social interests there. The founder had acquired considerable Lyonnais property, both industrial and domestic, and the succeeding two generations augmented their holdings. They were devout Catholics and supported the church’s social welfare activities in Lyon, just as they did Lyonnais educational institutions and social housing initiatives. By the fourth generation, however, with some of their companies now headquartered in the capital, attention had turned to Paris and the Île de France where family members now reside. This did not mean that the Gillets became national figures. While some of them joined the boards of national companies, with the exception of the Banque de France and the Caisse d’Escompte, they rarely assumed positions in national fora. They did not enter national politics, unlike the Schneiders, the Wendels, and the Dassaults, and rarely spoke to the press. Modesty and discretion were a family hallmark. That the patronym has practically disappeared has had some impact on their national recognition also. They are, however, still wealthy, marrying into the upper echelons of French society; more than half into the annuaire bottin and a third into the nobility.

With the fifth generation, the collective Gillet family enterprise was in the process of unwinding. In 1976, Jérôme Seydoux of the Schlumberger family made a successful takeover of Pricel, fracturing the family cohesion that had led the Gillets to a position of eminence among the twenty top French business dynasties. Its members struck out along different paths. Their level of education was by now superior to that of previous generations, having taken many of them to the grandes écoles. Most found solid positions elsewhere in the private sector. Some among the sixth generation demonstrated entrepreneurial talents in completely new fields. Jean-François Bijot, grandson of Edmond Gillet, founded the counter-culture and rock magazine, Actuel, and a radio station, Radio Nova. A number of female descendants entered the professions.

Hervé Joly, whose works on the dirigeants of Germany and France established him at the forefront in his field, has written a remarkable book. He sets the bar high for the study of family capitalism and entrepreneurship and makes a major contribution to the history of France’s economy over the past 200 years. Les Gillet de Lyon is essential reading for historians in these and other fields of French business and industry, extending the work of previous scholars considerably while drawing on current historiography. Hervé Joly serves rich fare to future scholars and signals new directions in their approach.

NOTES
