

The Bouchayers of Grenoble and French Industrial Enterprise, 1850–1970. *By Robert J. Smith.* Baltimore: Johns Hopkins University Press, 2001. xiv + 247 pp. Index, notes, bibliography, maps, photographs, tables. Cloth, \$42.50. ISBN 0-801-86683-9.

Reviewed by Michael S. Smith

The Etablissements Bouchayer et Viallet (EBV) of Grenoble emerged in the early twentieth century as one of France's leading manufacturers of capital equipment and most successful family enterprises. American historian Robert J. Smith recounts the history of the firm and of the Bouchayer family that controlled it, using available company documents and various family papers—letters, diaries and account books, unpublished memoirs—to which the company's last president, Robert Bouchayer, gave him access in the 1990s. Because these papers provide insights not normally available to business historians into the character, private lives, and family relations of key EBV executives, it is not surprising that Smith tells the story of EBV largely in personal terms. He ascribes the initial success and eventual decline of the firm to the personal strengths and weaknesses of the four Bouchayer men who headed the firm from its founding in 1868 to its dissolution in 1971: the founder, Joseph Bouchayer; his son, Aimé; his grandson, Jean; and his great-grandson, Robert.

In Smith's account, the decisive stage in the rise of EBV came in the 1890s, when the young Aimé Bouchayer—with technical assistance from his engineer brother, Auguste—expanded the firm's product line from heating and ventilation systems to pressure pipelines for the new hydroelectric industry of the French Alps. As a result, the company's annual revenues quadrupled to six million francs and its work force increased from 130 to 800 between 1898 and 1913. Smith also lauds Aimé for moving aggressively into the production of artillery shells during World War I, which brought further growth (the work force rose to its all-time high of 2,700 in 1917), and for setting up after the war an engineering subsidiary, SDEM (Société Dauphinoise d'Etudes et de Montages) which, thanks to the inspired direction of Georges Ferrand, maintained EBV's leadership in pipeline technology down to the 1950s. At the same time, however, Smith views Aimé Bouchayer as contributing greatly to the later decline of EBV by insisting that his eldest son, Jean, succeed him as president.

Plagued by self-doubts arising from his stormy relation with his father, Jean Bouchayer proved to be a poor administrator and an even worse strategist for EBV. He allowed the company to drift through the 1930s and into the postwar era while he increasingly devoted his time to stamp and book collecting, golf, and family genealogy. Yet he clung to power and eventually

undercut his son's efforts to rescue the firm from decline in the 1950s and 1960s. To be sure, many of Robert's schemes to rationalize and modernize EBV were ill conceived (despite developing a genuine friendship with Robert Bouchayer while researching this book, Smith is highly critical of his actions as president), yet these schemes were probably the company's last hope for survival. In any case, largely as a result of his father's machinations, Robert Bouchayer was ousted from the presidency in 1971, the company's remaining assets were sold off, and EBV ceased operations.

Was the decline and fall of EBV inevitable? Yes, according to Robert Smith. He believes that—notwithstanding storied exceptions like Michelin—most family firms are by their very nature self-limiting: the wealth, education, and status that follow from the business success of the first two generations almost always erode the commitment of the third and fourth generations to the hard work needed to keep the family firm viable. Or, as he puts it in the introduction, “[S]ocial ascent and cultural evolution [are] incompatible with continuing entrepreneurship” (p. xvi). This pattern seems fully borne out by the history of EBV under Jean and Robert Bouchayer. Yet, by Smith's own account, in the 1920s EBV's board of directors had alternatives to Jean Bouchayer as the company's next president, notably Auguste Bouchayer's able son and the talented head of SDEM, Georges Ferrand. Had either of these men succeeded Aimé Bouchayer in 1928, the subsequent history of EBV might have been quite different. In short, it may have simply been bad decisions about corporate governance in the 1920s, not the “law of four generations,” that lay behind EBV's eventual decline.

Robert Smith has provided the “inside story” of Bouchayer-Viallet, tracing not only the rivalries and conflicts in the executive suite but also the course of worker–management relations. Business historians may wish for more of the “outside story”—especially regarding EBV's relations with its customers, France's leading hydroelectric and electrochemical companies, and more information about family members other than the four Bouchayer *chefs d'entreprise* and about the family's wide-ranging connections. The single most important figure to emerge from the Bouchayer family was Hippolyte, Aimé's younger brother, who became a prominent Paris financier and a director of the aluminum giant, Pechiney. Yet he remains a rather peripheral figure in the story told by Smith. So does Louis Le Chatelier, Aimé's son-in-law, who came from a distinguished family of engineers, industrialists, and savants. Information on the origins and nature of the Bouchayer–Le Chatelier connection would help scholars better understand the social networks within the French business elite.

Such omissions are minor, however, and do not seriously detract from Robert Smith's considerable achievement. For its careful reconstruction of the history of an important firm, for

its sensitive discussion of the “psychodynamics” within a leading industrial family, and more generally for its insights into the role of family relations in the rise and fall of family enterprises, business and social historians will continue to consult this work for years to come.

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