

Helsinki Congress of the International Economic History Association, 21-25 AUGUST 2006: Session 93

Equipment goods and mass brands American business spreading
modernity into France? Strategies, identity and perception (from the 1940s
to the 1980s)

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THIS TEXT IS ONLY THE FIRST DRAFT OF A STUDY WHICH IS DEVELOPED FOR THE HELSINKI
CONFERENCE OF AUGUST 2006, BUT WHICH WILL BE SUPPLEMENTED FOR THE FUTURE
PROCEEDINGS.

[VERSION AT THE DATE OF 3 AUGUST 2006]

In 1982, a report on some of the leading businesses of the world was entitled: "The American supremacy"¹ right beside an editorial which proclaimed: "The European decline"². The return of the Japanese business giants in many industrial sectors is still in the process of maturation and the American hegemony seems, at the moment, to be complete. The year before last saw François Mitterrand, leader of the Left socialist party winning the presidency of France by advocating the nationalization of some forty businesses and declaring that only through such a nationalization drive France could avoid falling prey to the rapacious multinational corporations, in particular, the American giants. Such a "perception" of the national economical interests could now seem to be outdated, as it was moulded by the awe of an erstwhile all-powerful America and does not take account of the lacunae which have begun to shake the balance of the world's production system and the doubts which have been gnawing, for the past several years, at the actual economic clout of the United States. But until the advent of this Great Crisis of the 1970s-1980s, the American presence in France had both geopolitical and geo-economic dimensions: it was a question of the country's independence.

On the other hand, in order to avoid the dangers of closing ourselves off into a self-defeating autarky, which would be detrimental to both productivity and competitiveness, France needed to remain open to the American technological influence, especially as the US had become, for almost a century, synonymous with technological innovation. From as early as the end of the 19th century, a number of studies³ have dealt exhaustively on the fascination generated by the "progressive American civilization", especially as demonstrated by the large American presence at the Universal Exhibitions of Paris in 1889 and 1900 and the Universal Exhibition held at Chicago in 1893. Along with their German competitors, they were thought to have been the driving force behind the second industrial revolution. And as this last progressed from strength to strength, it reinforced the Americans' image as world-class innovators. The following decades also saw "Americanism" take root in the global psyche while the transfer of American technology, American ideas and an American mentality grew exponentially. We all know how the famous "productivity missions" under the aegis of the Marshall Plan brought millions of technicians and engineers on guided tours of American factories to learn the latest organizational techniques. In October 1949, two of the very first missions toured General Electric, Westinghouse and Bud & MacCormick in Philadelphia, Baltimore and Pittsburgh respectively. But this "Americanization" of American companies is well known⁴. In this text we

¹ 5000. *Classement des premières sociétés françaises et européennes, 1982*, *Le Nouvel Économiste*, November 1982, p.13.

² *Ibidem*, p. 6.

³ Cf. Catherine Hodeir, « En route pour le Pavillon américain », in Madeleine Rebérioux & Pascal Ory (eds.), *Le Centenaire de l'Exposition universelle de Paris de 1889*, special issue of the journal *Le Mouvement social*, Paris, 1989.

⁴ Several books were published as part of the preparations for the congress at Buenos Aires on the International Association of Economic History, including: Dominique Barjot (ed.), *Catching up with America. Productivity*

shall investigate how and why the power of American companies penetrating France was perceived by the State, the opinion and the press, and such a drive for “multinationalisation”⁵ has affected the country. We need to be clear of what these pioneering books⁶ have to say and to grasp “the secrets of the American giants” – “The American enterprise [...] can it be acclimatized to France?”⁷ We shall investigate the role played by France in forming the American corporate strategy – being overseas, did it constitute a specific market, with its rising standard of living and its booming economy fuelled by the growth of its consumer base and the strengthening of its industrial and transportation infrastructure? Did it also facilitate entry into the vast market represented by the European Economic Community which was then on the verge of being constituted? In the same vein, we could also investigate the reasons behind the assumption of its importance vis-à-vis the traditionally favorite targets of American investments: the United Kingdom, the West-Germany and the Benelux countries. We will try and consolidate a chronological and sector-wise table of the cash inflows and corporate initiatives in the post-war period, during the period of expansion (the 1950s) and its culmination in the 1960s-1970s. We shall try and identify the tactics employed by American corporations to facilitate their incursions and eventual establishment in France by looking at the legal and financial aspects of this penetration: alliances, partnerships, simple license transfers, direct industrial investments, subsidiaries, etc. We shall also evaluate the position reached by the entities thus constituted and developed in France within the framework of the international division of organized labor at the European scale, in order to assess their capacity to assume the responsibilities regarding the implementation of strategies, the management, research and development and in the process of value addition.

At the same time, going beyond the external facts, we shall also try and determine the non-material capital of these American firms in France, that is to say, the manner in which they succeeded in engendering a positive “perception”. We shall look at how they created and established their brand image in the name of modernity, of progress, of quality, of innovation and of their ability to help French firms. These immaterial gains were added to the material advantages (such as technological gains and economies of scale in research and development) to create an aura of power. We shall then see how this surrender to a purely capitalist force and the consequent takeover of a significant portion of the production capacity and market share resulted in an anti-American backlash which was due as much to a greater public awareness as to the government. This compelled the American corporations to launch a campaign of organizational communication in order to increase their participation in French innovation and expansion.

While this study follows in the footsteps of Mira Wilkins' pioneering book, we have also used personal material on the evolution of business corporations in France and the Government's economic policies. We have also taken recourse to bank archives, books reconstituting the history of American corporations, on the relations between French companies and their American sister-concerns as well as the published sector-wise histories at the national or

Missions and the Diffusion of American Economic and Technological Influence after the Second World War, Paris, Preses de l'Université de Paris-Sorbonne, 2002. Dominique Barjot & Christophe Réveillard (eds.), *L'américanisation de l'Europe occidentale au xx^e siècle: Mythe et réalité*, Paris, Preses de l'Université de Paris-Sorbonne, 2002. Matthias Kipping & Ove Bjarnar (eds.), *The Americanization of European Business 1948-1960: The Marshall Plan and the transfer of us management models*, London, Routledge, 1998. Cf. also Jonathan Zeitlin & G. Herrigel (eds.), *Americanization and its Limits*, Oxford, Oxford University Press, 2000 (particularly: Matthias Kipping, “A slow and difficult process: The Americanization of the French steel-producing and using industries after the Second World War”, pp. 209-235). Marie-Laure Djelic, *Exporting the American Model. The Postwar Transformation of European Business*, Oxford, Oxford University Press, 1998. Richard Kuisel, *Seducing the French. The Dilemma of Americanization*, Berkeley, University of California Press, 1993.

⁵ Mira Wilkins, “Defining a firm: history and theory”, in Peter Hertner & Geoffrey Jones (eds.), *Multinationals: Theory and History*, Aldershot, Gower, 1986.

⁶ Mira Wilkins, *The Emergence of Multinational Enterprise: American Business Abroad from the Colonial Era to 1914*, Cambridge (Mass.), 1970. Mira Wilkins, *The Maturing of Multinational Enterprise: American Business Abroad from 1914 to 1970*, Cambridge (Mass.), Harvard University Press, 1974.

⁷ Advertisement for the book by François Hetman, *Les secrets des géants américains*, Paris, Seuil, 1969, published in *L'Express*, 29 September 1969, p. 75.

European scales. Finally, we have also systematically combed through the 1960-1970 issues of the two major journals targeted at corporate management, *L'Express* and *L'Expansion*, from where, apart from several bits of interesting information, we also collected a several advertisements which will help us to analyze the brand image projected by American enterprises in France.

1. As a pre-history: Bridgeheads of technical and commercial advance (from the 1900s to the 1940s)

Due to a low population growth rate (only some 40 million) and varied income levels (because a large section of the population remained rural and unsalaried) which constrained economic growth, France was far from being an obvious target for American corporations which mainly sought emerging markets fueled by rising living standards, widespread employment and urbanization. Nevertheless, in 1929 France was ranked third among all European nations in terms of direct American investments.

Us direct investments in Europe in 1929 ^a (book value in million US dollars)					
	manufacturing	selling	petroleum	public utilities	total
Great-Britain	268,2	66,5	21		485,2
Germany	138,9	16,8	35,3		216,5
France	90,9	13,8	25,1	5,3	145
Italy	13,2	2,3	25,9	66,5	113,2
Spain	12,4	4	8,5		72,2
Belgium	38,3	3,5	19		64,2
Total	628,9	132,9	213	145,4	1,352,8

Yet, direct American establishments were relatively rare, with partnerships (along the lines of a "joint venture") being the order of the day. And so it was in the field of electric engineering⁸, which also served to highlight the superiority of American technological know-how due to which French companies had to take recourse to several patents held by their overseas sister-concerns. Apart from the few German patents, it was the patents held by Edison, Thomson Houston and Westinghouse⁹ which made it possible to erect power plants in the country. In 1900, the first metropolitan transport system began in Paris. It had a Sprague drive train based on General Electric patents and was powered by Thomson Houston patented engines. This dependence on a wide range of foreign equipment explains the massive imports from America which accounted for 17.8 out of the 21 million francs worth of agricultural equipment imported in 1902 – not to speak of the buying of patents. In a separate chapter, Patrick Fridenson has studied the role played by the Strowger telephone switching patents which were first acquired by Postel-Vinay in 1882 and subsequently bought by Thomson-Houston in 1908 before its affiliation in 1925 to the Telephone company Thomson-Houston which in its turn was absorbed by the American giant ITT. In 1925, it was transformed into the Compagnie générale de constructions téléphoniques (CGCT). The ITT group which had taken over the French subsidiaries of International Western Electric Company (part of the ATT group of companies) in 1920, including a factory in Paris¹⁰, thus had a solid base in France from the mid 1920s and continued to be well settled till the 1970s. Meanwhile the French corporation CSF had signed a patent exchange agreement with RCA in 1910.

American patents were also used for the manufacture of some materials. One such venture, Eternit (for piping and coating using specialized material – especially with asbestos) was so original and successful that it needed two factories (one at Paray-le-Monial and the other at Prouvy)¹¹, and "an eternit" entered into the current language of construction as a generic term

⁸ Albert Broder, "La multinationalisation de l'industrie électrique française, 1880-1931. Causes et pratiques d'une dépendance", *Annales. Économies, sociétés, civilisations*, xxxix, n°5, September-October 1984, pp. 1020-1043.

⁹ Pierre Lanthier, "Westinghouse en France: histoire d'un échec, 1898-1920", *L'Information historique*, volume 7, n°4, December 1985, pp. 212-219.

¹⁰ Mira Wilkins, *The Maturing of Multinational Enterprise*, p. 70-71. The International Western Electric Company became the International Standard Electric Company.

¹¹ Note *Investissements de capitaux privés américains en Afrique française*, 24 February 1954. From a note made by the American Department of Trade and Commerce in 1953, historical archives of the Crédit lyonnais, DEEF

used for anything made or coated with a similar material. Meanwhile, the Corning Glass group also established, in 1920, a subsidiary in France for the manufacture of refractories (electro-refractories) and the Bakelite Corporation sold its patents on certain plastic materials ("Bakelite" as it was then called) to some industries in the North. On a smaller scale, we find that in the automobile industry, Berliet made use of an American engine patented by Ricardo from 1934 to 1958, there were some technical sales MOUs signed by the trading corporation Fenwick and in 1930, a technological collaboration in the clothing industry between the American Jantzen and Poron, a hosiery company based at Troyes, for the license and sales (in France and Belgium) of swimwear. Though it is true that Dupont of Nemours had already opened a subsidiary (the French company Fabrikoid) in the 1920s¹², the major turning point regarding the textile industry came when an agreement was signed between Rhône-Poulenc and Dupont de Nemours (which had already established a partnership in Europe with the British ICI in 1929) on 3rd October 1931. The agreement led to an exchange of patent rights and on 30th March 1939 Rhône-Poulenc acquired the patent for *Nylon*¹³. It was put into practice by Rhodiaceta, a subsidiary in Lyon which set up a factory at Vaise¹⁴. Though the first strands were delivered on 7th May 1941, it was only towards the end of the war (in 1944) that the 50 ton mark was reached and mass production¹⁵ began in the 1950s. Meanwhile in 1945, the license was extended to the Germany and Italy. Thus, the on-site manufacture by direct subsidiaries was practically non-existent in the materials and equipment sector.

Despite the major differences in the lifestyle and standard of living between the United States and France in the first couple of decades of the 20th century, the "American way of life" had already begun to make inroads in the French mindset by the means of advertisements which had just begun to assume their "modern" incarnations – the magazine press, radio, street hoardings, etc. But the major hurdle for the spread of these consumer goods lay in the distribution network itself due to the predominance of the local "boutiques", the fact that the larger supermarkets were confined to the bigger towns and the lack of the cost-price shops which came up only in the 1930s. Even otherwise, the industries as well as the markets were also fragmented, with traditional, family-owned brands dominating small regional markets. Nevertheless, the march towards a "consumer culture" continued thanks to French as well as foreign innovators (Monsavon, etc. in France and Lever-Unilever, etc. abroad) with its pace set by the bulk orders placed by the purchase departments of the larger chain stores.

In 1923 the American company Palmolive established a bridgehead in France by entrusting Cadum¹⁶ – which was already famous for its advertisements and which enjoyed a solid 50 per cent market share in soaps and other toiletries – the manufacturing of its own products, which it did in a factory situated at Courbevoie¹⁷ from 1928 onwards. Later, when Palmolive merged with Colgate¹⁸ in 1929, this latter's products were also entrusted to Cadum in order to fend off the commercial offensives launched by what had, in that same year, become the giant Unilever. This is the beginning of the history of the marketing strategies¹⁹, the ad campaigns and the sales

10557/59912. The figures which added up to some 4.4 millions were mainly investments in the wholesale trade and especially, 2 million for transportation (buses and trucks).

¹² Mira Wilkins, *The Maturing of Multinational Enterprise*, p. 140.

¹³ A trade mission to the United States inked a double agreement: getting the license for *Nylon* and importing the raw material required for its manufacture. Farben acquired the *Nylon* license on 23rd May 1939.

¹⁴ Pierre Cayez, *Rhône-Poulenc, 1895-1975*, Paris, Armand-Colin-Masson, 1988, p. 145.

¹⁵ The production of *Nylon* by Rhodiaceta went up from 800 tons in 1948 to a record 24,000 tons in 1964. It fell to 17,000 tons in 1965 before stabilizing around 20,000 tons since then.

¹⁶ The happy outcome of an association between Louis Nathan, a French chemist, and the Omega Chemical Company, Cadum was launched in 1911 and was sold in French pharmacies. Marie-Emmanuelle Chessel, "Une méthode publicitaire américaine ? Cadum dans la France de l'entre-deux-guerres", *Entreprises & Histoire*, n°11, March 1996, pp. 61-76. Jean-Pierre Bodeux & Michel Wlassikoff, *La fabuleuse et exemplaire histoire du Bébé Cadum, image symbole de la publicité en France pendant un demi-siècle*, Paris, Syros-Alternatives, 1990. Cf. also the website [www.museedelapub.org/virt/mp/cadum].

¹⁷ *Notre usine, l'espace d'une vie*, Colgate-Palmolive France, 1990. This book was brought out on the occasion of the closure of this site.

¹⁸ Colgate was established in 1806.

¹⁹ Marc Meuleau, "De la distribution au marketing (1880-1939) : une réponse à l'évolution du marché", *Entreprises & Histoire*, n°3, 1993, pp. 61-74.

of some American corporations which gave rise to the establishment of “brand names” and methods of consumer persuasion. In 1923, American Milk Products set up a factory in France²⁰ for the manufacture of concentrated and boxed milk, while the introduction of Coca Cola in 1933 opened up the “ready to drink” market²¹. Similarly, Gillette had a firm foothold in France with a factory in Paris and an established brand name. Its French director presented Lindbergh²² with a *Gillette* razor when he reached Paris in 1927.

Household appliances too did not escape the American technological influence and penetration. Despite some spirited resistance from local manufacturers²³, Singer began the trend by setting up a factory near Paris, at Bonnières-sur-Seine and infiltrated the growing sewing machine market. The French sales of Singer accounted for some 5.3 per cent of the Singer group's total sales in 1912, which meant that it stood fifthⁿ in rank after the Russian (24.5 per cent), the US (17.2 per cent), the Germano-Austro-Hungarian group (12 per cent) and Great Britain (5.5 per cent)²⁴. The American Radiator Company had several subsidiaries in Europe, including one in France with a factory at Dôle (with some 700 employees)²⁵. Finally, Eastman Kodak, which had chosen London as its European base²⁶, entered France in 1891-1897. It introduced its foldable pocket camera at the turn of the century and followed it up with the Brownie. Soon France was dotted with *Kodak* boutiques selling *Kodak* negative films. An agreement with the French firm Pathé gave it the right to distribute positive films in France and negative films in Europe and in the colonies. But when the partnership broke in 1909-1912, Kodak lost a valuable asset – until 1927, when Pathé returned to form Kodak-Pathé with Kodak holding 51 per cent and Pathé the remaining 49 per cent (in 1931, Kodak bought over the rest). While Pathé concentrated on motion picture production, Kodak-Pathé took up the manufacture and sale of film made and developed by a factory at Vincennes²⁷.

The major advantages of the American industries lay in their supremacy in engineering and precision engineering. The French automobile market attracted investments from Ford²⁸, US tire manufacturers (Goodrich having set up a factory in France even before 1914), ball-bearing manufacturers²⁹ and oil companies such as Caltex and Esso Standard³⁰. In the office automation sector (with typewriters to begin with and later, with multipurpose electromechanical machines which could write, calculate, tabulate, etc.), American businesses captured large sections of the French market, and despite the competition from German and British firms, established a solid reputation as early as 1900-1920. Thus, Underwood-Elliott

²⁰ Mira Wilkins, *The Maturing of Multinational Enterprise*, p. 63.

²¹ This date (1933) is given in the official history of the Coca Cola company. But, according to M. Wilkins (Mira Wilkins, *The Maturing of Multinational Enterprise*, p. 51), a factory was established in France just after the First World War and was closed down in 1919-20. The company then gave up the idea of any direct investments and preferred making arrangements with local bottling plants.

²² Gordon McKibben, *Cutting Edge. Gillette's Journey to Global Leadership*, Boston, Mass., Harvard Business School, 1998, p. 24.

²³ Monique Peyrière, “L'industrie de la machine à coudre en France, 1830-1914”, in *La révolution des aiguilles. Habiller les Français et les Américains, 19^e-20^e siècles*, Paris, EHESS Editions, 1996, pp. 95-114. Judith Coffin, “Credit, consumption, and images of women's desires: Selling the sewing machine in late nineteenth-century France”, *French Historical Studies*, n°18-3, 1994, pp. 749-783.

²⁴ Andrew Godley, “Selling the sewing machine around the world: Singer's international marketing strategies, 1850-1920”, *Enterprise and Society*, June 2006, n°7 (2), pp. 266-314 (table A2).

²⁵ Mira Wilkins, *The Maturing of Multinational Enterprise*, p. 5.

²⁶ Mira Wilkins, *Ibidem*.

²⁷ Michel Rémond (and François Sauteron), *Histoire d'une aventure. Kodak-Pathé Vincennes, 1896-1927-1986*, Kodak, 1986. The factory at Vincennes closed in 1986. Jacques Kermabon (ed.), *Pathé, premier empire du cinéma*, Paris, Centre Georges Pompidou, 1994. Cf. the website [www.kodak.com/US/en/corps/kodakHistory]. This site says that a branch was set up in France in 1891 and was subsequently transformed into a subsidiary in 1896.

²⁸ Cf. Patrick Fridenson's chapter in the same book. Cf. Hubert Bonin, Thierry Grosbois, Nicolas Hatzfeld & Jean-Louis Loubet, *Ford en France et en Belgique*, Paris, P.L.A.G.E., 2004.

²⁹ A year after Timken UK was taken over by Timken US in 1927, a Timken factory was set up in France (1928). Then the American policy of breaking up trusts or cartels which had become too powerful forced Timken to sell off its British and French subsidiaries in 1949. Thus, Timken France became an independent entity, but we have no data on it. Cf. Mira Wilkins, *The Maturing of Multinational Enterprise*, p. 293.

³⁰ Cf. Alain Beltran's chapter in the same book.

Fischer, Royal, Remington Rand and IBM entered France³¹ and Europe by setting up assembly plants either in partnership with a local party or as a direct investment. The Computing Tabulating Company (forerunner of IBM) added a production facility in 1922 to its marketing subsidiary (1920) in order to check the growth of another American company, Powers. In 1936, these bridgeheads turned into the *Compagnie électro-comptable* (CEC, with 650 employees) which produced (in its factory at Vincennes and also, from September 1941 onwards, in the one at Corbeil-Essonnes) and sold a large section of CTR-Hollerith's range of products with orders from both public and private sectors.

A chronological table detailing the industrial installations set up by some North American corporations before 1940		
1905	Gillette	Razor blade factory east of Paris
?	Singer	Factory at Bonnières-sur-Seine
15 July 1914	Ancestor of IBM (Computing Tabulating Company)	Establishment of the French subsidiary
From 1916	Ford	Bordeaux 1916-1917 Asnières 1925 Strasbourg (Matford) Poissy 1937
1918-1920	Coca Cola	Bottling plant for some months
1920	Société internationale de machines comptables	Marketing punch-card based statistical machines of the Computing Tabulating Company
1920	ITT	Buys several units issued by Western Electric-ATT
1921	General Electric	Partner in the Compagnie des Lampes, created in collaboration with the Compagnie Générale d'Electricité (25 %) and Thomson-Houston
1923	Palmolive used Cadum as a subcontractor	Courbevoie (factory in 1928)
1923	American Milk Products	Factory in France
1925	ITT	Buys several units issued by Thomson-Houston and Western Electric-ATT
1925	General Motors France	Création of the subsidiary ³²
1926	Massey-Ferguson	First sales in France
1927	Kodak-Pathé	Eastman Kodak takes over Pathé's photographic branch to create Kodak-Pathé (factory at Vincennes)
1929 (December)	Caltex (Californian-Texas Corporation)	Acquires Gironde's oil refineries (refinery at Ambès)
1932	Ideal Standard	Factory at Dôle
1937	Caltex	Merger of Texas Company with the Huiles Galena, and the integration of its factory at Havre
1941	Ancestor of IBM	A second factory at Corbeil

2. Power and perception: the technological brand image of American companies (from the 1950s to the 1980s)

These American incursions remained isolated and moreover, the economic downturn in the 1930s followed by the German occupation greatly reduced the momentum; though in the post-war period American companies enjoyed a solid brand image, the entire corporate strategy for the penetration of the French market had to be rethought after 1945: "The success of American firms will depend on how quickly they can adopt and implement innovations, create a more streamlined production system, make a deeper and more systematic study of the problems, build up a more dynamic organization and set a form of management which would be at once more direct and profitable."³³ The question then is, how did they establish their brand image in post War France? How did they use their material and non-material know-how to build a reputation and capture the market?

³¹ Cf. Hubert Bonin, "The development of accounting machine in French banks from the 1920s to the 1960s", *Accounting, Business & Financial History*, 14-3, November 2004, pp. 257-276.

³² In Alfred Sloan, *Mes années à la General Motors*, 1967.

³³ Advertisement for the book by François Hetman, *Les secrets des géants américains*, Paris, Seuil, 1969, published in *L'Express*, 29 September 1969, p. 75.

A. The American company and European progress: The making of a brand image

American companies not only enjoyed a positive, but one could almost say, a 'positivist' brand image. That is to say, that their very name evoked a feeling of progress, of technological advancement and innovation. And that continued well into the 1980s, when it was the Japanese who came, saw and conquered Europe from the East. "Most US investors crossed their nation's boundaries with a confidence and a sense of superiority in their product and managerial offerings."³⁴ The Fordian myth which pervaded the automobile market, spread to all the other industrial products, be they industrial goods or household appliances. The "American dream" was first and foremost a technological dream. When the Canadian group of Massey-Ferguson introduced its range of agricultural and farm equipment in France ("the first manufacturer of tractors and combine reaper threshers"³⁵), it adopted as its motto: "*Expansion, power, progress*". During the same period (around 1968-1970), General Electric came in strongly into the very heart of "the France of Enlightenment", holding forth its brand image of a company which personified progress: "*Clarity. Clarity and light! The first stirrings of life. And also the symbol of General Electric. Because General Electric is 'The Light' since 89 years.*"³⁶ "*For the past 89 years we have been pushing back the night.*"³⁷ "*General Electric – the first worldwide manufacturer of lamps. Its research team has had great success. They know that they have to always be at the very cutting edge of progress [...]. For 89 years General Electric has pushed back the frontiers of night. It needed creativity, investments.*"³⁸ A similar theme (the generation of life) was adopted by Clark Equipment to lend a sparkle to their scrapers and other construction equipment: "*In 155 countries Clark Equipment creates movement.*"³⁹ The American corporations thus built up a kind of informal school of the spirit of enterprise, an idea which might have come as a surprise to the French who always believed in the superiority of the public sector in stimulating innovation. But these advertisements showed exactly how the two cultures differed – it was as though the Americans wanted to "evangelise" France, to convert this closed society and spread the spirit of enterprise by explaining what really constituted innovation and investment....

B. The penetration of the 'technological' brand images (in the 1940s-1950s)

The notion of an American technological advancement took root right from the 1940s. In fact, in many countries and colonies throughout the world which were either "liberated" or integrated within the allied sphere of influence, the arrival of American goods allowed the refurbishment and utilization of a large number of languishing equipment. The owner of CFAO, a trading company, wrote on 14th October 1943: "Some good news for the Abidjan branch. In a few days we expect the arrival of some 40 cases of spare parts from International which, I hope, will be enough to repair all the trucks of that brand in Côte d'Ivoire. And it is the FAO which will be the first to benefit."⁴⁰ The following period, marked by the post-War Reconstruction and the implementation of the Marshall Plan added to this perception. The "great" United States sent steam locomotives to France which helped greatly in the national recovery. Tractors and transfer machines were also sent and installed at Renault to work on sheets. The departing army left behind its GMCs which were found crowding work places and, more frequently, the forests. The *Caterpillar* brand was also sustained by its intense use by the US forces: "The *D8* [crawler tractor] was a workhouse for the US military in WW2 in the thousand of units finding their way overseas."⁴¹ Then, between 1950 and 1966, participation in the NATO alliance constituted the third lever of this economic boom. The alliance saw the placement of large

³⁴ Mira Wilkins, *The Maturing of Multinational Business*, p. 379.

³⁵ Advertisement in *L'Expansion*, June and September 1969.

³⁶ Advertisements in *L'Expansion*, February 1969.

³⁷ Advertisement in *L'Express*, 4 November 1969.

³⁸ Advertisement in *L'Expansion*, January 1969.

³⁹ The first advertisement published by Clark Equipment in *L'Expansion*, February 1971.

⁴⁰ Archives of the CFAO.

⁴¹ Eric Orlemann, "Birth of a legend", in *The Caterpillar Century*, Saint-Paul, Motor Books International, 2003, p. 174.

commercial orders termed "off shore" because, while they were placed in France, they were often for the benefit of the other European branches of American companies.

C. The triumph of the innovating brand (in the 1960s-1970s)

This marketing of the American superiority lasted till the end of the 1970s. For a decade more American companies continued to reap the benefits of their good name because the Japanese influence was as yet discrete and modest and confined to the pioneers in the audio-visual and automobile sectors – quite unlike the technological and commercial avalanche launched by Japanese corporations in the next two decades. The American's capacity for innovation thrust the industrial capital goods industry into the very heart of the production system. At the technological level, they seemed to have an unassailable advantage, rather neatly put by Kodak: "*Our technology is our insurance.*"⁴² The notion of quality was central to their success and the Americans had accumulated much expertise in the field of high grade steel and a great amount of experience since the start of the second industrial revolution.

In short, the Americans projected themselves as specialists and pros – a claim which they could very well carry off because of their know-how, especially as they had already proven the technology at home. It was natural to suppose that these companies, after having succeeded in the United States, were now crossing the Atlantic to conquer the European market, were indeed "the best". A John Deere (loading equipment) advertisement had this printed below a close-up of an ant: "*There are two specialists in loading. This is the second. The John Deere range: work finished quickly, confidence well deserved.*"⁴³ This is an instance of quality forming part of the brand image: "*A product from Caterpillar, the sum of whose qualities will satisfy your most stringent requirements.*"⁴⁴ "*As all Caterpillar products, the self-propelled scrapers are of an exceptional quality. And completely reliable [...]. Excavating equipment. Engines. Lift trucks. The Caterpillar quality.*"⁴⁵ Advertisements also announced the "*long-lasting, Gillette quality' blades.*"⁴⁶ All these companies made full use of the link between the confidence in the quality of a product and the reputation of a brand name.

While it is true that the American firms did transfer some basic technology, they did it with a sense of a "civilizing mission" as though they were doing a service to Europe, a sort of "philanthropy". "*The quality of Timken bearings at the service of the European automobile industry. [...]. Call upon our experience. We are specialists, and an international brand.*"⁴⁷ "*The technological advancement brought by General Electric regarding the training, handling orders, dispatching and automation in the milling industry has helped to reduce production costs while improving the quality of the product.*"⁴⁸ The 3M group also used the notion of quality to improve its brand image and push the sales of its new magnetic tape, the *Scotch 777GP*: "*It is not after it is made that we test a tape. More than a hundred checks made in the course of its manufacture guarantees a defect free tape. Functions without any breakdown [...]. The tape remains error-free even after thousands of passes.*"⁴⁹

The superior quality of American goods was also the result of a greater effort at research and development: "*The magnitude of our engineering and design department ensures the technological quality of our products and our experience in the fields of compressed air and fluid transportation (compressors, turbines, pumps) has resulted in us being chosen to participate in installations of the greatest importance.*"⁵⁰ (Worthington). Timken (ball bearings) devoted an entire page to its Canton research centre in Ohio: "*This will be the most*

⁴² Advertisement in *L'Expansion*, March 1971.

⁴³ Advertisement in *L'Express*, 27 April 1970.

⁴⁴ Advertisement in *L'Expansion*, June 1973.

⁴⁵ Advertisement in *L'Expansion*, April 1974.

⁴⁶ Advertisement in *L'Express*, 1st February 1965.

⁴⁷ Advertisement in *L'Expansion*, October 1969.

⁴⁸ Advertisement in *L'Expansion*, July 1967.

⁴⁹ Advertisement in *L'Expansion*, July 1970.

⁵⁰ Advertisement in *L'Expansion*, February 1970.

important centre of research and development in the entire bearing industry."⁵¹ General Electric's power of innovation was also evident: "*Thousands of researchers, in hundreds of laboratories, engaged in creating lamps to meet the ever-growing demands of industries and the public.*"⁵²

Consequently, in a number of sectors, the capacity for innovation became the force behind the brand name. "*The aluminum screw plug is another Alcoa 'first'.*"⁵³ (1925) proclaimed the company which launched an enormous information campaign regarding its innovations with a series of publicity leaflets: "*1918. We found the first Aluminum research laboratory. Then, in 1929, we built a complex in the 'campus' style, the first of its kind in the industry.*"⁵⁴ "*Alcoa aluminum has been used in the manufacture of elevator grilles since 1891 [...]. 1960. One of the most popular Alcoa innovations is the quick opening system, so convenient for boxes [...]. Aluminum in the service of invention, is to begin with Alcoa.*"⁵⁵ "*The modern alchemists [...]. Corfam was thus added to the already lengthy list of the innovative products developed by Dupont of Nemours.*"⁵⁶

The advertisement campaign launched by the computer industry was massive, in keeping with the technological gulf between the two sides of the Atlantic, due to the speed with which punched cards were giving way to the magnetic tape. Naturally, this technological innovation itself gave rise to a loud and recurrent publicity campaign. "*End of the punched card [...]. Keytape. Your computer will read data up to 10 times as fast and at 30 per cent less cost.*"⁵⁷ (Honeywell). Still, the competition heated up with the entry of Hewlett-Packard which hammered home its brand image thus: "*At the cutting edge of social and technological innovation*"⁵⁸ with "*research: the priority of priorities*" in computer systems. Xerox drove home its brand and its image with an explosive advertisement which pictured a massive Babylonian temple. Just as Griffith was making "*the first epic movie, Intolerance*", Xerox "*had come up with a spectacular product in the field of communication with its Xerography.*"⁵⁹ "*Rank Xerox – a European industrial group. Twenty five years of innovating to boost office productivity.*"⁶⁰ The following advertisement boasted of both a high level of technology as well as the beauty of the machine: "*The Burroughs C300 electronic calculator. It is at home at Saclay. It is at home in the Museum of Modern Art.*"⁶¹ The advancement in technology was put on display at the annual salon of office equipment (SICOB) which was held in CNIT at the heart of the new Defence quarters; the American marketing and commercial blitzkrieg was then at its height, especially in the publications which appeared during the period that SICOB lasted, that is, the months of October and November. Scores of pages blared forth the reasons for choosing machines designed in the United States. The 3M group bought several pages of the September 1968 issue of *L'Expansion* to blazon its products⁶². The general impression within the salon was one of awe and fascination⁶³ at the proposed future progress and the trend of these American brands: "*An idea of what SICOB 1964 would be like: a salon of science-fiction. In fact, with every passing year the Salon resembles more an exhibition of the technological future.*"⁶⁴

⁵¹ Advertisement in *L'Expansion*, March 1969. Cf. Bettye Pruitt, *Timken: From Missouri to Mars. A Century of Leadership in Manufacturing*, Harvard Business School Press, 1998.

⁵² Advertisement in *L'Expansion*, February 1969.

⁵³ Advertisement in *L'Expansion*, May 1970.

⁵⁴ Advertisement in *L'Expansion*, May 1970.

⁵⁵ Advertisement in *L'Expansion*, February and March 1970.

⁵⁶ Advertisement in *L'Express*, 30 November 1964. Du Pont de Nemours launched this synthetic leather, made in Belgium.

⁵⁷ Advertisement in *L'Expansion*, March 1969.

⁵⁸ Infomercial in *L'Expansion*, October 1982, pp. 88-89.

⁵⁹ Advertisement in *L'Expansion*, ?????

⁶⁰ Infomercial in *L'Expansion*, pp. 287-289.

⁶¹ Advertisement in *L'Express*, 16 December 1968.

⁶² "L'image et la communication", documentary advertising published in *L'Expansion*, September 1968, pp. 25-31.

⁶³ Cf. *L'Express*, 25 September 1967, with several advertisements (3M, Burroughs, etc.). Cf. also the supplement *Le SICOB* of the daily *Le Monde*, 24 September 1980: "Le bureau saisi par la fièvre de l'électronique." (The office caught in the electronic fever).

⁶⁴ *L'Express*, September 1964, pp. 84-85.

This was especially true in the consumer goods market where the capacity for innovation was the single most important factor in the promotion of American brands. Thus Gillette: "*Neither blade, nor motor, just a band. Gillette reinvents shaving!*"⁶⁵ "*Super Silver Gillette eclipses all other long lasting blades. Super Silver Gillette easily shatters all durability records*" thanks to "*two Gillette innovations which change everything: microchrome steel [...], and the E.B. 7 treatment*" which "*endows the plastic micro-film which covers the blade with superlative anti-wear properties.*"⁶⁶ "*The history of Procter & Gamble is a story of innovations – memorable innovations.*" *Dash*, a detergent specially formulated for drum washing machines made its appearance in 1962; *M. Propre*, a new multi-purpose liquid household cleanser⁶⁷ was launched in 1966. "*In 1968 Ariel brought about a revolution in the washing machine sector by introducing its famous enzymes which could remove all stains.*"⁶⁸ The technological advantage and brand image of Procter & Gamble was such that when it launched the pan-European brand of diapers *Pampers* in the early 1970s, it straightaway grabbed a massive share of the market (for example, 98 per cent in France in the mid-1970s). The rebirth of the *Kodak* brand name in the middle of the 1960s was doubly dependent on innovations: *Instamatic* was as much a technological innovation (the automatic camera) as a sociological one (a camera for the masses). The concept was then transferred to the movie camera and the super 8: "*After the worldwide success of the Instamatic, Kodak revolutionized amateur film making industry with the introduction of the Instamatic 8.*"⁶⁹ The force behind Kodak's success was the output of its laboratories in Rochester which made it the leader in France in spite of German competition and gave it the punch to unseat the local manufacturer (Lumière was subsequently bought over by the British Ilford) and capture a huge share of the market – till the advent of the Japanese in the 1980s.

D. The corporate identity: displaying the power of the American groups

The various American conglomerates had somewhat different strategies regarding their publicity campaigns in France. Some of them were happy to simply present their brands, without any other consideration than the immediate commercial. That was the case with ITT and its car rental venture under the brand name *Avis*. There was no attempt at any clear link with the group as a whole. It was the same with Procter & Gamble which, like its competitor Unilever, did not project an "umbrella brand" but left each of its smaller brand names to be developed autonomously. In contrast, the names of some other groups and their commercial brands were tied tightly together, as in the case of Caterpillar and Gillette. It must be said though that the Gillette group did not pose itself as a commercial or institutional "powerhouse" and its advertisements never referred to the entire group – the brand name was nothing more than just that, a commercial communication. In the case of Caterpillar there arises a certain ambiguity because the group relied on its distributors who used their own commercial brand image. Still, the group did talk about the power of its world-wide organization and the diversity or the power or goods handling capacities of its range of construction equipment⁷⁰. While Caterpillar took full advantage of the cult status that it enjoyed in France as well as elsewhere (in the public sector, among purchase managers in the civil engineering sector and the owners of equipment rental firms), it never rested on its laurels and continued to improve its product range with the help of a series of major innovations. The 1950s saw the advent of *self propelled scrapers, hydraulic shovels, and pipe layers, wheel loaders* came in the 1960s and large

⁶⁵ Advertisement for *Techmatic*, in *L'Express*, 1966.

⁶⁶ Advertisement in *L'Express*, 1966.

⁶⁷ Jean Watin-Augouard, "Saga Monsieur Propre", in *Prodimarques, la vie des marques*, website [www.prodimarques.com/sagas_marques/monsieur_propre/monsieur_propre.php].

⁶⁸ "L'histoire de Procter & Gamble en France", website [www.fr.pg.com/notresociete/pgf_anniversaire.html].

⁶⁹ Advertisement in *L'Express*, November 1965.

⁷⁰ « Caterpillar listed to its customers and dealers, and its answers to their cries was a series of legendary tractors referred to as the *D8* and *D9* », Eric Orlemann, "Birth of a legend", in *The Caterpillar Century*, Saint-Paul, Motor Books International, 2003, p. 196. If the *D8* is available in the us since the end of the 1930s, the *D9* is delivered since the end of the 1950s. Caterpillar enlarged continuously its range and thus its market positions: it asserted itself as a key producer of rubber-tired wheel front-end loaders from the 1960s (*944A*), then also of hydraulic excavators since the 1970s. Eric Orlemann, "Global Competition", *Caterpillar Chronicle. The History of the World's Greatest Earthmovers*, Osceola, MBI, 2000. Cf. le site [www.motorbooks.com]. Cf. le site [www.cat.com].

dumpers in the 1970s. Meanwhile it continued to upgrade its range of bulldozers, from the *D8* and *D9* of the 1950s to the *D8H* and *D9G* (1961-1974) before introducing the *D10* (1978-1986) which was 50 times as powerful as the *D9H*, whilst developing a whole range of hydraulic excavators and wheel-loaders, thus cementing the whole range of machines and leaving no void space for competitors. All this kept its competitors (Euclid, Allis-Chalmers) in France as well as in the French companies working abroad, at bay, just as was the case with Razel, specialists in overseas civil engineering.⁷¹ The adjective "legendary" as in the "legendary *D9H*" began to be heard ever more often among the aficionados, be they active or retired, and Caterpillar took on all the trappings of a "cult brand" in an era when such an adjective was normally used for consumer goods only. At the same time, this brand image was also the result of an unmatched technological reliability: "*The company's quality of engineering, the dealerships, parts availability, even warranties, were second to none in the industry.*"⁷²

*"Toronto: the headquarters of a worldwide industrial, business and financial group. By its origins, by its present size, by the range of its activities, Massey-Ferguson is the archetype of the large, decentralized multinational [...]. Its factories, its organization constitute an integral part of a group engaged in a wide variety of activities, the Massey-Ferguson group."*⁷³

Without hesitation or discretion this Canadian company used its powerful image to promote its brand, its reliability and its technological expertise. "*Kodak is of course what you think it is, but it is also much more than that: it is a worldwide industrial organization catering to four major sectors dedicated to the handling and spread of information.*"⁷⁴ In the same vein: "*Singer is no doubt the sewing machine, but it is also: the growth of sewing, fashion, household equipment, space, the office.*"⁷⁵ The diversification into electric household appliances and office equipment showed the capacity of taming the emerging technology and deep pockets. One of the advertisements of the Dow group began thus: "*Dow. A name which we have not heard the last of...*"⁷⁶ This formed part of the publicity campaign it launched in Europe: "*Dow in Europe. Dow is one of the largest chemical industries of the world [...]. Its products are sold all over the world. They are sold in Europe. And they are made in Europe.*"⁷⁷ The implicit idea was that of the "group", the "conglomerate". It was a question of projecting the feeling of "power", but a benevolent power (technological progress, creativity, etc.). Some advertisements stressed the multinational aspect of the group. General Electric for example, maintained that it increased "*the profitability of iron and steel works the world over.*"⁷⁸ Kodak on the other hand talked of its worldwide pre-eminence: "*You can rely completely on Kodachrome films, the largest selling film in the world! A triumph of color, a triumph for Kodachrome!*"⁷⁹ But the ad which symbolized best this projection of multinational power was the one designed by the John Deere corporation ("*The world's largest manufacturer of tractors and farm equipment*") which showed a director introducing the *John Deere 1020* to a pseudo-general assembly of the United Nations: "*United nations for producing a worldwide range of tractors.*"⁸⁰ In a similar fashion, when Honeywell attempted to enter France, it sought to catch the eye by mixing the classic with

⁷¹ Razel, which was very active in Africa, ordered the giant *wheel loader Caterpillar 952*.

⁷² Eric Orlemann, *Caterpillar Chronicle*, 2000, op.cit., p.139. "*Cat machines are made to last, and that is why we have so many Cats still at work 15, 20, 25 or even 30 years after having been used for the first time. These 'classic' Cat machines form an important and growing group of working equipment which require the same maintenance and support from Cat's dealership networks as do the new machines.*", in *Cat Magazine. Un siècle de tracteurs à chaînes*, in-house journal Bergerat-Monnoyeur-Cat, an issue brought out to commemorate the *Caterpillar* tractor's centenary, 2004, p.19. See also: Robert Pripps, *The Big Book of Caterpillar: The Complete History of Caterpillar Bulldozers and Tractors*, Voyageur Press-Raincoast, 2000.

⁷³ Advertisement in *L'Expansion*, June 1969.

⁷⁴ Advertisement in *L'Expansion*, September and December 1968.

⁷⁵ Advertisement in *L'Expansion*, October 1969.

⁷⁶ Advertisement in *L'Express*, 6 April 1970.

⁷⁷ Advertisement in *L'Express*, 8 May 1967. Dow installed two chemical plants at Terneuzen in the Netherlands and at Hambourg. It decided to establish a factory in France at Strasbourg in November 1968 (veterinary products for the poultry industry).

⁷⁸ Advertisement in *L'Expansion*, 1968.

⁷⁹ Advertisement in *L'Express*, 1965.

⁸⁰ A double page advertisement in *L'Express*, 18 September 1967.

the ultra-modern: "Your goose with the golden eggs lays one every nanosecond. Your goose with the golden eggs is a Honeywell computer!"⁸¹

E. Respecting French sensibilities: "Superiority" tempered with "modesty"

Having said that, this technological superiority had to be put across gently. The Americans had to be careful in order not to hurt French sensibilities by giving the impression of a hegemony which could result in a patriotic indignation and provoke a backlash. This explains why many of the American advertisements laid as much stress on the services which they could render to the client as on their intrinsic qualities. The famous "technology transfer" was not to be done by any show of force or with the feeling that the material was imposed in any way. On the contrary, the need for the product had to be sown in the client. It was a question of giving the right "perception", of a psychological persuasion. The commercial drive had to be directed away from a purely brass-tacks market-share and profit oriented selfish enterprise towards a more service oriented organization which would emphasise efficiency and profitability of client companies. "Have a good look at how Alcoa's research efforts can help you, whether it be your professional projects, your future or your near and dear ones."⁸² The Dow chemical conglomerate insisted that "Dow helps you succeed!"⁸³ Saddled with more sterile technologies, GE flavoured its sales pitch with the notion of a profitable expansion: "General Electric's industrial automation systems can increase the efficiency, the quality of the product and your profit margins. All these are made possible due to General Electric's experience."⁸⁴ "Let us be concrete." Continued the advertisement, giving a detailed list of its big-name clients. Similarly, we learn "how, thanks to Friden, Martell [cognac] was saved from an avalanche of paper"⁸⁵ by using its calculating and invoicing machines. America's modern technological know-how came in to buttress French historical savvy. Xerox's innovative might was also projected as a service which would help the client companies which could then make full use of their French strengths while basing themselves on American equipment: "Poclair made 12 models of its hydraulic shovels with 2000 workers, 215 secretaries and 8 Rank Xerox 3600 [...]. You can see why Poclair is the first manufacturer and the first European exporter of hydraulic shovels."⁸⁶ This coupling of the power of innovation with modesty was also utilized in many advertisements which stressed greatly on the simplicity of the American technology and how it was ideally suited to the structure and size of French companies: "In a few months, this simple gesture won over several hundred users of the 3M 209."⁸⁷ "The large electronic set-ups could do the work of an entire service. A single person armed with the Burroughs E2000 electronic accounting calculator would suffice."⁸⁸

F. Corporate communication campaigns

The American corporations were well aware of the problems posed by an over aggressive projection of their brand image. They knew that they ran the risk of being seen as capitalist, transatlantic Trojan horses and fought hard against such a negative impression. Many firms contented themselves with having their name appear in a basic organizational communication which would just introduce the name, as it might not be known in France. Many of these communications were nothing more than stories relating some aspect of the firm's history and recalling its founder (such as Herbert Dow for the Dow conglomerate)⁸⁹. As these were published in reviews and magazines targeted at professionals and managers, they simply

⁸¹ Advertisement in *L'Expansion*, October 1967. Honeywell launched itself into the computer industry in 1957 and climbed to the second spot by 1967. It sold some thirty computers in France, ten of which were for the Internal Revenue Department of the Ministry of Finance.

⁸² Advertisement in *L'Expansion*, May 1970.

⁸³ Advertisement in *L'Expansion*, January 1972.

⁸⁴ Advertisement in *L'Expansion*, 1968.

⁸⁵ Advertisement in *L'Express*, 24 June 1968.

⁸⁶ Advertisement in *L'Express*, 13 May 1968.

⁸⁷ Advertisement in *L'Express*, April 1966.

⁸⁸ Advertisement in *L'Express*, 26 April 1965.

⁸⁹ Advertisement in *L'Expansion*, January 1972.

named, made reference to and drew a wider, non-threatening picture beside the French and European brands. "*Come, meet Alcoa, the world's premier name in Aluminum*"⁹⁰ did not confront head-on the well known brand and "national champion" Pechiney.

As the country was in the grip of a strong, almost chauvinist wave of Gallicism which bordered on anti-Americanism, by an unsaid mutual consent, American firms were unanimous in insisting on their French roots, their French factories, French networks and their contribution to the growth and power of France. Thus, in 1968-1969, Texas Instruments did not tire of repeating that its components were "*made by Texas Instruments France*". And again: "*Eleven hundred Frenchmen and their families, adding up to some five thousand individuals. That is the TI team, centered mainly around the factory at Villeneuve-Loubet (Alpes-Maritimes)*."⁹¹ ITT's subsidiary CGCT (established in France in June 1971), published a six-page infomercial in the popular economic magazine *L'Expansion*: "*CGCT, a tradition of innovation*"⁹². In an era when the powers that be were strongly in favor of a French telecommunications industry, the CGCT found it wise to project its nationalist roots, its long history in France (directly since 1925), its "industrial might", its research laboratory and its exports. Though the infomercial comes forth as a little dry, it was very useful when the famous "press releases" were circulated within the Government's economic apparatus and in the political arena. Meanwhile, ITT's other subsidiary LMT helped in the development of French aeronautics by delivering electronic components of flight simulators for the *Concorde*, *Mercure* and *Airbus* aircraft and for the air navigation systems. ITT itself thought of refurbishing its image with the aid of a promotional drive: "*Discovering, developing, sharing*."⁹³ The whole idea was to safely navigate the anti-American undercurrents which swept through the land, be they due to the Left which was hostile to multinationals or the Gaullist right which was wary of the American capitalist incursions into France.

Meanwhile, the electrical engineering group Westinghouse launched its first ad campaign in *L'Expansion* in June 1969. It had been embroiled in a big political debate regarding technological issues raised by the government on the civilian electro-nuclear program – something we shall come to later. Since then the company had tried hard to be known, if not by all, at least within the managerial and decision-making circles. It wanted the readers of such magazines to appreciate the many strong points of this multinational conglomerate and to be convinced that it conformed to the French "value" of "public service": "*This is how Westinghouse solves transportation problems [...]. You are at peace with Westinghouse*."⁹⁴ "*Everything concerned with man's needs, concerns Westinghouse*."⁹⁵ "*Four years back we promised this nuclear power plant for the production of electricity. Here it is, fully functional*."⁹⁶ Interestingly, though the GTE group was practically non-existent in France (except in the lighting industry and in television via Sylvania), it launched a publicity campaign in the beginning of the 1970s in the telecommunications sector, which was its specialty: "*Sixty companies employing 195,000 people all around the world, a rapidly growing organization to meet your growing needs*."⁹⁷ It could be that at that time, the group wanted to bring under its brand the entire range of its European products, but without anybody coming to know of it. Be that as it may, this publicity campaign shows the tendency of the American multinationals to project their brand without any great hesitation. Meanwhile, its rival GE also began its own

⁹⁰ Advertisement in *L'Expansion*, November 1968. "Today, Alcoa France's ultramodern factory, Châteauroux, manufactures products finished in *Duranodic 300* for France and other countries. These new installations, which produce a wide range of shaped elements, have been added to the 25 other industrial complexes of Alcoa, which has a presence in 17 countries, from Europe to the Far East.", advertisement in *L'Express*, January 1969.

⁹¹ Advertisement in *L'Express*, 7 April 1969.

⁹² Report published in *L'Expansion*, June 1971, pp. 77-82.

⁹³ Advertisement in *L'Express*, 12 février 1968.

⁹⁴ Advertisement in *L'Expansion*, June 1969. Similarly: "An ocean of fresh water (by Westinghouse) [...]. You are at peace with Westinghouse.", advertisement in *L'Expansion*, November 1969.

⁹⁵ Advertisement in *L'Expansion*, September 1970.

⁹⁶ Advertisement in *L'Express*, 29 September 1969 and in *L'Expansion*, September 1969. A power plant in the Federal Republic of Germany. "Forty two more *Westinghouse* PWR nuclear power plants are presently functional, under construction or on order all over the world."

⁹⁷ Advertisement in *L'Expansion*, April 1973.

media blitz. The two giants were competing for government contracts and wanted to be seen as companies which kept the local interests foremost, whether they involved business or the man on the street. Between 1967 and 1970 GE invested in a large number of advertisements to project its diversity and its activities. In both cases, the main aim was to eradicate the image of the “predator”, which had begun to spring up in too many French minds at the very mention of American multinationals, and to be seen rather as economic and social “aids”. In a different field, the 3M group established its new corporate headquarters at Cergy-Pontoise and began its own campaign to project the diversity of its operations in France. Four factories, “45 principal ranges”, with “*A few figures: personnel: 3,945, turnover: 2,046 million Francs of which 389 from exports.*”⁹⁸ From time to time some companies had an “identity crisis” due to the fact that they needed to grow by acclimatizing American technology while treading carefully so as not to step on chauvinist toes by proclaiming too loudly any American superiority. These bouts of “guilty conscience” clearly explain the reason for showing the French – or at least those who read the financial magazines – all the “good” done by American companies and their contribution to the growth of the nation.

3. A tidal wave of marketing and publicity know-how: The spread of the *American way of life* and of modernity (from the 1950s to the 1980s)

There were a number of ways by which the American corporations promoted the American way of life. For example, “a republic of consumers”⁹⁹ went down well with the French. *Frigidaire*'s popularity is a case in point. This brand name which belonged to the General Motors group¹⁰⁰, entered the language as the commonly understood term for the refrigerator; a *Frigidaire* was so much more evocative than its competitor *Frigéavia* which, by the way, was made by a French public undertaking¹⁰¹. It came to a point when advertisements had to highlight its originality: “*Frigidaire*, the original.” This explains why it held the second spot¹⁰² in the market in 1965, selling 78,000 refrigerators in 1966, far ahead of its competitor American Motors which sold some 35,000 *Kelvinators* that year. In the same fashion, Kimberly-Clark's *Sopalin* (a brand of tissue paper) was used as a generic term to designate the product itself. The same happened with “*Kleenex*” (from the same group) and “*Coca*”. In the mid-1960s, one of the first issues¹⁰³ of the newly designed (as a magazine) weekly *L'Express*, carried three advertisements for *Gillette*, *Skip* and *Timex*. The idea was to introduce the American-style consumer way of life. Male shaving and grooming, household cleansers and the wide-spread use of (battery operated) watches. Timex's penetration into the watch market before the advent of the Japanese quartz watches is a good example of the commercial offensives launched on the French market: “*Timex launches its electronic watches.*”¹⁰⁴ It was a new concept which helped to bring in the idea of the “easy” life. The notion of the expensive, higher-end watches, usually reserved as precious gifts made at important landmarks in life, slowly gave way to a mass-produced and easily affordable accessory which could be easily replaced: “*Change the Kelton!*”¹⁰⁵ For a while, the American model of housing complexes also became quite popular when the housing

⁹⁸ Advertisement in *L'Expansion*, November 1982.

⁹⁹ Lizabeth Cohen, *A Consumer's Republic: The Politics of Consumption in Postwar America*, New York, Alfred Knopf, 2003.

¹⁰⁰ The *Frigidaire* brand had been launched in 1919 by the Guardian Frigerator Company, established in Indiana in 1916, before it became part of the General Motors group between 1919 and 1979.

¹⁰¹ Sud Aviation, an aeronautic public sector undertaking, channelized its know-how to the utilization of sheet metal in the production of refrigerators in its factory at Loire-Atlantique.

¹⁰² In 1965, *Pontiac* stood first, followed by *Frigidaire* and *Arthur-Martin*. But the sales of household appliances remained meager. *Frigidaire* was sold by some 400 dealers and 3 000 agents – in the network of home appliances retail stores, prior to the advent of the specialized wholesalers.

¹⁰³ Advertisement in *L'Express*, November 1964.

¹⁰⁴ Advertisement in *L'Express*, 12 May 1969. Cf. also: « La montre TIMEX ELECTRIQUE à pile vous donne toujours 'l'heure pile' » (The Timex electronic watch with batteries is always in perfect time), Advertisement in *L'Express*, 23 November 1964.

¹⁰⁵ The new battery powered Timex appeared in America in 1950: “The Timex brand became a household word during the 1960s [...], a revolutionary merchandising concept: the watch as an impulse item.” These watches were even sold in tobacco shops. Cf. the website [www.timexpo.com/timeline]. *Timex: A Company and its Community, 1854-1998*, Timex.com.

development group Levitt began its ad campaign¹⁰⁶ in the mid-1960s in the name of “comfort” and “ready to live” (with two to three bathrooms, a refrigerator, etc.).

A. Promoting the American brand of comfort

The American penetration went deeper than we would have thought, especially in the household electrical appliances market in the mid to high ranges. This was before the advent of the low and medium ranges brought in by the Italians and Yugoslavians and the setting up of the French industry around Thomson-Brandt. The sheer size of the market created by this “American way of life” shows the technological and practical gap which existed regarding these appliances. For the next 15 years or so a window of opportunity had opened wide.

No doubt, some form of the tradition was kept alive. Singer reinforced its French presence by modernizing its factory at Bonnières-sur-Seine (in 1950). It also revamped its entire range in response to the growing number of houses which were being connected to the electric grid and the rising urbanization. By 1965, half of all sewing machines in French households had been sold by this subsidiary – a success which necessitated the opening of a second factory at Alençon. By the end of the 1960s, it took advantage of this popularity and capitalized on its brand image to introduce a wide range of household appliances¹⁰⁷. At the same time, the idea of the “American comfort” was being reinforced by other companies too, such as the American Standard. Its subsidiary, Ideal Standard made its presence felt in the bathroom fixtures segment, heating and hot water installations in apartments and individual homes. It did this by either going directly to homes or through plumbing companies. The Ideal Standard brand was practically taken as a French brand, equivalent in that regard to other French brands such as Saunier-Duval. At the same time, it did not shy from proclaiming its international status and insistently stated: “*Experience accumulated over a century puts Ideal Standard at the very forefront of this industry.*”¹⁰⁸

The establishment of these two companies coincided with the departure of two rival corporations, Kelvinator and Pontiac, which thought it better to avoid the growing competition in the French market, and the arrival of several other American enterprises who wanted a piece of the French household appliances pie. Hoover consolidated its production capabilities with a factory at Longvic-les-Dijon. “*One of the giants of the American household appliance industry has just entered the French market.*”¹⁰⁹ In 1964 the American group Scovill created Scovill France. In February 1965, it took over Laurent (250 employees) of Lourdes to enter into the French market for the smaller household appliances and face Moulinex and SEB¹¹⁰. Later Scovill tied up with Tornado, ranked second in the French vacuum cleaner industry and used it to enter the rest of Europe, including Great Britain, where it took over the Scovill factory at London. As regards kitchenware, the domination of the Americans in plastics explains the success achieved by *Tupperware* in the 1960s when it began its direct selling campaign with products imported from Great Britain¹¹¹.

B. Promoting the American brand of hygiene

Meanwhile, the “consumer revolution” was spreading rapidly throughout France, fueled by the growing fascination with the “American way of life”¹¹² and the beginnings of the “marketing

¹⁰⁶ For example, the ads *Levitt* in *L'Express* of 8 November 1965, and 8 April 1968 (double page, for “the Lésigny park”, at Evry).

¹⁰⁷ In 1965, Singer’s turnover in France amounted to 350 million francs, and rose to 415 million in 1968.

¹⁰⁸ An Ideal Standard advertisement, *L'Express*, March 1967.

¹⁰⁹ *L'Express*, February 1965.

¹¹⁰ The first advertisement placed by *Scovill* in *L'Express* appeared on 5 April 1962. It was for an electrical knife.

¹¹¹ The first advertisement published in *L'Express* by *Tupperware* is dated 27 February 1967. Tupperware was a subsidiary of Rexall Drug & Chemical.

¹¹² Richard Pells, “American culture abroad: The European experience since 1945”, in R. Kroes, R.W. Rydell & D.F.J. Bosscher (eds.), *Cultural transmissions and receptions. American Mass Culture in Europe*, Amsterdam, 1993, pp. 67-84.

revolution"¹¹³. One of its clearest symbols was the creation of Procter & Gamble France¹¹⁴ in 1954 and the entry of personal care products into the French day-to-day home life. In October 1954 it launched *Tide*, a synthetic detergent developed at Marseille in a factory rented out to Unipol-Fournier-Ferrier¹¹⁵, a group in the oilseed industry. Technological know-how was well complemented by commercial savvy in the launching of *Tide* along with the distribution of *Vegetaline*, a kitchen product made by the partner Unipol-Fournier-Ferrier. The Procter & Gamble commercial juggernaut set itself rolling and almost immediately *Tide* captured 15 per cent of the market. Around 1958, this subsidiary took up the marketing of the *Monsavon* and *Camay* brand of products. In 1961, it set up the *Union savonnaire* to manufacture *Monsavon* and *Camay* products in a factory at L'Oréal¹¹⁶ which was replaced in 1965 by big plant at Amiens. The Procter & Gamble "commercial machine" came to symbolize American technology and marketing. In management schools and within consumer goods companies one talked of "Procterians" to designate the young managers who were trained in the Procter & Gamble sales methods – methods which were soon taken up by the entire industry¹¹⁷. In 1958, it launched the detergent *Bonux*, before introducing *Ariel* in 1967, a detergent with active biological enzymes. "In the 1960s Procter & Gamble were instrumental in the diversification of the detergent and bath- soap market in France."¹¹⁸ "This increasing diversification was justified by the ever expanding consumer requirements and the increasing sophistication of household appliances and textiles." Procter & Gamble participated in this trend with a slew of innovations: *Dash* in 1962, *M. Propre* in 1966¹¹⁹, *Ariel* in 1967 and *Vizir* in 1982. Its range of products too increased: *Pampers* (diapers) made their appearance in France in 1978 followed by *Head & Shoulders* (shampoo) in 1984.

Still, Procter & Gamble had to face stiff competition from European (Unilever) as well as American companies such as Colgate Palmolive which, in 1952, revived its subsidiary Cadum along with its factory at Courbevoie, just before establishing a second factory at Compiègne in 1954. It was Palmolive which launched the first brand of detergents in France with *Paic* in 1948. Subsequently, Colgate-Palmolive France¹²⁰ took up the marketing of household and sanitary products in the wholesale market. From then on, the French market was also considered to be "strategic" and given the same status as all the other countries which had a high standard of living and a level of urbanization which resulted in a homogenization of the lifestyle. The American conglomerates fought tooth and nail with their European counterparts such as Henkel and Unilever, especially in 1970, to grab a chunk of drum washing machines. After the launch of *Ariel* in January 1968, Procter & Gamble reigned supreme with 12 per cent of the market in the enzyme-detergent sector, ahead of the second placed Unilever.

¹¹³ Marc Meuleau, « L'introduction du marketing en France (1880-1973) », *Revue française de gestion*, September-October 1988, pp. 62-65. Richard Tedlow & Geoffrey Jones (eds.), *The Rise and Fall of Mass Marketing*, London, Routledge, 1993.

¹¹⁴ Frederick Dazell & Rowena Olegario, *Rising Tide: Lessons from 165 Years of Branding Building at Procter & Gamble*, Boston, Harvard Business School Press, 2004.

¹¹⁵ "A serendipitous contact with the head of the Paris branch of J.P. Morgan allowed Lingle [Walter Lingle, the "manager of foreign business" then "vice-president of the International Division"] to establish P&G's first foothold. From his Morgan contact, Lingle learned that Unilever, which had recently built a detergent plant in France, lacked the capacity to meet demand. He also learned that a failing soap company in Marseille, Fournier-Ferrier, had started to build a new detergent plant but ran out of money before it was completed", Dazell & Olegario, op.cit., p. 102.

¹¹⁶ Procter & Gamble bought a 50.3% stake in this historic factory of the L'Oréal group which retained 49.7% of this partnership venture. Note in the *Investissements américains dans les sociétés françaises. Comité de coordination des études*, 1964, Historical archives of the Crédit Lyonnais, DEEF 02067/1 BE 0635.

¹¹⁷ "The Procterian Club is the oldest and certainly the most efficient of all 'ex' networks of a single enterprise. From Alain Cayzac, vice-president of Havas, to Jean-Claude Boulet, co-founder of the BDDP and Harrison & Wolf, not to speak of Dominique Reiniche, Chairman and CEO of Coca Cola France, or Bernard Brochand, former head of DDB, a whole galaxy of masterly marketers and communication czars began their careers at Procter & Gamble", "Network. Procterians in the yearbook", *Stratégies*, n°1353, 20 January 2005, p. 39.

¹¹⁸ "The history of Procter & Gamble in France", website [www.fr.pg.com/notresociete/pgf_anniversaire.html].

¹¹⁹ "As a director attracted by this star from its very beginnings in France, the Grey agency set forth, from 1966 to 1999, the 'power', 'brilliance' and 'genius' trilogy in its publicity films and its ads in women's magazines.", from Jean Watin-Augouard, "Saga Monsieur Propre", *Prodimarques, la vie des marques*, the website [www.prodimarques.com/sagas_marques/monsieur_propre/monsieur_propre.php].

¹²⁰ Colgate-Palmolive France was created in 1964 by renaming Cadum Palmolive. Cf. the website [www.colgate.fr/about/history].

Gillette's appeal was irresistible. Though the "old France" of barbers was still resisting, the personal shave had come to stay and Gillette was its chief promoter, drawing on its technological edge and its commercial savvy. The factory at Paris reopened in 1945 and was instrumental in Gillette's systematic penetration of the French market in the 1950s. "The company's ability to resume blade manufacturing expeditiously was a key to Gillette quickly gaining a leading share of the French market, which subsequently grew to become one of Gillette's top markets worldwide."¹²¹ The succession of newer and better blades (*Superblue Blade* in the 1960s, *Super Silver* and *Techmatic* in 1966 in France, the double blade *GII* in 1971 and the *Contour* in 1979), followed by the widening of the Gillette range to include all aspects of personal grooming (shaving foam in 1953, deodorants in the form of aerosols in 1960, the shampoo *Activ*, etc.) allowed Gillette's commercial organization to match itself precisely to the scale of the French market. There too, the notion of "comfort" was paramount and the "civilization of the Gillette shave" came to symbolize the "American civilization" in terms of personal comfort and the comfort of the skin. All this justified a massive investment in an extensive publicity campaign, especially in journals read by executives (*L'Express*, etc.) which finally resulted in Gillette's grabbing a whopping 80 per cent of the manual shaving market in 1968.

Managing the cleanliness of the house itself became an issue. American Home Products which had acquired O' Cedar in 1956, enlarged its market share of household products by taking over another famous French brand, *Jex* in October 1970. In November 1968, Scott Paper, the leader in the US tissue paper industry, famously bought over Bouton-Brochard, the well-known French tissue company¹²² and pumped into it finances, technology and its commercial savvy¹²³.

C. Promoting the American lifestyle at home

Surprisingly, the American industry also made major inroads in the French agri-food business, in spite of the fact that France had a strong agricultural base and remained very traditional regarding the serious business of food. On the other hand, the Americans had a clear edge in packaging technologies, managing brand names, marketing and dealing in the wholesale market. Thus, we find that in the 1960s, the Corn Products Company (CPC) had already established a strong foothold with a range of solid brands like *Alza*, *Maizena* and *Knorr*. It had established itself via its subsidiary, the *Société des produits du maïs*, with two factories at Nancy and Haubourdin. The Carnation group too had established a well-known brand during the same period (*Gloria*, powdered milk) and launched *Friskies*, its brand of pet food. General Foods too established a subsidiary in 1963, and it had reached in 1969 the first rank among its subsidiaries outside the US¹²⁴.

The largest corporate strongholds were erected in the biscuit industry when the Anglo-Saxons attempted to introduce the French to the delectable joys of having ready-baked cakes at tea-time (especially for children), instead of home baked Viennese pastry or, the more commonplace bread with chocolate or fruit paste. As with the "breakfast ready" cereal munchers, the "tea-time ready" crowd and the "snack craving" population of all ages were all instrumental in creating a mouthful of a market for American biscuit manufacturers. The

¹²¹ The factory was dismantled in 1940 and mothballed during the Occupation. It was then re-assembled in 1945. Gillette, p. 42. On Gillette's history, cf. "History of Gillette razors", in [www.executive-shaving.co.uk/gillette-history.php] and Jean Watin-Augouard, "Saga Gillette", in [www.prodimarques.com/sagas_marques/gillette/gillette.php]. Cf. also Gordon McKibben, *Cutting Edge. Gillette, op.cit.*

¹²² The *Jex* scouring pads belonged to Williams, another American group.

¹²³ Scott Paper was then the 142nd American company with a turnover of over 3 billion dollars. Bouton-Brochard was a family-owned business which held 10 percent of the tissue paper market.

¹²⁴ The French subsidiary's sales touched 312 million francs in 1968, with its *Krema-Hollywood* range of confectionery and its *Sulta* range of spices. In 1925, General Foods was formed by the merger of eleven American companies. Cf. the website [www.kraftfoods.fr] because Philip Morris, which controlled Kraft since 1988, acquired General Foods in 1989. Cf. also the website [www.kraft.com/100/timeline/time].

American company *Nabisco*¹²⁵ bought over *Gondolo* in 1961 and *Belin* in 1963, both of which were modest in size but rich in the potential of their brand names. They were merged in October 1965, with a consequent transfer of commercial know-how: "*Belin* took readily to the trans-Atlantic commercial strategies. In 1966 the management initiated its first market surveys and launched its first publicity campaigns. The creation of a sales department caused major upheavals in its distribution network. Up till then *Belin* products had been distributed by sales agents and independent wholesalers. But at a time when the "*grande distribution*" (big super- and hypermarkets) had begun to seriously dominate sales and the competition was growing alarmingly, the old system began to flounder. "*Belin began pruning its network, retaining only its best distributors who, while maintaining their independence, made Belin their exclusive brand. These dealerships, jointly known as Sodibel ("Sociétés de distribution des produits Belin", distributors of Belin products), divided the national market into six sectors [...], meanwhile the Belgian and Luxembourgian markets were explored by an independent agency, American Industries.*"¹²⁶ *Nabisco* also gave its subsidiary a large assortment of savories¹²⁷ which quickly grabbed the top spot, with one third of the market share in 1967. In 1970, *Belin* climbed to the second spot among French biscuit manufacturers with 1,500 employees and 11 per cent of the market share. It stood behind LBA which retained 16.5 per cent of the market and surged ahead of the Nante-based BN which held 10.4 per cent. The American assault on the French biscuit industry was completed when General Mills snapped up BN¹²⁸ while Pillsbury swallowed Gringoire-Brossard. At about the same time, General Foods placed its finger in the French pie by acquiring the French coffee brand *Legal* which had a 7 per cent share of the market while Standard Brands did the same with UFIMA which also boasted of identical figures in the French coffee market¹²⁹. In fact, these American conglomerates helped to unify the fragmented French agri-food industry which had, for example, some 1,400 small time coffee roasters and stockists in the coffee industry and 400 manufacturers of biscuits. No wonder then that these American giants, with their expansion plans and financial clout, found it so easy to enter the French market. The other reason for the American buy-outs was to acquire a portfolio of regional (at the European scale) brands which would allow them an easy access to extensive distribution networks¹³⁰.

The infiltration of the American style of consumption (big national brands, marketing, publicity, etc.) culminated with the institutionalization of *Coca Cola*, just as it happened in all the other developed countries. The company came to symbolize and vindicate the notion of the "brand" and the concept of specialized packaging when it introduced its iconic bottle in 1915. Though the company had launched itself internationally in 1923 and had entered France in as early as 1933¹³¹, it became popular only after the *Libération* – sometime before the introduction of the 330 ml can in 1960 and the stay-on tab can in 1964. It was especially helped by the "cold revolution", the introduction of refrigerators in cafés and the proliferation of automatic

¹²⁵ The National Biscuit Company was created in 1898. In the early 1960s it owned some sixty factories all over the world with 30 000 employees.

¹²⁶ Marie-Louise Sabrié & Pierre Dottelonde, *Belin, 90 ans de passion*, Paris, Belin, 1992, pp. 73-74.

¹²⁷ In 1965, *Belin* entered the salted biscuit market by acquiring exclusive rights for the manufacture in France of *Ritz* and *Triangolini* crackers which, up till then, had been produced by Motta under license since 1962 and 1964 respectively. It then launched the *snacky Belin* and stepped into the extruded food segment with the *Chipster*, in 1970. In 1967, it stood number one in the sales of salted biscuits with a 30% share of the French market, far ahead of the Belgian brand *Parein* and the French *L'Alsacienne*. In 1975, the group had 1,900 employees with 40% of the market in salted biscuits and 15% of the salty and sweet varieties combined.

¹²⁸ Cf. The website [www.generalmills.com/corporate/company/history]. Inheritor of a corporate lineage stretching back to the 1860s, General Mills came into being in 1928. Cf. the book *General Mills. 75 years of innovation, invention, food and fun, 1928-2003*, downloadable.

¹²⁹ The *Union française d'industries* which owned the food brands UFIMA (itself the holder of *Maison du Café* and the *Caiiffa* brand names) was bought over by Van Nelle's and Standard Brands' Dutch subsidiary (which was established in 1959). Later, this subsidiary formed part of the Dutch firm of Douwe-Egberts which was bought over in 1979 by Sara Lee, an American conglomerate.

¹³⁰ "Pillsbury's first European acquisition was *Etablissements Gringoire*, with headquarters near Paris. It was an important purchase for Pillsbury, as the 100-year old Gringoire name was well-respected, and it had several market-leading products", *General Mills. 75 years*, op.cit., p. 82.

¹³¹ The first bottling plant was established by the *Société française des brevages naturels* on the avenue Félix-Faure, right in the middle of Paris.

refrigerated vending machines which popularized the "ready to drink" beverage at the expense of syrups, which needed to be mixed by hand. *Sprite* was introduced in 1961. It is also true that a vast publicity campaign went behind the popularization of the brand¹³².

Similarly, in the clothing sector, the watchwords were 'comfort' and 'style', as in the case of the Frenan group's subsidiary, the *Manufacture moderne de chemiserie et lingerie*¹³³. Having grown strong with the help of their huge retail outlets and the size of the middle class market which gave them great economies of scale, the big American clothing companies had a decisive advantage over the French clothing SMEs which were slow to modernize themselves in an environment dominated by small-scale private enterprises. This explains the frequent, though largely symbolic, corporate assaults launched by American conglomerates on French clothing manufacturers. In September 1969, the Warnaco group bought over Rosy¹³⁴, the first French manufacturer of brassieres, While Arrow-Decton launched its shirts in France by tying up with a French importer and advertising their "*incomparable comfort*" due to the new fabric, *Dacron*, a happy blend of cotton and polyester (from Dupont of Nemours). *Levi's* first advertisement appeared in *L'Express* on 6 June 1966: "*A leading American brand in France.*" The *Catalina* brand of swimwear was also introduced at around the same time, though it did not survive for as long.

D. Promoting the American lifestyle out of the home

A number of American conglomerates began including France in their expansion plans as and when they began to detect its commercial potentialities and soon, several brands and an entirely new lifestyle had been introduced to add color to the humdrum life of the ordinary citizen. Hertz France was established in 1957 and by 1964 was already renting out some 28,000 vehicles (with arrangements made with Ford and GM). The first Hilton hotel opened near Orly airport in October 1965 and the second on the Avenue de Suffren in Paris in March 1966. Kodak's spectacular success before the advent of the Japanese can be explained by its technological edge, its financial clout and the weak presence of its competitors (Ilford, Agfa) in the French market. A splurge of sub-brands (for cameras as well as consumables) further enriched the company's non-material capital. In the 1960s, *Ektachrome* and *Kodachrome* sparked off the color revolution among amateur photographers, the *Instamatic* camera opened a whole new range beyond the classic 24x36 and the Super 8 which followed was also designed for simplicity of use (the *Instamatic 8*). In spite of competition represented by Polaroid's instant camera (another American company), Kodak was firmly in the driver's seat – which just goes to show the might of the American firms in the French market of the 1960s and 1970s.

All these trends converged towards one result: the setting up of robust subsidiaries of American corporations in France and their contribution to raising the French standard of living. Having said that, it must be noted that the extent of the domination enjoyed by the Americans in certain sectors of the market in the mid-1960s was astounding.

¹³² Thomas Olivier, *La vraie coke story*, Paris, Michel Lafon, 1986. Gérard Cholot, Daniel Cuzon Verrier & Pierre Lemaire, *Coca-cola : les plus belles affiches*, Paris, Denoël, 1994.

¹³³ The factory was modernized in 1950-1955 with equipment imported from the United States.

¹³⁴ Rosy made a turnover of 46 million francs, Warnaco of a billion!

A first chronology of American investments into the sector of consuming goods	
1949	Société parisienne de boissons gazeuses, for the <i>Coca Cola</i>
1950	Singer invested 600 000 dollars into its plant at Bonnières-sur-Seine
1952	Colgate-Palmolive took control over the Cadum plant in Courbevoie
1954	Creation of Procter & Gamble France
1954	Colgate-Palmolive started a new factory in Compiègne
?	Procter & Gamble : factory rented in Marseille (for <i>Tide</i>)
1956	American Home Products purchased O'Cedar (domestic products)
1959	General Foods purchased Cafés Legal
1960s	Second French plant of Singer, in Alençon
1961	Nabisco became the main stockholder in Gondolo (the fourth French firm in biscuit)
Mars 1963	Nabisco purchased Belin
Juin 1963	Nabisco purchased the rest of Gondolo equity, then managed by Belin since February 1964
Octobre 1965	Belin absorbed Gondolo
1968	Scott Paper purchased Bouton-Brochard (toilet paper)
1970	American Home Products purchased Jex (domestic products)

Clues about companies with American capital ¹³⁵ in 1963: household equipment and management	
American Cyanamid	<i>Formica</i> furniture, in Quillan (Aude) (with the British group De La Rue)
American Motors	Kelvinator France : import of refrigerators
General Motors France	Household appendage, in Gennevilliers
Whirlpool	Royal Corporation : domestic appliance in Montrouge and Decize
Hoover	domestic appliance in Dijon
American Home Products	O'Cedar : household products
Kimberley-Clark	Household paper <i>Sopalin</i> (with Darblay), in Essonnes

Us share of a few industries in France ¹³⁶ , mid-1960s	
80% or more	Carbon black, razor blades and safety razors, synthetic rubber
60 to 79	Accounting machines, computers, electric razors, sewing machines
50 to 59	-
40 to 49	Electronic and statistical machinery, telegraph and telephone equipment
30 to 39	Elevators, tires, tractors, agricultural machinery
20 to 29	Machine tools, petroleum refining, refrigerators, washing machines
5 to 19	automobiles

4. Did the Americans succeed because of the lure of their managerial methods?

As with the consumer goods, the American invasion was equally discrete when it came to the insertion of the "immaterial capital" in France. Without delving too deep into the "managerial revolution" we can simply say that "America [got] into the heads"¹³⁷. We can cite two examples which illustrate how these American brands conquered the world of the office. *Scotch* (of the 3M group), which had long become a generic term for any sticking tape and IBM – just before the triumphant entry of Xerox and its ubiquitous photocopiers in the second half of the 1960s.

¹³⁵ Note by Jean Rivoire, *Sociétés à participation américaine en 1963*, Archives historiques du Crédit Lyonnais, DAF 02067-1.

¹³⁶ Mira Wilkins, *The Maturing of Multinational Business*, p. 404. Another source (*L'Express*) said:

Parts de segments de marché détenues par des entreprises d'origine américaine en 1964	
Rasoirs mécaniques, lames de rasoir	87 %
Machines à laver	27 %
Réfrigérateurs	25 %
Rasoirs électriques	6 %

¹³⁷ Denis Lacorne, Jacques Rupnick & Marie-France Toinet (eds.), *L'Amérique dans les têtes. Un siècle de fascinations et d'aversion*, Paris, Hachette, 1986.

A. Efficiency and productivity: American corporations modernizing and reorganizing French firms

The meeting of American and European commerce resulted in a new "organizational model" which was more concerned with improving productivity and flexibility in order to reduce costs and increase the reliability and resiliency in the face of recurring commercial vagaries, especially that of a fluctuating demand. The Americans were seen as catalysts of such organizational revolutions. A report published in the magazine *L'Expansion* on the strengths and weaknesses of the American economy, concluded the article with these words: "the willingness to become efficient."¹³⁸ It also enumerated the causes: labor productivity, research and development, industrial might, link between university and enterprise, etc.

a. American corporations advising French companies

As they had done with the rest of Europe, the Americans discreetly introduced their managerial savvy into the French corporate mindset. In 1964, the American consulting firm MacKinsey opened an office in Paris, one of the 14 it had established all over the world. Its boss Claude Peyrat went on to become one of the 80 directing co-owners of the parent company (and one of the nine Europeans). Subsequently, a number of enterprises have had occasion to consult this cabinet regarding their reorganization projects¹³⁹, such as Rhône-Poulenc, the chemical and pharmaceutical giant. Between October 1968 and May 1969, MacKinsey made an in depth study on the reorganization of its structure and came up with the multidivisional scheme which has turned into a classic of its kind. A second MacKinsey mission in 1973 further refined the plan.

In contrast, the American ad agencies did not seem to need to tread as softly when they introduced their technology into France in the 1960s. Just as McCann-Erickson France were launching their publicity campaign¹⁴⁰ to establish themselves as an ad agency, Compton set up shop in Paris in January 1968 by buying 20 per cent of Dupuy, which thus turned into Dupuy-Compton¹⁴¹. Also in January of that same year, Publicis entered into a cooperative arrangement with the American company Ogilvy & Mathes, just ahead of a similar agreement between Havas and Doyle, Dane & Bernbach DDB in December. In the same month, J.R. Monfort was taken over by Provente, Norman Craig & Kunnel Nck. In 1971 Lintas bought Thibaud. At the turn of the 1970s, six of the 20 top French ad agencies either belonged to American companies (such as Walter Thompson France) or were junior partners (like Liger Beaumont, Alianvic, 25 per cent of which was acquired by Benton & Bowles in 1967). In January 1970, we find Young & Rubicam promoting themselves¹⁴² by proclaiming their victory in bagging the publicity contract for the launch of *Kiri* cheese in January 1968. Nevertheless, in this domain at least the local French firms (Havas and Publicis) were able to hold the Americans at bay, ceding only a quarter of the market¹⁴³.

¹³⁸ Philippe Lefournier, « L'Amérique incertaine », report in *L'Expansion*, November 1968.

¹³⁹ Ludovic Cailluet, « McKinsey, Total-CFP et la M-form. Un exemple français d'adaptation d'un modèle d'organisation importé », *Entreprises & histoire*, n°25, October 2000, pp. 26-45. « Le rapport MacKinsey », in Pierre Cayez, *Rhône-Poulenc, 1895-1975*, Paris, Armand-Colin-Masson, 1988, pp. 283-296. MacKinsey had been established in 1910. Cf. Matthias Kipping & Lars Engwall (eds.), *Management Consulting. Emergence and Dynamics of a Knowledge Industry*, OUP, Oxford, 2002. "After having consulted the MacKinsey cabinet in 1968-1970 and the Kearney cabinet in 1970-1971, Merlin-Gerin developed and implemented a new strategic organization, which would henceforth remain systematized", in Félix Torres, *Une histoire pour l'avenir. Merlin-Gerin, 1920-1992*, Paris, Albin Michel, 1992, p.138.

¹⁴⁰ Advertisement in *L'Express*, 25 November 1968.

¹⁴¹ Cf. the infomercial which appeared as a double spread in the *L'Express* of 8 January 1968.

¹⁴² "Why and how did Mickey's friends also turn into Kiri's friends. The cheese for the little gourmets in shorts", Advertisement in *L'Express*, January 1970.

¹⁴³ "American agencies started coming in around the 1920s : Dorland, MacCann Erickson came with their own heralds, which facilitated their implantation. Though they re-opened their subsidiaries soon after the War, the major American offensive began after the 1960s, when the budding EEC made the European market very attractive. That was when BDDO, the sixth largest ad agency in the world, and Young & Rubicam, the fourth largest, opened their agencies in Paris", Marc Martin, *Trois siècles de publicité en France*, Paris, Odile Jacob, 1992, p. 364.

b. American corporations modernizing and reorganizing the French offices

One of the first issues of the newly designed “magazine” of the weekly *L'Express*, which appeared in November 1964, illustrated the American managerial lifestyle via the ads by TWA (executives and managers traversing the Atlantic in supreme comfort) and especially by IBM. IBM's style of promoting its image set the trend for the ad strategy of the time. It was no more a question of projecting the superiority of the product, as IBM already had a commanding share of the market, it was more an effort at increasing the size of the market by orienting it towards the processing of data by demonstrating the advantages of computers over the simple electronic calculators. The idea was as much to bring in this new “corporate civilization” as to promote the brand. Instigated by IBM's resounding success, several other American computer firms such as NCR, Digital, etc., also set up shop in France and furthered this restructuring of the administrative and accounting organization. As we shall deal with the case of IBM and GE-Honeywell later, we shall content ourselves at the moment by simply observing that the advent of all these companies also opened the doors for the components and spare parts industry. The American multinationals now began to include France in their European strategies and started by implanting two new factories, one at Toulouse-Rangueil (Motorola, in 1967, with 1,100 employees) and the other at Nice-Villeneuve-Loubet (Texas Instruments). Though it must be said that in the 1970s, the vast majority of their sales in France were made with imported material.

While business oriented data processing began in earnest from the 1960s, the American enterprises also influenced greatly the reorganization of the French workplace. While they did not, of course, have a monopoly, they symbolized the drive towards modernity by introducing machines and appliances which greatly increased efficiency. Thus, after its progress during the pre- and post-war periods, Remington bought itself a factory in the Lyon region (Villeurbanne) in 1950 to manufacture typewriters. The American's lead in the field of precision mechanics helped them dominate the typewriter, calculator and photocopier market for the next quarter century. The triumph of the *IBM 72*, an electronic typewriter with a spherical type-carrier was emblematic¹⁴⁴ during the 1960s. While IBM entrenched itself solidly in the office equipment market, it could not dominate it the way it was doing in the computer industry because of the strength of its European competitors like Olivetti, Triumph-Adler, Hermes, etc.

The calculating business grew along with the growing needs of the accounting practices, such as the need for a chart of accounts, computation of interest, etc. The sewing equipment giant Singer also ventured into the burgeoning office equipment market via its subsidiary Friden which it had acquired in 1963. After some hesitation, it brought the two brands together to form Singer-Friden, which manufactured a range of calculators and competed with Remington-Rand. At the same time this latter was in the process of diversifying into a wide range of other office equipment including typewriters (*Rand* typewriters). But at a time when the mechanical and electronic calculating technologies were both mixing it up on the playing field and office automation was just taking off, specialists such as Burroughs were clearly making their mark.

The competition was equally cut-throat in the copying market, but ultimately, the Americans triumphed with the advent of reprography. After having diversified from the manufacture of typewriters and calculators to the making of photocopiers, SCM Smith-Corona¹⁴⁵ also entered the French market in September 1964 via the means of a subsidiary. Its first advertisements in magazines appeared in 1969, and it climbed to the second spot in its genre. Towards the end of 1960s and throughout the 1970s, Kodak also entered the fray when it diversified into the document reproduction business, just as 3M was launching its own brand of photocopiers. Meanwhile, Xerox raced to the top spot in France as elsewhere else. Its innovativeness caused Xerox to be “called upon to explore the future of visual communications”¹⁴⁶. At a time when the

¹⁴⁴ Cf. the advertisements which appeared in *L'Expansion* in October 1969 and in April 1973 and in *L'Express* 18 October 1965.

¹⁴⁵ Regarding SCM equipment, see the website [www.oldcalculatormuseum.com/scm240sr].

¹⁴⁶ Advertisement in *L'Expansion*, xxxxx.

Asian competitors were conspicuous by their absence, Xerox took full advantage to entrench itself solidly in the French mind and market. Though 3M sold some 108,000 copiers in 1978 as compared to the 55,000 by Rank Xerox, they were mostly the smaller and lower end models, and in terms of real value, Xerox's domination was complete. Xerox' impact in France, as elsewhere, was rapid and intense because the technology¹⁴⁷ that it offered was state of the art, just developed in 1959-1960 (914 model) and its subsidiary was established only in 1964. It did not have a factory till the opening of its first assembly plant at Lille in 1974. Its main drive was a commercial assault: building a brand and a brand image and the setting up of a technical service network. Xerox also benefited from the fact that the message it conveyed was simple and unequivocal, in contrast to many of its competitors whose signals were often mixed because of the diversity of their products and technologies, like it happened in the case of Kodak and 3M. "Xerox is the only one who makes photocopiers... and nothing else."¹⁴⁸ "Fifty-one brands of photocopiers, and yet 1 out of every four copies made is ours [...]. Perhaps it is because we are the only ones who make copiers only."¹⁴⁹ Some have estimated its market share at 35 per cent towards the end of the 1960s. It would seem that in contrast to the other specialized manufacturer SCM Corona Marchant, Xerox was able to convince the French about its (relative) reliability, its technological superiority (the 813 in 1963, in France in 1965, the 2400 in 1964 which was capable of making 2,400 copies per hour, the 3600, 4000 and 9200 in the mid-1970s, etc.) and the efficiency of its after-sales service. All this while also introducing hire-purchase schemes and coming up with newer innovations such as mini-photocopiers and the laser printer in the 1970s. The result was a giant of an enterprise, with a total turnover of 2,658 million francs and 5,300 employees in France in 1981 which accounted for 14 per cent of Rank Xerox' total, and one of its five factories¹⁵⁰ – Rank Xerox being Xerox' European subsidiary.

The rest of the office equipment and material market also depended largely on American know-how. Of the top eight leading manufacturers of office material in 1979, three were American: Steelcase, Atal which was linked to Litton, and Ranger, linked to Mohasco Industries. The 3M group had been in France since 1951, with an installation at Beauchamp for the manufacture of office stationery (the scotch brand of sticking tape and later, photocopier paper, etc.) before expanding its *Scotch* brand to include computer magnetic tapes.

B. American corporations modernizing and reorganizing the labor in French companies

The introduction of some flexibility in human resources management caused an upheaval in French firms because the work regulations, the labor laws operating in many of the government controlled companies, or the *modus operandi* agreed upon with labor unions had left little room for any maneuvering in the face of the growing demand. The introduction of temping also helped to spread the American style of management. Though the French firms were quick to spot the advantages of this new market, it was the American company Manpower (created in 1948) which pioneered the concept in France in 1957. Its first advertisement in *L'Express*, a management magazine, appeared on 1st March 1965: "*Manpower, the mark of professional expertise*"¹⁵¹ with its famous logo, Leonardo da Vinci's Vitruvian Man (which it retained till 2005). A franchisee for interim office personnel was set up in France in July 1960. It quickly achieved commercial success¹⁵², especially due to the temporary labor market. It even worked with the government to define the notion of "mission" which up till had no mention in the French labor laws.

¹⁴⁷ Cf. David Kearns & David Nadler, *Prophets in the Dark. How Xerox Reinvented Itself and Beat Back the Japanese*, New York, HarperBusiness, 1992. Cf. the website [www.xerox.com].

¹⁴⁸ Advertisement in *L'Express*, 27 September 1965.

¹⁴⁹ Advertisement in *L'Express*, 11 October 1965 and 27 September 1965.

¹⁵⁰ In 1981, Rank Xerox owned five factories, two in the United Kingdom, one in the Netherlands, one in Spain and the one at Lille (Neuville-en-Ferrain).

¹⁵¹ Advertisement in *L'Expansion*, October 1969.

¹⁵² The permanent workforce rose from 65 in 1963 to 300 in 1969, with 6 to 10 000 temporary workers coming every day. Cf. Michaël Grunelius, *Du travail et des hommes*, Paris, Perrin, 2003 (the history of Manpower France, written by its founder and director). Cf. the website [Westinghousew.manpower.com/mpcom/history].

5. American corporations identifying themselves as French companies

We hope to show here the extent of the American penetration into the French corporate sector, the chronology and manner in which they entered the market and some of the methods they used to loosen the grip of the local brands. As a first step, we will try and recapitulate empirically the flow of investments.

A. Did the Americans also penetrate the French colonial territories?

The French colonial territories also felt the American impact when the accord of June 1948 stipulated that they too (except Indochina) came under the aegis of the Marshall Plan. This led to the inking of several contracts, like the one signed in 1946 by Beghin of Morocco to equip its new paperboard factory with American equipment. The strength of the American automobile industry was reflected in their ubiquitous presence in that sector. Ford had been distributed in black Africa since the 1920s by the trading giant CFAO. Firestone Morocco¹⁵³ was created in 1955. Later, the American oil companies also profited from the French trading networks, with CFAO representing Texaco. The advent of air-conditioning in modern buildings led to an alliance between the other trading giant SCOA and Westinghouse in 1946 for the dealership of industrial and home air-conditioners. In fact, SCOA was Westinghouse's first outlet outside the United States in the 1950s. These companies then expanded and pushed a range of other technological equipment through their distribution networks. The CFAO added *International Harvester* (an American company) products to its English and French network, JA Delmas-La Manutention africaine sold the *Caterpillar* brand in West Africa (Sénégal, Soudan, Guinée, Côte d'Ivoire, Niger) while Optorg did the same in Central Africa: This latter's subsidiary Tractafric accounted for four fifths of its profits in the 1950s thanks mainly to the line of *Caterpillar* heavy equipment, used as much in civil engineering as in foresting. CFAO also furnished, from 1951 onwards in Nigeria, and 1960 onwards in the other French-speaking countries, all the equipment required for the large buildings which were sprouting up at a hectic pace in the capitals of these newly-formed republics (*Otis* lifts and CGCT telephone systems – CGCT being a subsidiary of the American conglomerate ITT, specialists in the private telephone sector¹⁵⁴). It also launched the *Remington* range of office equipment in the 1950s.

And yet, in 1953, the major portion of American investments in the French empire¹⁵⁵ was concentrated in the oil sector which accounted for 27 out of the 31.4 million dollars invested by American corporations in France's African colonies. This was especially true for the distribution of petroleum products, which saw a tripling of the 11.3 millions invested in 1943. At the beginning of the 1950s, Socony Vacuum created the petroleum company, *Socony Vacuum de l'AEF*, which in turn participated in the establishment of a petroleum storage company. Gulf Oil bought a 6 per cent stake in the *Société nord-africaine des pétroles*. Then, after the War, American businesses scrambled to get into the minerals business with Us Steel buying out 49 per cent of the 150 million dollar capital of the *Compagnie minière de l'Ogooué*, which began manganese extraction in Franceville, Gabon. The same trend continued in 1967 and in 1970-1971, when the American group Kaiser¹⁵⁶ signed an understanding with the *Société Le Nickel* to open a Nickel treatment plant in New Caledonia.

¹⁵³ The capital, made up of the contributed [assets / shares] rose to 10 million francs in 1955.

¹⁵⁴ Hubert Bonin, *CFAO, cent ans de compétition, 1887-1987*, Paris, Economica, 1987.

¹⁵⁵ Note 10557, Investment of American private capital in French Africa, 24 February 1954, according to an American Finance Minister's note in 1953, Archives historiques du Crédit Lyonnais, DEEF 59912. The balance 4.4 million was made up by investments in the wholesale trade, and especially, in the means of transport (fleets of buses and truck – 2 million dollars).

¹⁵⁶ Kaiser Aluminium & Chemical diversified into nickel. A first agreement was concluded in 1967 for a partnership in a factory in order to export nickel to the United States (via the two companies, the Néo-Calédonienne de Nickel and Kaiser-Le Nickel Corporation). A second agreement in 1970, saw Nickel finance the installation of two furnaces which consolidated the factory at Doniambo-Noumea, in exchange for a share of its production.

B. The commercial consolidation of American firms

As a primary concern of any enterprise is the prevention of a breakdown in the equipment and minimizing the resultant downtime, American firms did not tire of advertising the quality of their after-sales service. Worthington enumerated the list of its 19 agencies: "We are present everywhere."¹⁵⁷ "Service? A dense network of dealerships and the most modern infrastructure guarantee a rapid and efficient after-sales service."¹⁵⁸ "*Behind an international brand, a commercial network 'very much from home'.*"¹⁵⁹ "With its 34 dealerships, International Harvester is ready to take on the French market." This engineering equipment firm went on to add: "96 per cent of the spare parts ordered by 4 o'clock in the evening are delivered anywhere in France the very next morning."¹⁶⁰ And the advertisement shows the equipment painted in the French tricolor... a trick that it used in many of its ads, for its industrial loaders¹⁶¹ and for its shovels¹⁶².

Based on their experience of many decades regarding consumerism and the long term benefits of investing in publicity, American companies pulled out all the stops regarding their commercial communications in the French press. One voluminous issue of *L'Express*, which appeared in November 1966¹⁶³, had 28 pages (a whopping 16 per cent of the entire magazine) of advertisements by American brands – automobile, cosmetics and skin care products (Gillette had four ads), cigarettes, household electric appliances, air transport, office equipment, etc. This barrage proved, if proof be required, that France had been incorporated in the commercial strategy of American businesses, that it had now well and truly become a "target". By 1967, two American companies figured in the list of top ten advertisers in the French press: Colgate-Palmolive (ranked second) and Procter & Gamble (ranked third). Both came in behind Unilever but ahead of Renault and L'Oréal¹⁶⁴.

C. Tactical alliances between American and French companies?

The American corporations used all varieties of partnerships in their ventures into France. The main objective was to reduce the costs of entering into the market by using, as far as possible, the networks already set up by local companies.

a. Strong partnerships for the franchisees

Some American companies had now and then created joint ventures just as Xerox had done in the United Kingdom with Rank to form Rank Xerox and in Japan with Fuji to create Fuji Xerox. Such associations made it easier to understand the local mentality and the prevailing corporate culture. The construction equipment manufacturer Caterpillar preferred to use the services of a specialized distributor like Bergerat-Monnoyeur which stocked and stored its products – with success it would seem, as Bergerat's turnover surpassed that of its competitor Allis-Chalmers in 1963 (267 million francs against 163 million)¹⁶⁵. The French company Fenwick specialized in

¹⁵⁷ Advertisement in *L'Expansion*, February 1970.

¹⁵⁸ Advertisement in *L'Expansion*, June 1969. Worthington was established in 1840. In the 1980s, Dresser, Ingersoll-Rand and Worthington (which had turned into Turbodyne in 1970) were gradually merged to form Dresser-Rand. cf. the website [www.dresser-rand.com/aboutus/history]. Dresser restarted a Turbodyne factory at Bourget, but soon shut it in favor of consolidating all its French products in the factory at Havre, which remains one of the group's major hubs in the 21st century and the headquarters of the group's "European Served Areas".

¹⁵⁹ Advertisement in *L'Expansion*, March 1972.

¹⁶⁰ Advertisement in *L'Expansion*, September 1971.

¹⁶¹ Advertisement in *L'Expansion*, April 1971.

¹⁶² Advertisement in *L'Expansion*, March 1971.

¹⁶³ *L'Express*, n°803, 7 November 1966, an issue which attracted many advertisements because of the end of the year buying season.

¹⁶⁴ Unilever (37 million francs), Cadum-Palmolive (26.5), Procter & Gamble (19.8), Renault (18.1), L'Oréal (16.8), Philips (13), Nestlé (9.2), La Samaritaine (9.2), Lesieur (8.9), Unipol (7.8).

¹⁶⁵ Note *Investissements américains dans les sociétés françaises*, 1964, Archives historiques du Crédit Lyonnais, Comité de coordination des études, DEEF O2067/1 BE O635. The turnover rose to 650 million francs in 1970, when Hy.Bergerat-Monnoyeur had 3,000 employees, of which 430 were engineers and executives and an after sales network which employed 1,400. Cf. the advertisements in *L'Expansion*, June 1971, p.138 and May 1971, pp.24-25.

representing American brands. It aimed at being an import and “commission” powerhouse. Not content with the licenses already obtained before the war (for the *Yale* brand of goods handling equipment), it added several other licenses for machine tools, outboard motors and even for helicopters and planes¹⁶⁶. Sometimes, its own brand seemed to overshadow the name of the company whose license it held, and it so happened that “a Fenwick” came to designate a material handling machine, though the machine was built under an American license. When Du Pont de Nemours came into France in 1959, it depended mainly on the services of a commercial agency, the *Société d'exploitation des produits pour les industries chimiques* (SEPPIC), a subsidiary of a British firm. The W.R. Grace group created W.R. Grace France in 1962 to sell products imported from the United States¹⁶⁷.

Post 1945, the outstanding example was *Coca-Cola*. Its strategy in France followed the same pattern as in the rest of the world: it contented itself with the supply of the concentrate and sharing its technological and commercial savvy with the “bottlers” which were its brand dealers, that is, they not only manufactured the product, but also looked to its commercialization¹⁶⁸. Following the example of *Société française des breuvages naturels* which was founded in 1933, the *Société parisienne de boissons gazeuses* took up the dealership of *Coca-Cola* in the Île-de-France region from 1949 to 1989. It installed a large factory at Clamart in 1967 and one more at Grigny in 1985. It had several sister concerns such as the *Société provençale concessionnaire de boissons gazeuses* which was created by the *Société nouvelle des glacières de Paris* in 1949 to make and sell *Coca-Cola* (a spanking new factory was installed near Marseille in 1970). In a similar fashion, Nabisco-Belin tied up with the wholesaler Baud for distributing its biscuits in the Paris region. But in 1969 it bought over the provincial dealerships.

A typical example of a brand franchisee was the arrival of Manpower in France via its association with a team of local directors who bolstered their own company which was already in the temping sector in France. Manpower was so successful in harmonizing itself with the French corporate culture that it was actually thought to be “Parisian”. This was because the local directors had a very good knowledge of the employment and business practices of their country, which allowed them to incorporate the concept of temping in a very short time.

b. The multiplication of ad hoc manufacturing partnerships

In the past, a number of American companies had taken to forming associations in order to bring their technology into France. The American advantage in electrical appliances resulted in the signing of an agreement, in 1949, between Sylvania Electric Products¹⁶⁹ and Visseaux, the French maker of Zenith lamps¹⁷⁰, which thus gained from a technology transfer to increase its output by 50 per cent in the face of its chief competitor, a subsidiary of Philips. Similarly, the Fotor lamp company (Grammont) joined hands with RCA in 1947 and obtained its licence for the manufacture of radio tubes; in 1971, RCA sold its color television tube license to the French group of Thomson-Brandt¹⁷¹. We know that starting from 1929, Westinghouse had given a large

¹⁶⁶ Fenwick had begun to represent the Sunnen brand of machine tools since 1947, Johnson outboard motors since 1945 (which launched a major publicity offensive in managerial publications during the 1960s and 1970s when it was in direct competition with the Mercury brand), Bell helicopters in 1950 and later, planes from Cessna. It must be remembered that Fenwick had also represented Yale vehicles since 1904, and ended up by acquiring its license in 1927. It was bought over by the German company Linde in 1970.

¹⁶⁷ Note *Investissements américains dans les sociétés françaises*, 1964, Archives historiques du Crédit lyonnais, Comité de coordination des études, DEEF 02067/1 BE 0635.

¹⁶⁸ Thomas Olivier, *La vraie coke story*, Paris, Michel Lafon, 1986. Bob Stoddard, *Pepsi Cola, 100 years*, Los Angeles, General Publishing Group, 1997. Cf. also Coca Cola Enterprise's internet site, which summarizes the main activities of the group and its dealers in France from 1989 onwards (and under this appellation in 1996).

¹⁶⁹ In 1959 Sylvania merged with General Telephone to form GT&E (GTE in 1982, today known as Verizon).

¹⁷⁰ Manufacture of light bulbs, fluorescent lamps, radio tubes. Sylvania took 24 % of the capital with payment deferred over ten years with the help of patent royalties. Note *Participations des sociétés américaines dans des sociétés françaises en contrepartie d'accords de collaboration technique*, 9 April 1954, Archives historiques du Crédit lyonnais, DEEF 10577/59912.

¹⁷¹ Thomson, which then began manufacturing these tubes in its factory at Romilly (Aube), came into direct competition with Radiotechnique-Compelec, the French subsidiary of the Philips group.

number of licenses to the Schneider group via *Schneider-Westinghouse*, their joint subsidiary which dealt with electronic equipment and which subsequently became Jeumont-Schneider in 1931. But there were other companies too which were granted Westinghouse patents, such as Merlin-Gerin¹⁷² which in the 1970s, merged with the Schneider group. The washing machine revolution set off a spate patent transfers due to the fact that French households wanted to program their own wash cycles and were reluctant to use the American automatic machines. Thus, French manufacturers retained their industrial and commercial leadership in this field, albeit with the acquisition of a number of US patents for the electromechanical components¹⁷³. One of them also bought the license to use the *Bendix* brand name.

The American innovative genius in the chemical industry too led to several notable alliances in that era. In 1950, the chemical giant Monsanto acquired a 10 per cent stake of the *Société des produits chimiques Coignet* and exchanged patents¹⁷⁴ as well as technological know-how. America had a stock of transferable patents which were ideally suited to the "specialty chemistry" niche which was bubbling with innovations and rich with the promise of high value addition. In 1955, Monsanto not only bought 9.5 per cent of Coignet but also of a subsidiary which was jointly owned by the glass-maker Monsanto-Boussois. Dow Corning had meanwhile joined hands with another glass-maker, Saint Gobain in April 1945 to form the *Société industrielle des silicones et des produits chimiques du silicium* (in a 50-50 partnership)¹⁷⁵. During the years 1948 to 1958, Rhône-Poulenc tied up with the American GECO for the manufacture of silicon products, before obtaining several patents in 1952 for its factory at Saint-Fons-Carrières¹⁷⁶. Though the giant Du Pont de Nemours refused to enter France directly, contenting itself with its four European factories¹⁷⁷, it penetrated France with the aid of *ad hoc* specialized partnerships. Though Du Pont's subsidiary was established in 1959, it manufactured and sold its own brand of weed-killers; in 1969, it created Dekachimie¹⁷⁸, a joint subsidiary with Kuhlmann; similarly, it also created several other partnerships for the utilization of its patents, for floor covering (with agreements woven with carpet makers in 1971) and for synthetic textile fibers, especially *Dacron*, at the end of the 1960s for which it advertised by associating this brand with its own name¹⁷⁹. "The Schappe Orlon fiber for your hose and your stockings"¹⁸⁰ and "Bally places the future at your feet with Corfam"¹⁸¹ announced two brands working under Du Pont patents. The company had to rev up its research efforts to compensate for the fact that the *Nylon* patents went public in 1964 (managed in France, as we have already seen, by Rhône-Poulenc). Elsewhere in the same sector, Corning Glass entered into a partnership with Saint Gobain to form Sovirel (held 52 and 48 per cent respectively) whose 4,000 employees were engaged in the manufacture of *Pyrex* vessels, optical glass and television tubes and screens in 1968; in August 1969, Saint Gobain sold half its share to the Americans. In the early 1960s, another French industrial leader, Pechiney-Saint-Gobain joined the Phillips Petroleum group in

¹⁷² Westinghouse gave Merlin-Gerin the license for a low voltage circuit breaker. Cf. Félix Torres, *Une histoire pour l'avenir. Merlin-Gerin, 1920-1992*, Paris, Albin Michel, 1992.

¹⁷³ Quynh Delaunay, *Histoire de la machine à laver. Un objet technique dans la société française*, Rennes, Presses universitaires de Rennes, 1994, pp. 124-125. "For long the American machines in France were seen as typifying the automatic machine." American patents succeeded one other, especially for the control processes in semi-automatic or fully automatic machines and water level controllers, etc. Bendix (1949), Hoover (1947), Whirlpool (1956), General Motors (1959), *Ibidem*, p. 184. "Curtis, the first global brand, now manufactures in France top quality and solid equipment with American technology. Thermostats, cold air systems, engines, hermetic compressors, directly imported from American factories.", *Revue des arts ménagers*, May 1956, *Ibidem*, p. 228.

¹⁷⁴ The license for the manufacture of phosphorus and its derivatives, for twelve years and for France and Belgium and their colonies and technological assistance for the expansion of a factory. It was paid a royalty on every ton of phosphorus thus made. *Ibidem*.

¹⁷⁵ Note *Investissements américains récents dans les sociétés françaises*, 24 November 1955, Archives historiques du Crédit lyonnais, DEEF 59909/2/9910.

¹⁷⁶ Pierre Cayez, *Rhône-Poulenc, 1895-1975*, pp. 176-177.

¹⁷⁷ Belgium, the Netherlands, Northern Ireland and Sweden.

¹⁷⁸ Dekachimie manufactured the components needed for the production of polyurethane foam. Note *Investissements américains dans les sociétés françaises*, 1964, Archives historiques du Crédit lyonnais, DEEF 02067/1 BE 0635.

¹⁷⁹ For example, the four page advertisement in *L'Express*, 23 March 1967.

¹⁸⁰ Advertisement in *L'Expansion*, December 1966.

¹⁸¹ Advertisement in *L'Expansion*, March 1967. Bally was a manufacturer and distributor of footwear.

its world-wide offensive – they came together to build chemical factories in the United States¹⁸² and also two in Europe (at Anvers and at Basse-Seine, at Gonfreville-L'Orcher¹⁸³) for the manufacture of the base material required in the production of high density polyethylene (made at the Pechiney-Saint-Gobain, and later by Rhône-Poulenc, when it took over this company, in their own factories).

The third sector which was ready for such patent transfers was the field of mechanics. Here too the United States made use of its superiority to help bring about the second industrial revolution. In 1940, the French materials handling equipment manufacturer Fenwick, which had already made its name selling American products, acquired the license to manufacture forklift trucks¹⁸⁴. In 1955, Clark Equipment bought over 39 per cent of the *Ateliers de Strasbourg* and prevailed upon Richier to manufacture materials handling equipment under license. In 1950 Dana gave the French Glaenzer-Spicer a general license to use its Spicer patents (automobile parts) in France in exchange for a seventh of its capital (135,000 dollars). In 1946 Fruehauf first established a subsidiary to import, and later, manufacture trailers and semi-trailers. Its share of the capital, which stood at first at 30 percent, rose to 62 per cent in 1953 in exchange for an injection of 250,000 dollars in the framework of the Marshall Plan¹⁸⁵. The tire manufacturer Goodrich was happy with its 25 per cent stake in the French company Colombes (till 1965), as that gave it access to a fifth of the entire French market.

Later, in the 1970s, CFAO set up a technology trading network by acquiring companies which held American licenses. In the Southeast for example, the French companies Boulogne and Huard-Forair retained the licenses for General Motors motors and Ingersoll compressors and perforators¹⁸⁶. In the north, Penven supplied 26 generator plants with industrial motors and spare parts from General Motors. These three companies and two others from the West (Gecimer and Camin) dealt with the entire range of Detroit-Diesel-Allison engines (part of the General Motors group) – each in its own region. The underlying strategy was common to many other American groups: “*The 1950s and 1960s saw the development of a worldwide distribution network of independent, authorized distributors and dealers to provide parts and service to the markets it was serving.*”¹⁸⁷

Metal works was the fourth sector which saw many such transfers. Some major technological inputs went into metallurgy for the manufacture of high temperature steel and for steel rolling¹⁸⁸. A number of agreements were signed at the turn of the 1960s like the one which united Continental Can with J.J. Carnaud & Forges of Basse-Indre, the leader in packaging, or the one between American Can and Ferembal¹⁸⁹. This collaborative process spread so steadily and discreetly that it is difficult to auscultate its pulse or measure its effects with any great certainty. Thus, in a branch which did not show any outer signs of the revolution taking place, Balsan of Châteauroux, a major manufacturer of carpets and broadloom, signed an agreement with the American company World Carpets in October 1966. In 1970, a special agreement

¹⁸² (Puerto Rico and South Carolina). Dow had twelve factories in Europe in 1960-1962.

¹⁸³ The *Manufacture normande de polyéthylène* (Manolène) made polyolefine resins in this factory at Gonfreville-L'Orcher. Cf. Pierre Cayez, *Rhône-Poulenc, 1895-1975*, p. 182.

¹⁸⁴ Claude Doucet, *Fenwick, 1884-1984 : L'équipement industriel, du négoce à la production*, thesis for the University of Paris 4-Sorbonne, 1997.

¹⁸⁵ « Le capital américain en France », *Économie et politique*, n°5-6, 1954, p. 153.

¹⁸⁶ Cf. also the website [www.ingersollrand.com/aboutus/history].

¹⁸⁷ The website [www.detroitdiesel.com/Corporate/History]. The GM Diesel branch, which was created in 1938, turned into the Detroit Diesel Engine Division in 1965. Then, with its merger in 1970 with the Allison branch, formed the Detroit Diesel Allison Division.

¹⁸⁸ In 1950, Continental Foundry & Machines associated itself with the *Acieries de Longwy* for the manufacture of pilger rolls for continuous mills. United Engineering & Foundry did the same with *Société française des cylindres de laminoirs J. Marichal-Ketin*, a subsidiary of *Forges & aciéries de Firminy*. In 1948, Driver-Harris associated itself with the *Usines et aciéries de Sambre & Meuse* for the manufacture of high temperature steel. In Note *Investissements américains récents dans les sociétés françaises*, 24 November 1955, Archives historiques du Crédit Lyonnais, DEEF 59909/2/9910.

¹⁸⁹ Note *Investissements américains récents dans les sociétés françaises*, 1964, Archives historiques du Crédit Lyonnais, Comité de coordination des études, DEEF 02067/1 BE 0635. In 1961, American Can had a share in Établissements Sudry's capital, which manufactured machines for the canned foods industry.

linked US Steel with *Aciéries de Paris-Outreau* and the resulting financial aid in the installation of a new blast furnace in the factory gave it access to one fifth of all ferro-manganese produced for its own use in Europe.

The fifth key sector which saw many such partnerships was the aeronautic industry. The Anglo-American domination in this field justified ad hoc partnerships though France continued to forge ahead on its own developmental program. In 1959, the public sector company SNECMA bought the license for the *TF 30* turbojet engine from the American Pratt & Whitney in exchange for 11 per cent of its capital. This landmark agreement led to the deployment of a whole range of aircraft engines (*TF 104*, *TF 106*, *TF 306*) which, bit by bit, began to undergo a process of "Frenchification". Nevertheless, in 1965 this agreement was suddenly annulled, without any clear reasons being given. It could have been something to do with the agreement signed between Rolls Royce and two French companies¹⁹⁰ in 1964-1965, or perhaps it formed part of a policy aimed at improving Anglo-French cooperation, and being less dependent on the United States.

As for the consumer goods industry, in 1960, the stationer Darblay joined hands with Kimberly-Clark, a giant in the American paper industry, and gave it access to its industrial site at Corbeil-Essonnes for the manufacture of the *Sopalin* and *Kleenex* range of products. Later, it did the same with its site at Rouen-Villey-Saint-Etienne in Normandy. Cargill's dominance in trade and its influence in the agri-food industry explains why the two French oilseeds giants Lesieur¹⁹¹ and Unipol joined it to form a large soya-seed crushing factory at Saint Nazaire in 1968. In the publishing sector, Mac Graw Hill, which concentrated mainly on management and the economy (it published *Business Week*), associated itself with the Servan-Schreiber group in 1967 to form Technic Union and launch the monthly magazine *L'Expansion* which specialized in diffusing information regarding the business world. It is almost impossible to recreate a completely accurate picture of all the ad hoc partnerships and our analysis cannot but be fragmentary. Still, one can say that the American presence was stronger than one would have thought, thanks to the network of French subsidiaries owned by American brands. In all these cases, American technology had a far greater say than American capital because in general, the American companies were content to simply offer their patents and to seal technological assistance partnerships. The modest investments of capital were only as part payment to these latter for sharing in the profits that they made.

D. The consolidation of American industries

In the beginning, the American pioneers had chosen to make direct investments in order to make the most of their technological capital. The post-war period saw some new kinds of investments: for example, in 1950, Saint-Regis Paper signed a contract with Drouet for the manufacture of synthetic resins. In 1956, the Swiss subsidiary of American Can established its own subsidiary Turboplast France (plastic tubes and flat flat boxes) by first buying out a factory owned by some other company and later, setting up a second factory at Sainte-Menehoulde (in Marne)¹⁹² in 1963. As France began to figure more prominently in the European strategy of American groups, the 1960s and 1970s saw an increasing number of these American conglomerates setting up industries in France. And in spite of a few disinvestments, as in the case of Allis Chalmers¹⁹³, France's allure remained strong. "*WOR-THING-TON... an American*

¹⁹⁰ In 1964, Hispano-Suiza signed an agreement with Rolls-Royce to jointly manufacture the *Tyne* turboprop engine. SNECMA bought over Hispano-Suiza in 1968. In 1965 Rolls-Royce allied itself with Turboméca to develop the turbojet engine *Adour* for the Franco-British fighter *Jaguar*.

¹⁹¹ Unipol and Lesieur merged their jointly held subsidiary Eurosoya with Cargill's own subsidiary Indu-Soja, to create the joint subsidiary Soja-France, and the factory at Saint-Nazaire, which captured a third of the market when it opened in March 1970. Cf. Tristan Gaston-Breton, *Lesieur. Une marque dans l'histoire, 1908-1998*, Paris, Perrin, 1998.

¹⁹² This factory also manufactured plastic packages along with the *Cotupia* machines.

¹⁹³ Allis Chalmers (tractors, bulldozers, graders, loaders, angledozers, etc.) was taken over by Stokvis, which was itself a subsidiary of a Dutch group, bought the factory at La Guerche-sur-l'Aubois (Cher) and its turnover of 163 million

*technology which is today pronounced the way you would*¹⁹⁴ proclaimed an American firm which wanted to declare that henceforth, it manufactured its compressors in its factory at Bourget (in the suburbs north of Paris): “*All these French products benefit from Worthington technology.*” The transfer of technology now entered a new phase with the implantation of production units in France itself. But these factories came in direct competition with their counterparts in other European countries which were also in the running as America’s bridgeheads for penetrating the Common Market or the West European free trade zone. While many factories were installed in the UK for reasons of language, managerial style and (in those days) the aeronautic proximity, a number of corporations balanced it by choosing countries in continental Europe.

A few regions of France were found to be better suited than others: neatly tucked into the very heart of the European Rhineland and blessed with quality manpower, Alsace very quickly attracted a number of factories like the one owned by Timken (ball bearings in Colmar in the 1960s) whose advertisements began appearing in *L’Expansion* from March 1969. In 1970, in spite of its two factories in Germany and the one in Belgium, Clark Equipment expanded its factory at Strasbourg to manufacture its Michigan range of equipment in addition to forklift trucks. The lure of the region around Paris was due to the size of the regional market and the fine industrial tradition of its suburbs, which were well stocked with equipment suppliers and consequently, potential customers. The North had a history of industrial know-how, which explains Massey-Ferguson’s factory near Lille. Finally, the foreign companies also joined the process of decentralization outside the Paris area, which formed part of the national economic planning: Consequently, the “large Parisian Basin” (about 200 km from Paris) attracted a large number of factories, including the one owned by Massey-Ferguson at Beauvais and Nabisco-Belin’s plant at Ris-Orangis in 1973. In the south, the forced and precipitous departure of NATO based American troops freed some space at Châteauroux which was occupied most notably by an Alcoa factory (finished aluminum products – one of the 26 owned by the group¹⁹⁵). The large Paris region was especially attractive to the pharmaceutical firms which had just begun a discreet entry into France¹⁹⁶.

Companies with American capital in 1963: Drugs	
Johnson & Johnson	Ethnor, filiale avec Midy
American Home Products	Société chimique Wyeth (avec Clyn-Byla) Laboratoires Wyeth-Byla
Note de Jean Rivoire, <i>Sociétés à participation américaine en 1963</i> , Archives historiques du Crédit lyonnais, DAF 02067-1.	

a. The assault of the American chemical industry

The American offensive in the chemical sector followed the way of partnerships, as we saw earlier. The obvious American advantage in the field of specialized chemistry (particularly abrasives) led to the installation of a number of new factories in the 1950s and 60s, especially in the petrochemical industry. Hot on the heels of these incursions came other American industrialists who found a whole new market opening up with the coming of the green revolution in Europe. Thus, Monsanto entered the French pesticide market¹⁹⁷ in 1960, while Ralston-Purina bought over Duquesne, the French leader in cattle-feed in 1968.

francs. Note *Investissements américains dans les sociétés françaises*. Comité de coordination des études, 1964, Archives historiques du Crédit lyonnais, DEEF 02067/1 BE 0635.

¹⁹⁴ Advertisement in *L’Expansion*, February 1970.

¹⁹⁵ Advertisement in *L’Expansion*, November 1968.

¹⁹⁶ See the chapter by Sophie Chauveau in the same book.

¹⁹⁷ Monsanto sold *Avadex* (a weed and grass killer for cereales) from 1960, before taking up *Lasso* (a selective weed killer for maize) in 1974. Cf. the website [www.monsanto.fr/apropos/france].

Companies with American capital ¹⁹⁸ in 1963: Chemicals	
United Carbon France	Carbone black in Port-Jérôme
Godfrex Cabot	Carbone black in Berre
Monsanto	Polystyrene in Wingles (Pas-de-Calais)
Dow Corning	<i>Société industrielle de silicones</i> in Saint-Fons (Rhône)
Dow Chemical	Common subsidiary with Pechiney : polystyrene in Ribécourt (Oise)
3M	Minnesota de France (ex-Abrasifs Durex), in Gennevilliers, Beauchamp and La Courneuve
Norton	Abrasifs à Conflans-Saint-Honorine Compagnie des meules Norton
Carborundum	Abrasives in (<i>Les Abrasifs du Sud-Ouest</i> , in Beyrède, Hautes-Pyrénées)(with Pechiney)
Borden	Glues and synthetic resins, in Fécamp
Reichhold	Glues and synthetic resins, in Bezons and Niort
Pittsburg Plate Glass	Corona paintings and Huileries de Valenciennes
Eastman Kodak	Photography in Vincennes, Sevrans and Chalon-sur-Saône

Some chronological clues about American investments in chemicals and specialised materials	
1949	Corhart Refractories (Corning Glass) (subsidiary L'Electroréfractaire): investment into a new oven
1949	W.R. Grace : 50 % de Darex (fabrication d'emballages plastiques, à Épernon)
1949-1950	Heyden Chemical : filiale Société industrielle pour la fabrication des antibiotiques Sika : création d'une usine pour fabriquer de la streptomycine à La Plaine-Saint-Denis ¹⁹⁹
1950	Monsanto : aide et participation dans Produits chimiques Coignet
1951	3M : usine à Beauchamp pour de la papeterie de bureau
mi-1950s	Bourne Chemical : filiale Produits chimiques Bourne (minium)
mi-1950s	Glaenger-Spicer associé à Dana ²⁰⁰
mi-1950s	Dow Corning associé à Saint-Gobain : Industrielle de silicones et des produits chimiques du silicium
mi-1950s	Sewey & Almy Chemicals : filiale Darex
mi-1950s	Deux usines Eternit
1956	American Can Company achète (indirectement) une usine à Vienne-le-Château (Marne) (tubes et emballage en plastique)
1959	Du Pont de Nemours France : fait fabriquer à façon ; filiale commune en 1961 avec Kühlmann.
?	Corning Glass et Saint-Gobain associés dans Sovirel (verres spécialisés)

b. American power in the engineering industry

The Americans' clear superiority in the manufacture of motors explains the dominance of American manufacturers in the agriculture and farm equipment industry of Europe. Two of them had already established bridgeheads in France as early as 1951. The Massey-Harris-Ferguson company, a subsidiary of the Canadian Massey-Harris group²⁰¹ had opened a plant which produced its light tractor *Pony*²⁰² (with a capacity of 4,000 units per year). In 1950, International Harvester – which in 1948, had acquired a controlling stake in the *Compagnie internationale de machines agricoles* (CIMA) – entrusted CIMA-Wallut with the manufacture of

¹⁹⁸ Note by Jean Rivoire, *Sociétés à participation américaine en 1963*, Archives historiques du Crédit Lyonnais, DAF 02067-1.

¹⁹⁹ One hundred thousand dollars were invested in 1949. Note *Investissements américains récents dans les sociétés françaises*, 2 février 1950, Archives historiques du Crédit Lyonnais, DEEF 59909/2/9910.

²⁰⁰ Dana was created in 1904 based on Spicer patents and turned into an automobile parts company. Cf. the website [www.dana.com/centennial].

²⁰¹ It was in 1953 that Harry Ferguson came together with Massey Harris (itself created by the merger in 1891 of Massey, established in 1847, with Harris. Archives historiques du Crédit Lyonnais, DEEF 59815. Cf. also the websites [www.ytmag.com/cgi-bin/ntrac.z.pl ?m=massey]. [www.masseyferguson.com].

²⁰² The author had himself used a *Pony* for agricultural purposes in Haute-Savoie at the beginning of the 1960s...

three tractors²⁰³ in a factory at Saint-Dizier in the east of the country²⁰⁴. Almost immediately, these two enterprises increased their output to 11 500 units in 1951, a figure which accounted for 30 per cent of the 27,000 tractors manufactured in France in 1950. The CIMA-International Harvester France group employed some 9,000 people and owned three factories, two older ones (one at Croix-Wasquehal which manufactured agricultural machinery and the other at Montataire for farming material) and a third, more recent installation, which had 2,000 employees. It produced a fifth of all the farming material produced in France and made 29,000 of the 80,000 tractors manufactured in the country in 1956, as against the 17,000 made by its rival Massey-Harris-Ferguson²⁰⁵. But this latter had chosen a different approach – it preferred to design and distribute the material, while leaving the actual production to subcontracting industries (mainly Standard Hotchkiss). It also imported a large number of machines and parts.

Just as the manufacturers of agricultural equipment prospered due to the mechanisation leap taken by the French agricultural sector, the makers of construction equipment also benefited from the explosive growth in the French roadworks sector. As would be expected, an American group was there to grab a substantial part of this new market: The Allis Chalmers group (manufacturers of tractors, bulldozers, graders, loaders, angledozers, etc.) which had a presence in France since 1950, set up a factory at Guerche-sur-l'Aubois (Cher) and, by the beginning of the 1960s, had risen to the second spot in the market with a turnover of 163 million francs²⁰⁶ in 1963.

In the meantime, similar, incisive incursions were made in the automobile sector. In 1959, the powerful Bendix Corporation of America acquired full control of Ducellier, a family corporation in which it already had a 41 per cent stake since 1931, but whose management it had to share with other French investors. Now, it was turned into a powerful tool for the insertion of the Lockheed and Bendix brands in France. At the same time, the lift manufacturer Otis²⁰⁷ (of the ITT group) also thought of making the most of the modernization drive which was sweeping through the French building sector. In 1962 it bought a controlling interest in Ascinter, which was a conglomerate of thirteen family-owned corporations. Ascinter-Otis bought over a factory which had been founded in 1961 and soon established itself as the leader with a third of all installed lifts in 1968 – well ahead of Westinghouse-Artis and the French company Schindler. Elsewhere, but still in the metallurgical field, the increasing popularity of Gillette necessitated the implantation of a large factory at Annecy in 1952, a move which was facilitated by the government grants and subsidies aiding the process of decentralization away from Paris.

²⁰³ It consisted mainly of the *Farmall* wheeled tractors (15HP and 20HP) (with a capacity of 7,500 units). Note *Investissements de capitaux privés américains dans les PME*, 25 September 1955, Archives historiques du Crédit lyonnais, DEEF 59909. Mira Wilkins said in *The Maturing of Multinational Enterprise* that International Harvester already had a factory at Croix before 1914. Perhaps it was an accord with Wallut which was later turned into an ownership.

²⁰⁴ In 1950, International Harvester injected 2.8 million dollars for the manufacture of its tractors under the brand names *MacCormick* and *Deering*. Note *Investissements américains récents dans les sociétés françaises*, 22 February 1951, Archives historiques du Crédit lyonnais, DEEF 59909/2/9910. CIMA (the *Compagnie industrielle de machines agricoles*) had been established in 1923 for the manufacture and sale of *MacCormick* equipment. It merged with Wallut in 1934 and manufactured the *MacCormick* and *Deering* brands of agricultural equipment. Archives historiques du Crédit lyonnais, DEEF 59815.

²⁰⁵ Massey-Harris-Ferguson's production figures went up from 6 400 in 1953 to 28 800 in 1956, International Harvester's from 28 200 down to 16 900.

²⁰⁶ Note *Investissements américains dans les sociétés françaises. Comité de coordination des études*, Archives historiques du Crédit lyonnais, DEEF 02067/1 BE 0635.

²⁰⁷ Otis was established as early as 1853-1868; cf. the website [www.otis.com].

Events about companies with American capital in the 1950s-1960s : Mechanics	
1950s	Allis Chalmers (engineering machines) had a plant at La Guerche-sur-l'Aubois
1951	International Harvester : factory of tractors at Saint-Dizier
1951	Massey-Harris : created a factory of tractors
1952	Gillette transferred its plant for blades from Paris to Annecy (Haute-Savoie)
Beginnings of 1950s	American licenses for Fenwick
1959	Purchase of Ducellier by Bendix (car equipment)
1962	Otis (ITT) purchased Ascinter (lifts)

The technological and industrial superiority of the Americans in the 1950s and 1960s, before the advent of the Japanese, is even more evident in the machine tools industry²⁰⁸ and in several other kinds of specialized equipment. It becomes all the more clear when we consider the extent of the American involvement and the number of partnerships and subsidiaries held by American corporations in this sector at the turn of the 1960s, in spite of the fact that the Germans could export so much more easily their own products – despite the customs duties.

Companies with American equity ²⁰⁹ in the industry of equipment goods using metals in 1963	
International Harvester France	Saint-Dizier
Compagnie française John Deere	Plant for tractors in Orléans
Allis-Chalmers	Établissements de construction mécanique de Vandoeuvre (Aube) : tractors
Case	Société française de matériel agricole et industriel (à Vierzon)
Fruehauf France	Trucks trailers in Auxerre and Viry-Châtillon
Budd	Half-equity in Carel-Fouché (railway equipment)
HK Porter	- HK Porter France (ex-Aciéries et ateliers et constructions de Marpent) : railway equipment in Maubeuge - SAHE (Société d'applications hydrauliques et électriques), à Puteaux, Nanterre et Haillicourt (Pas-de-Calais)
American Radiator & Standard	Ideal Standard, à Autun
Crane	Crane France (ex-CICRA et Etablissements Jules Cocard), industrial plumbing fixtures
Worthington	Compressors (Le Bourget et Condé-sur-Noireau)
Ingersoll Rand	Compressors
Borg Warner	Le Froid industriel (common subsidiary with Brissot in Nantes)
Bliss	Machine-tools in Saint-Ouen
Sundstrand	Société parisienne de machines-outils
Landis	Landis-Gendron, machine-tools in Villeurbanne
Timken Roller Bearing	Ball bearings in Colmar and Asnières
United Shoe Machinery	Machines for the shoe industry, in Fougères (Britanny)

c. The consolidation of the engineering and automobile industries in the 1960s-1970s

With the triumphant return of the automobile, American investments in the classical engineering industry in France rose apace. Though Chrysler, and later, Ford led the pack, the original equipment manufacturers (the Timken and GM factories in Alsace) and the tire companies also played a major part. The best example is Bendix's subsidiary DBA (Ducellier-Bendix-Lockheed-Air Equipment)²¹⁰ which, after the purchase of Ducellier, turned into a major force in the automobile equipment market. In 1974 it had seven factories (Angers, Beauvais, Drancy, Ivry, Le Bourget, Montrond, Moulins) with two more belonging to Air Equipment (Asnières, Blois), a turnover of 1.8 billion francs and a workforce of almost 9,000 (as compared to 2,700 in 1953). It was then the first French automobile and aeronautic company. The American group Bendix became a partner when DBA was created in 1959 and controlled half the capital²¹¹ from 1967. Meanwhile, the American tire manufacturers were also

²⁰⁸ The United States produced machine tools worth 4.82 billion dollars in 1980, ahead of Germany (4.69) and Japan (3.81). France lagged well behind in eighth position, with 0.97 billion dollars).

²⁰⁹ Note de Jean Rivoire, *Sociétés à participation américaine en 1963*, Archives historiques du Crédit Lyonnais, DAF 02067-1.

²¹⁰ Jonathan Love (ed.), *Jane's Major Companies of Europe*, 1976, London, Janes's Yearbooks, 1976, p. D164.

²¹¹ Bendix's share went up from 47 to 50 % in 1967, with Rothschild retaining 1 %.

busy trying to cut into Michelin's stranglehold on the French market by riding the automobile revolution (Firestone at Béthune, Us Rubber Uniroyal at Compiègne, Goodyear²¹² at Amiens)²¹³ and incorporating, in the footsteps of Michelin, the radial tire technology²¹⁴.

Companies with American capital in 1963: Tyres	
Goodyear	
Firestone	Tyres in Béthune Caoutchouc synthétique à Port-Jérôme
US Rubber	Société française du pneu Englebert, à Clairvoix (Oise)
Note de Jean Rivoire, <i>Sociétés à participation américaine en 1963</i> , Archives historiques du Crédit lyonnais, DAF 02067-1.	

Despite the French counter-offensive, the North Americans retained their dominant position in the agricultural equipment market. In 1967, Massey-Ferguson was at the top with a 22 per cent share, ahead of the public company Renault (20 per cent) and far ahead of John Deere. Freuhauf and Pullman, the two American giants of truck trailers grew in step with the rapid development in road transport during the years 1960-1970. The former was present in France from the 1940s, Pullman on the other hand, bought a factory in Lorraine in 1969²¹⁵, its first production plant in Europe. While Caterpillar (as we have seen) promoted its brand name and its range of machinery in France and climbed to the top spot in the 1960s and 1970s, its American competitors also drew from their technological superiority – before the advent of the Japanese in the 1980s – and established distribution and service networks to gnaw into the market share held by local and European brands (Richier, etc.). Allis-Chalmers²¹⁶ came in as a plant equipment company, before forming an alliance with FIAT in 1972 and creating Fiat-Allis in 1974. Having given Richier its patents for the *Michigan* brand of plant equipment, Clark Equipment²¹⁷ contented itself with its range of goods handling equipment (forklift trucks). Whittaker bought over Benne Marrel²¹⁸ in 1970.

Other branches too lured American investors who were on the lookout for symbiotic relationships which would lead to economies of scale for furthering research and development. A few "niches" were explored at the turn of the 1960s which were later explored more fully. Thus, Harris Intertype came in 1970 with its press equipment²¹⁹. In 1966, Dresser Industries²²⁰ associated itself with Vallourec to form Dresser-Dujardin for the manufacture of Clark compressors in a new factory at Havre. It later took over the entire control of the subsidiary in 1971. At that time, four of the thirteen top engineering companies in France were American.

²¹² Cf. the website [www.goodyear.fr/company/information]. In 1966, Goodyear had 88 factories spread all over the world, of which two were in France, one at Havre (rubber) and the other at Amiens.

²¹³ But Goodrich preferred to withdraw from the French market and sold its 25 % stake in Colombes to Michelin in June 1965.

²¹⁴ Firestone was the first to sell its radial tires in 1971. In 1968, Graham Hill won the F1 Championship on *Firestone* radials.

²¹⁵ After having created an engineering subsidiary in France in 1968, Pullman, the second largest manufacturer in the world, took over two companies which controlled CIMT-Lorraine, which had a factory at Lunéville. The agreement was signed in June 1969 and finalized in June 1970. The firm used the *Traylor* brand name for its semi-trailers and then also for its containers. It held 30 % of the French market.

²¹⁶ Cf. the website [www.allischalmers.com]. Cf. Walter Peterson, *An Industrial Heritage: Allis Chalmers Corporation*, Milwaukee County Historical Society, 1978.

²¹⁷ Cf. the website [www.clarkmhc.com/historytimeline]. Clark also had its own subsidiary, Ingersoll-Rand.

²¹⁸ Marrel manufactured [scraper bowls / skip hoists / skip buckets] for heavy duty trucks in eight factories with 2,200 employees.

²¹⁹ In February 1970, Harris bought over three fourths of Marinoni, the leader in the French printing industry.

²²⁰ Dresser specialized in gas engine systems for compression and energy. It had at its disposal 22 factories all over the world. In 1968, it merged with the Wayne group. Cf. the websites [www.dresser.com] and [www.wayne.com].

Companies with American capital in 1963	
Equipment	
Parsons & Whittemore France	Engineering for paper pulp plants (Bordeaux) Black Clawson : import of paper equipment
Armco-Shell	Armco International France : steel pipes in Courbevoie et Abbeville
Note de Jean Rivoire, <i>Sociétés à participation américaine en 1963</i> , Archives historiques du Crédit lyonnais, DAF 02067-1.	

In close proximity to the metallurgical industry, the industrial gas sector in France saw the entry of Air Products, the third or fourth largest producer in the world. In 1969, it acquired a common subsidiary with Royal Dutch Shell, the *Société savoisienne de produits cryogéniques de Marseille*²²¹, then renamed Prodair, which controlled a few regional markets and remained a pygmy with only 7 per cent of the French market, compared to the two-thirds held by Air Liquide. But the objective here was again, to just get some footholds, especially in the field of metallurgy at a time when it was growing exponentially due to the emerging innovative technologies. In 1971, Air Products installed a liquid oxygen factory close to the steel works of Outreau, in the North.

Classification of French companies in mechanics, owing to turnover in 1971 (million francs)		
	Companies with American capital	The other ones
Schneider		3270
Pont-à-Mousson		1175
Massey-Ferguson	800	
Babcock-Atlantique		760
Générale de fonderie		735
Générale de radiologie		677
International Harvester	650	
Poclair		612
Singer	576	
ACRT		537
Richier		500
Ideal Standard	476	

d. The success of the American system in the electromechanical industries

We have already seen that happen for a long time now in the manufacture of electrical equipment²²²: "GE and Westinghouse contented themselves in Europe with the cultivation of their licenses."²²³ In the same vein, Babcock-Fives entered the nuclear power plant industry by obtaining a license from Babcock & Wilcox US in 1971. In 1972, GE sold its large steam turbine patents to the German company MAN and the French Alstom-Rateau which then went on to form a European turbine technology group in order to develop these patents. The American domination was thus both quantitative – thanks to the size of the installations and the resulting economies of scale²²⁴ – and qualitative, due to the fact that the French companies were greatly dependent on American patents. Even in the civilian nuclear sector, CGE had to obtain an American license for getting the contracts for the Kaiserausgt (franco-swiss) and Bugey II power plants (which it did via its subsidiary Sogerca). At the same time, the American dominance in electromechanics also involved direct investments. In the beginning of the 1960s,

²²¹ La Rochette and the Chantiers & aciéries de la Loire (CAFL) sold their share of Air Products, which thus found outlets for its iron and steel works and stationary in Savoie, the l'étang de Berre and at Saint-Etienne (with Creusot-Loire). Air Products was established in 1940 at Detroit: cf. the website [www.airproducts.com/aboutus/companybackground].

²²² Cf. the chapter by Patrick Fridenson in the same book.

²²³ *L'Expansion*, April 1971, p. 88.

²²⁴ In 1970, Jeumont-Schneider and CGE-Alstom jointly occupied the sixth position world wide with 2,000 megawatts, far behind GE (18,000 MW), Westinghouse (18,000), GEC (14,000), Siemens (6,000) and BBC (6,000).

the ITT group amassed for itself a half-dozen factories via its "historical" subsidiaries, especially the CGCT (at Massy and at Saint-Omer), LMT (at Montrouge, Argenteuil, Laval, Lannion, Nantes-Orvault), and LTT (telephone and telegraph lines) (at Conflans-Sainte-Honorine). It also entered the lighting industry in 1966 by buying out Claude-Paz-Visseaux²²⁵, one of the leaders in France.

Some clues of new American investments in electro-mechanical industries in the years 1945-1960	
1947	RCA agreed with Société de lampes Fotor (Grammont) to produce lamps for radio apparels
1949	Sylvania : help and participation to Visseaux-Lampes Zenith
1951	Remington Typewriters purchased a plant in Villeurbanne

Regarding the turnovers posted in 1981, IBM France occupied the third spot among the French electrical corporations, CII-Honeywell-Bull came in at fifth and Rank Xerox, who had just joined the leaders, at thirteenth place.

Classification of French companies in electrical engineering in 1971 (owing to turnover, in million francs)		
	American companies	The others
CGE		9 369
Thomson-Brandt		6 866
IBM France	4 432	
Philips France		3 350
ITT France	2 441	
Honeywell Bull	1 817	
CEM		1 010
Jeumont-Schneider		923
La Télémécanique		708
Merlin-Gerin		594
Sagem		477
Moulinex		470
Lebon		430
Ascinter-Otis	408	

E. A chronology which went in step with the restructuring of the markets

It is not yet possible for us to give an exact and exhaustive report of all American investments in France. But, the chronology is quite clear: during the 1950s, and at the beginning of the 1960s, American corporations were on the lookout for a French market where they could make full use of their technological superiority, where they could get some kind of "income" by grabbing large chunks of the market in those areas where they could make the most of their technological know-how (in all things regarding engineering, for example). Moreover, with the unification of the west European economy, American firms used France as their entry point for the rest of Europe. This much is clearly evident from the large number of American installations which took place in France during the 1960s, even though it was not as popular a target as were first, the United Kingdom and later, Germany.

An attempt to fix a chronology for industrial investments from North-American groups in France in the years 1960s-1970s		
1960s	Timken (bearing-balls)	Plant in Colmar (Alsace)
	Massey-Ferguson (agricultural equipment)	Marquette-les-Lille Beauvais
1960	Goodyear	Tyre plant in Amiens
1960	Texas Instruments	Creation of Texas Instruments France
1961	Texas Instruments	Starting of the plant in Villeneuve-Loubet
1961	Procter & Gamble : filiale Union savonnière	Clichy (fermée en 1965)
1961	Firestone	Usine de pneus à Béthune
1961	Caterpillar	Création de Caterpillar France et

²²⁵ "Comment Claude-Paz s'est fait manger", *L'Express*, 28 November 1966, pp. 58-59. In spite of some stiff competition from the likes of GE and Philips, ITT bought over this company which had been created in 1933 by Air Liquide, then the sole French producer, before Mazda-Philips.

		lancement de l'usine de Grenoble-Echirolles
1962	Otis achète Ascinter	Usine à Gien ouverte auparavant en 1961
1962	ITT achète les Pompes Salmson en France	Argenteuil, Laval
1962	John Deere	Usine de moteurs à Orléans
1962	IBM	Deuxième usine, à La Gaude-Nice
1960-1962	Dow Chemical	Association avec Pechiney-Saint-Gobain (puis Rhône-Poulenc) (Anvers et Basse-Seine)
1963	Chrysler contrôle Simca (avec voitures Simca ; camions <i>Unic</i> ; matériel agricole <i>Someca</i> et une fonderie)	Puteaux, Suresnes, Bondy, Bourbon-Lancy, Vieux-Condé, Sully-sur-Loire
1964	General Electric	Achat de Bull Reprise de la branche électronique d'Olivetti en France
1964	Rank Xerox (filiale anglaise à 51 % de Xerox)	Création de Xerox France
1964-1965	Procter & Gamble	Nouvelle usine à Amiens-Longpré
1965	IBM	Usine à Montpellier Usine à Boigny-Orléans
1965	Interlake Steel achète Feralco (matériel de stockage)	Usine à Sézanne (Marne)
1966	Dresser-Dujardin	Usine au Havre (compresseurs)
1967	Concessionnaire de Coca Cola	Usine à Clamart
1967	General Motors-Opel	Usine de boîtes de vitesse en Alsace
1967	La Compagnie des compteurs (51 %) et l'Américaine Robert Shaw (49 %) créent la Compagnie européenne des thermostats	Usine établie dans l'Est
1967	La part de Bendix dans DBA passe de 47 à 50 %	Usines à Angers, Étapes, Beauvais, etc.
Fin 1960s	Singer	Seconde usine à Alençon, pour renforcer celle de Bonnières/Seine
1960s	Timex Corporation	Usine de montres à Besançon
1966	Motorola	Décision pour l'usine de composant de Toulouse-Rangueil
Nouvelle usine en 1967	CGCT (ITT) (matériel de télécommunications)	Paris Massy Boulogne-sur-Mer Rennes Longuenesse-Saint-Omer (Somme) (1967)
1968	Alcoa (produits finis en aluminium)	Châteauroux (Indre)
1968	Dow	Usine de produits vétérinaires pour volailles à Strasbourg
1968	Ralston-Purina	Achète Duquesne (aliments du bétail)
1969-1970	Pullman reprend la société CIMT-Lorraine (semi-remorques <i>Trailor</i>)	Usine à Lunéville
1969	Seconde usine de Sovirel (filiale de Corning Glass et de Saint-Gobain)	Châteauroux (en sus de celle de Bagneux-sur-Loing)
1969	Corning Glass rachète la part de Saint-Gobain dans Sovirel	
Mai 1969	Air Products acquiert Prodair	
1970	Concessionnaire de Coca Cola	Usine près de Marseille
1970	Worthington (compresseurs)	Le Bourget (Paris)
1970	Chrysler	Intégration européenne de Simca, Rootes et Barreiros
1970	Harris Intertype reprend Marinoni (matériel d'impression)	
1970	Us Steel devient actionnaire des Acieries de Paris-Outreau	Usine de Boulogne/Mer
1970	Honeywell	remplace GE comme propriétaire de Bull (informatique)
1971	Hewlett-Packard	Usine à Grenoble
1971 (décembre)	Air Products	Filiale avec Acieries d'Outreau
1972	American Home Products	Nouvelle usine à Saint-Florent-sur-Cher pour regrouper les fabrications O-Cedar, Jex, Woolite.
1973	Nasbico-Belin (biscuits)	Usine à Château-Thierry en 1973, fermeture de Maisons-Alfort en 1975
1974	Xerox	Usine d'assemblage à Lille
Décembre 1975	Honeywell-Bull	Achète CII (informatique)
1982	Hewlett-Packard	Doublement de l'usine de Grenoble ; deuxième usine à L'Isle-d'Abeau (Isère)

6. French subsidiaries and the American division of labor: the French production system and the sharing of responsibility

It is not possible for us to reconstruct with any great precision the managerial structure of American groups in France. The concept of "globalization" was not as yet applicable as the move towards the "unified market" was still in its infancy and the notion of the specialization of production facilities at the European scale was not made clear. Every major corporate group, be it European or American, tended to take every large country as a market in itself. In fact, every group grew at its own pace, without there being any general trend or systematic progression. But we could try to determine the place occupied by France in the international arena or, at the very least, within the European strategy of these corporations. To begin with, it was not often that France was made into a major center at the European scale, perhaps due to fiscal considerations or its prevailing commercial laws. Thus it could happen that the French subsidiary depended on a Swiss company, as was the case for Turboplast France, Turboplast's (established in Switzerland by American Can) French subsidiary. Similarly, in the 1970s, Hoover US (household electric appliances) used Hoover UK as the cornerstone of its European strategy: Hoover UK controlled Hoover Netherlands which, in its turn, supervised the subsidiaries in continental Europe, one of which was Hoover France²²⁶.

A. Subsidiaries which were nothing more than simple tools

Some companies were nothing more than managerial organizations which depended on decisions taken in some other country. Thus, it is hardly known that Xerox France, created in 1964, depended on the British firm Rank Xerox, itself a subsidiary since 1957 of the American Xerox and its English partner, the Rank Corporation. It was used to import, distribute and maintain equipment which was entirely imported from England. Ford France operated under the orders of Ford Germany while also distributing Ford UK products. Then in 1967, it was merged into the European entity which had its headquarters in England²²⁷. While Goodyear had two factories in France at the beginning of the 1970s, the European research center was located at Luxembourg. Dupont de Nemours chose Geneva as the seat of its European headquarters, while Dow Chemical Europe based itself at Zurich. Xerox's European research centre (with 2,000 employees) was located in England, while the French factory was just that, simply churning out, in the early 1980s, electronic typewriters and various other office equipment without any great value addition. Gillette France was linked since the 1930s to Gillette UK, the European headquarters of the group and which was given the charge of the entire Eastern Hemisphere²²⁸ when the group underwent a major reorganization in 1952. From 1969 onwards, Air products's subsidiary in France was controlled by the Belgian subsidiary which itself was just one of the group's European bases, which was already well established in England and Germany. In 1960, Culligan²²⁹, the water treatment experts, established in France a simple marketing and servicing subsidiary, just as had been done by the air-conditioning specialists, Carrier. When Litton established its subsidiary and managerial seat at Grenoble in 1968-69, its designated role was simply to verify and supervise the material imported into Europe from the United States.

Often it happened that the new French subsidiary had to form part of an international strategy and structure determined by agents outside the country. In 1968, when Scott Paper bought over Bouton-Brochard, the French leader in tissue paper, its new French subsidiary was integrated into its pan-European company, the Scott Continental, controlled by its Belgian subsidiary²³⁰. In a similar fashion, when Burlington bought the Swiss company Schappe SA in 1968, its French subsidiary at Lyons (Argis) which manufactured ready-made jerseys was Americanised. When

²²⁶ Jonathan Love (ed.), *Jane's Major Companies of Europe*, 1976, London, Jane's Yearbooks, 1976, pp. D123-124.

²²⁷ Cf. Steven Tolliday, "The origins of Ford of Europe: From multidomestic to transnational corporation", in Hubert Bonin, Yannick Lung & Steven Tolliday (eds.), *Ford. The European History, 1903-2003*, Paris, P.L.A.G.E., pp. 153-242.

²²⁸ Gordon McKibben, *Gillette*, op. cit., p. 47.

²²⁹ Cf. the website [www.culligan.fr].

²³⁰ Till the merger of Scott and Kimberly-Clark in 1970.

the Dutch firm Douwe-Egberts was swallowed by Sara Lee in 1979, it brought with it its French subsidiary Douwe Egberts France, which included *Maison du Café*, number two in France, and *Benenuts*...

This dependence on decision making centers which were located abroad resulted in France having to bear the brunt of a withdrawal strategy initiated from across the Atlantic. Already during the pre-War years, many American corporations had begun to pull out of Europe, which meant the abandoning of their French plants. Westinghouse had sold its Italian and French subsidiaries in 1914 and its English subsidiary in 1917-19. Western Electric-ATT quit Europe by selling its assets²³¹ to ITT and Dupont de Nemours sold its stakes in England and Germany in 1935. After the War, General Electric chose to concentrate its investments in the United States and sold its English and French interests in 1953 – in the case of this latter, to the Dutch Philips corporation²³². The most striking event of the time was Ford's selling of its factory at Poissy and its commercial network to Simca in 1955. Fifteen years later, General Electric suddenly gave up on its plans to construct a computer giant and sold its French subsidiary GE Bull to Honeywell in 1970 – just before this latter too began to have second thoughts which led to an eventual withdrawal.... Finally, the return of ITT as a service company in the beginning of the 1980s meant that it had to Frenchify its subsidiaries LMT and CGCT – all to the profit of Alcatel, which had been, for some years past, the world-wide leader in telecommunications equipment. In the meantime, the restructuring of the agricultural and plant equipment industries forced the departure of Allis-Chambers (to the profit of FIAT, and later, Case), while the crisis faced by Massey-Ferguson in the mid-1970s necessitated a restructuring of its assets in Europe. All this goes to show why there was a widespread feeling of a constant threat hanging over the subsidiaries in Europe and why trade unions and the authorities were loath to see French companies fall into American hands.

B. Subsidiaries which had some room for commercial maneuvering

Having said that, it must also be noted that for a long time, despite the creation of a European hierarchy, as had been done by Ford in Great Britain in 1967 or, for that matter, by other multinationals including Philips and Unilever, every national sub-group had its own identity and largely controlled its own destiny, in its own internal market as well as any foreign markets that it managed to conquer. It was a kind of "pluri-national model" which functioned without any great cohesion or economies of scale. The French entities of American multinationals had a varied range of hierarchical levels. Many of them were simply marketing and servicing subsidiaries, forming a part of US commercial ventures in Europe, at the same level as many other such subsidiaries established in other countries. All were completely dependent on the International Department of these multinationals, without any autonomy nor any national distinctiveness. Thus, at the beginning of the 1970s, Levi's France marketed clothes made in factories located in Belgium and Scotland. Nevertheless, some of these subsidiaries could win some measure of autonomy, as compared to other such companies of the group, to the extent that their directors proved themselves by posting impressive growth figures. Such was the case with Singer France in the second half of the 1960s, when its president Jacques Ehram directed it as though it were his own company. Similarly, when Gillette's sales began to level off, it was forced, in 1971, to decentralize some of the power wielded by Gillette UK and to endow each of its other subsidiaries the responsibility of marketing and formulating their own commercial policies, and thereby to adapt themselves better to the psychological and sociological aspects of their individual markets²³³. This was especially needed because, in France itself, a redoubtable competitor emerged in the form of the use-and-throw *Bic* shaver (1974). And thus in the 1980s, the stage was set for Gillette France's chief executive officer, Jacques Lagarde, to take his cue and prove his mettle. Later on, the drive towards globalization meant implementing a unified

²³¹ Mira Wilkins, *The Maturing of Multinational Enterprise*, pp. 70-71. The factories at London, Anvers, Milan, Paris and Barcelona were concerned.

²³² Mira Wilkins, *The Maturing of Multinational Enterprise*, p. 295.

²³³ *Gillette*, p. 63.

marketing strategy built around a single organization which would operate at the European scale – but that happened only in the 1980s.

Even though the European technological center was headquartered at Brussels since 1963, and in spite of the fact that most major innovations originated from the United States, Procter & Gamble France benefited by the policy of maintaining a country to country management which allowed it some maneuvering space regarding the design of the packaging and even for designing new products adapted to the French market. Thus in 1958, it introduced *Bonux*, a product which was available only in France, with advertisements which pictured mothers (washing clothes by hand – this was before the launch of *Bonux Machine* in 1976) with their children and the caption: "Washing – a piece of cake."²³⁴ *Ariel* appeared on the scene a little later: "In 1966, the research and development department of Procter & Gamble France informed the head office of the discovery of a new family of chemical substances, the enzymes [...]. After seven months of testing in the department at Seine-Maritime, *Ariel* was launched."²³⁵

It was thought at that time that a unification at the European level would be impossible and that the peculiarities of every market would remain a permanent feature of the European landscape. When in 1963, Nabisco's name appeared on the wrappers of *Gondolo* biscuits, sales were affected because consumers feared a deterioration in the quality of their favorite product.... In fact, from 1965 onwards, Nabisco deliberately maintained *Belin's* autonomy – while discreetly adding its logo to the packaging.

C. Subsidiaries endowed with some measure of autonomy and which had developed strong personalities

Some companies enjoyed a large degree of autonomy due to their being given a decisive role to play in the European domain of their American parent corporations or in their division of labor. That was the case with Caterpillar, whose two factories at Grenoble (the first of which was established in 1961), formed part of the group's European set up which had been formerly controlled from England²³⁶. As one of the four production centers in Europe, they produced (with the help of 1,300 employees in 1965, which rose to a maximum of 2,500 in 1975 before being reduced to 1,700 in 1983) a range of construction equipment of which two thirds were exported²³⁷. A similar division of European production facilities was also implemented by Timken, who had two factories in Europe, one in Great Britain and the other in France, at Colmar. John Deere, the second largest producer of agricultural equipment in the world, also followed a similar policy: in 1962, it established an engine factory at Orléans which supplied a tractor factory at Mannheim in Germany as the company could not survive solely on the French market (in which it had only a 6 per cent share in 1967) – this despite the fact that it had established three of its six European factories (and 24 worldwide) in France. In 1970, Clark Equipment expanded its factory at Strasbourg, which was one of the four pillars of its deployment in Europe, along with the two factories in Germany and a third in Belgium. The merger of the agricultural and plant equipment branch of FIAT with John Deere in 1971 gave rise to ten factories in Europe, including four in France. Nabisco used *Belin* as its European research centre thanks to the establishment, at Château-Thierry, of a technological biscuit research center (the International Training & Research Centre) which functioned both as a laboratory for developing new biscuits, a demonstration workshop for the European subsidiaries and as a training ground for their managers and technicians²³⁸. While the *Uniroyal*

²³⁴ "Procter & Gamble's *Bonux*, a new, low-sudsing detergent better suited to French washing machines, was an even bigger hit [than *Tide*]. As sales accumulated, P&G built a second detergent plant near Paris and began to export to Italy", Dazell & Olegario, op.cit., p. 103.

²³⁵ "P&G en France : 50 ans", the website [www.prochedevous-enligne.com/archives/p.id_35_type_article_numero_51].

²³⁶ In 1950, Caterpillar gained its first European foothold in England. Later, factories were also opened in Austria, Belgium and France.

²³⁷ Henri Morsel & Jean-François Parent, *Les industries de la région grenobloise*, Grenoble, Presses universitaires de Grenoble, 1991, pp.162-163.

²³⁸ Sabrié & Dottelonde, op.cit., p. 86.

brand was for a time remotely controlled from Belgium (where Us Rubber had bought over Englebert in 1958 before unveiling its flagship brand) the subsidiary Uniroyal-Englebert France grew to become an important production center²³⁹. More importantly, it was turned into the main research center of the entire group for the study and implementation of radial tires. The technological advantage enjoyed by Michelin was such that the management felt it necessary to draw inspiration within France itself to save what was then the third American tire conglomerate. Ascinter-Otis too, as we shall see later, formed a similar, informal company.

Sometimes companies were left almost entirely independent, endowed with decision making capabilities and their own research and exporting options. This was the case with the ITT group's subsidiaries in France, the CGCT and LMT – we shall deal more at length with the ITT group later. Besides its factories in Great Britain, Germany, Italy and Belgium, ITT wanted these two to come together as a quasi-independent body, with full technological and commercial autonomy and an independent market. It thus did not integrate itself in the group's European network till 1972, when its directors began to attend the monthly meetings held by the group at Brussels. The European major in auto parts, DBA (Ducellier-Bendix-Lockheed-Air Equipement), was also given a large degree of autonomy at the European scale in order to deal effectively with clients who had themselves grown to span the continent, like when it bagged Ford's contract for the supply of brakes. During the 1970s, DBA turned into a redoubtable research & development center with 350 technicians in its plant at Drancy, and helped to Frenchify its parent company's patents. It was gradually given greater and greater autonomy and in 1974-1975, was made head of all Bendix subsidiaries in Europe. It marked the emergence of a "globalization" at the European level as the French company then went on to establish, in 1970, its own factory in Germany (at Sarrebrück) to explore the German market.

In the course of time, several American corporations turned France into a major center of their European manufacturing operations. In May 1967, United Fruit chose Paris as the headquarters of its European subsidiary (mainly for importing its *Chiquita* brand of bananas). In 1970, the Timex Corporation exported one million of the 2.5 million watches produced by its factory at Besançon. Similarly, in 1981, Hewlett-Packard's French subsidiary found itself the hub of the company's "production system" in Europe. It employed 2,000 of the 9,500 employed by the company in Europe (and 64,000 worldwide), it had impressive research capabilities which developed the French version of its application software and also helped in developing industrial data acquisition systems. Moreover, a full 80 per cent of the production from its factory at Grenoble-Eybens²⁴⁰ (opened in 1971) was exported. Texas Instruments' French subsidiary became the heart of its technological and manufacturing system in Europe: "*Our MOS laboratory for the whole of Europe is in France, at Villeneuve-Loubet, near Nice.*"²⁴¹ "*Four sister-concerns are being managed from France [...] in Italy, in Germany, in England and in the Benelux countries.*"

In the second half of the 1960s, MacKinsey handed over the reins of four other European branches to its Paris-based office, albeit under the management of an American (John Macumber). Though Manpower had launched in 1956 its European network of franchises²⁴² in Great Britain, Manpower France was established in 1957 as an independent entity, part of the franchisee, but controlled and managed by its founders and directors under Michaël Grunelius. It turned out to be so successful (it accounted for one tenth of the entire group's turnover) that in October 1968, its parent company asked it to restructure the group's entire European network around Manpower Europe, of which it controlled 51 percent while Grunelius himself

²³⁹ Uniroyal-Englebert owned a factory at Compiègne-Clairvoix, which produced two million tires annually by the end of the 1960s, a fifth of which were exported.

²⁴⁰ Cf. Henri Morsel & Jean-François Parent, *Les industries de la région grenobloise*, Grenoble, Presses universitaires de Grenoble, 1991, p. 215. HP was at that time more of a world leader in electronic measuring instruments, before venturing into administrative data processing and office automation.

²⁴¹ Advertisement in *L'Express*, 7 April 1969. Though TI's ancestry goes back to 1930, TI was actually born in 1951 for the manufacture of transistors and, from 1953 onwards, of semi-conductors. Cf. the website [www.perso.wanadoo.fr/fabrice.montupet/tihisto].

²⁴² Cf. the internet site: www.manpower.com/mpcom/history.

owned 49 per cent and held the post of chairman and chief executive officer. Manpower Europe's management moved to Paris, at the headquarters of Manpower France, and though it was controlled by the European entity, it still had a large degree of autonomy, reinforced by the fact that it retained for itself the assets of the franchisees in Norway and the Netherlands. The power of the Parisian seat lasted till 1973, when Manpower bought over Manpower Europe as part of its global reorganization drive. Grunelius was retained as the director of Manpower France which reverted to the "pluri-national" control system as it remained a "fully francized American." "A French subsidiary of an American group, our directors from Milwaukee had, right from the start, been very satisfied with our results and have never interfered in our management, giving us complete freedom. The choice of the managerial team and our operating rules are entirely French."²⁴³

D. Frenchmen at the head of American corporations?

It was in the years 1970-1980 that we saw the phenomenon of managers being promoted to the top spot in American multinationals after having proved their mettle by steering their group to success in the international arena²⁴⁴. Before the globalization of management in the 1990s, it was rare indeed to find Frenchmen rise to take the helm of American corporations. All the more reason then to look more closely at the exceptions and take stock of the qualities which distinguished these Frenchmen. We have already mentioned M. Grunelius who was made head of Manpower Europe for four years. Georges Héreil, president of Simca, a major force in the automobile sector and in industries in general, rose to become vice-president of Chrysler International in May 1966 when the company stepped into France. Pierre Clavier, the chairman and CEO of Texas Instruments France in 1964 was rewarded for his success and made Coordinator of International Activities of the group at Dallas²⁴⁵. When the French subsidiary of SCM Smith-Corona-Marchant began to account for 55 per cent of the profits posted by the entire European operations of the group, Christian Simon was made director of SCM Smith-Corona-Marchant Europe in December 1969. Similarly, Jean-Claude Delafon, chairman and CEO of Xerox France was promoted to the Xerox board, and more notably, made director of its European subsidiaries in 1970. But the most famous of these Frenchmen turned VIP managers "*à l'américaine*" was Jacques Maisonrouge. Starting from managing IBM affaires in eleven countries of Europe and Africa, he rose to become the rank of deputy CEO for Europe in 1959 and the company president for Europe, Africa and the Near East in 1964. In May 1967, he was invited to sit on IBM's board and was made president of IBM World Trade Corporation in October 1967; true, the post was more administrative than executive, but it carried some weighty responsibilities regarding the process of homogenization within the multinational group. Similarly, in October 1969, Pierre Lemonnier, president of General Foods France and Italy was promoted to the vice-presidency of the international division of this world leader in the agri-food business and CEO of General Foods Europe. He was as much of an entrepreneur as a manager as it was he who had founded the *Cafés Legal* company which he sold to General Foods in 1959. At a lower level, Yves Nadal, President of Knoll France (furniture) since 1956, was made vice-president of Knoll International in 1966 while Jacques Lagarde, the CEO of Gillette France was promoted as head of the dental hygiene division in the United States in 1986. In the 1990s, he went on to become the executive vice-president in charge of diversification. In 1972, Michel Bergerac, French by birth and naturalized American, was made CEO of ITT Europe and vice-president of ITT, practically at the same level as Harold Geneen²⁴⁶, while another director, Henri Busignies (also a naturalized American), became vice-president in charge of scientific research.

²⁴³ Michaël Grunelius, op. cit., p. 168.

²⁴⁴ One of the first examples is that of David Kearns, Xerox's Executive vice-president of International Affairs in 1975-1977, who supervised Fuji Xerox and Rank Xerox, and thus the French market. He became executive president of the group in 1977 before being appointed CEO in 1982-1990.

²⁴⁵ He came back to France in 1971 as the deputy CEO of DBA-Bendix Lockheed Air Equipment. He went on to become the director general in November 1972.

²⁴⁶ Michel Herblay, "La fin de l'évangile selon ITT", *L'Expansion*, September 1972, pp. 120-126.

Evidently, the economic laws of a capitalist market necessitate the granting of some strategic autonomy to the various entities of a multinational corporation. They must create their own markets at the European level and thus must have the freedom to choose the country for their base of operations. They can also choose to withdraw, as Ford did by selling its French factory and network in 1954, or Allis-Chalmers, which sold its French assets in the mid-1960s. As chance would have it, the years 1950-1970 were years of economic expansion and therefore of new factories and warehouses, which saved foreign companies from the negative effects of the closures, as it happened later with the restructuring which took place in the 1980s and 1990s. The belated advent of a "globalized" and a unified European management meant that it could not take full advantage of the economies of scale. But the technological and industrial superiority of the American brands seemed to give them a sufficiently large margin to make up for this. Apart from the merger between John Deere and Fiat Equipment in 1971, it was only in the 1980s that the fragmented managerial system was put under the spot when some American groups began to have second thoughts, especially in the construction and agricultural equipment sector (Massey Ferguson, etc.).

7. An estimate of the American economic clout in France in the years 1950-1970

While a quantitative analysis of the investments made by American corporations in France is possible, comparisons on the European scale are difficult to come by.

A. The domination of key sectors in the 1960s

As soon as the Common Market took shape, American corporations began to include France in their European expansion plans. Soon enough, France rose to the third spot (behind Great Britain and Germany) in terms of American direct investments, with 11.5 per cent of the total investments made in West Europe in the 1960s. The American domination was clear in all the branches where its technological superiority in the production of industrial goods was most evident. The entire engineering sector, Telephony and the electric works were thus riddled with American corporations. The same held true for the automobile and agricultural equipment industries as well as for the consumer goods sector thanks largely to sewing machines. But as for the "American way of life", it made its presence felt only in the automobile (Ford, Chrysler) and biscuit industries (as already seen).

Poids du capital américain dans l'industrie française en 1962-1964 (en pourcentage ²⁴⁷)			
	France	RFA	Royaume-Uni
Calculateurs électroniques	75		
Machines à coudre	70		
Biscuiterie	70		
Matériel téléphonique	60		
Tracteurs et machines agricoles	35		55
Pneumatiques	30		45
Raffinage de pétrole	20	35	
Machines-outils	20	30	
Construction électrique	20		
Construction automobile	13		65

In many cases, it was a failure on the part of the French capitalist system which allowed the Americans to establish their bridgeheads on French territory. Often it was the non-transmission of an enterprising spirit within family owned businesses, or the desire to shift sectors which allowed the Americans or investors from other European countries to buy them out. In 1963, Coty, the perfume company, faced difficulties because of its directors and was bought by Pfizer. In 1968, Scott Paper seized a controlling stake in Bouton-Brochard, leader in the French tissue paper industry, which thereby lost its family owned status.

²⁴⁷ Robert Serravalle, "Comment l'Oncle Sam achète l'Europe", *L'Expansion*, December 1969, pp. 111-118.

Indice de pénétration de l'industrie française par les États-Unis en 1970 (part des firmes américaines) ²⁴⁸			
	Workforce	Turnover	Investments
Fabrication de machines agricoles	20,5	25,9	15,5
Pétrole et carburants	19,7	23	19,6
Construction électrique et électronique	12,9	19,3	42,6
Matériel de transport	10,8	11,2	12,3
chimie	9	10,4	6,6
Mécanique de précision	6,7	10,3	9,5
Construction navale	6,7	7,1	4
Caoutchouc-amiante, transformation des matières plastiques	5,9	10,1	11,2
Corps gras et produits amylicés	5,1	6,3	8,3
Grosse et moyenne mécanique et équipement ménager	4,5	6,5	4,4
Fabrication de machines-outils	3,4	4	4,5

In any case, the 1960s saw France becoming more and more attractive²⁴⁹ – from grabbing a fifth of all American investments in the industrial and oil sector in 1960, it increased its share to one fourth in 1970, behind the two-fifths poured into Germany²⁵⁰ – though it is true that it could not make up for the late start it had made compared to some other countries.

Répartition des investissements américains dans le Marché commun (six pays) ²⁵¹				
	France	RFA	Italie	Pays-Bas et Belgique
1958-1963	20,8	52,1	13,1	14
1970	23,8	42,4	13,1	20,7

Total des encours d'investissements américains par pays ²⁵² en 1970 (en milliards de dollars)	
Royaume-Uni	8
Allemagne	4,6
France	2,59
Italie	1,55
Belgique et Luxembourg	1,53
Total dans les pays développés	53,1

The United States was by far the largest capital investor in France in the mid-1960s.

Pays d'origine des investissements étrangers en France effectués à la date de décembre 1964 (en millions de dollars)	
États-Unis	2 500
Grande-Bretagne	850
Pays-Bas	650
Belgique	470
Suisse	200

The statistics regarding the division of investments confirms our empirical estimates: the Americans penetrated deepest and made most use of their relative technological advantage in the "heavy" industries.

²⁴⁸ "Enquête annuelle d'entreprise, 1970, fichier des liaisons financières DAFSA", Table II.7, in Bernard Guibert (*et alii*), *La mutation industrielle de la France*, tome 1, La collection de l'INSEE, E31-32, November 1975, p. 86.

²⁴⁹ The official suspension of the export of capital issued by the United States in January 1968 and the crisis of May-June 1968 in France did not seem to disturb the flow in any way.

²⁵⁰ Robert Serravalle, "Comment l'Oncle Sam achète l'Europe", *L'Expansion*, December 1969, pp. 111-118.

²⁵¹ Robert Serravalle, "Comment l'Oncle Sam achète l'Europe", *L'Expansion*, December 1969, pp. 111-118.

²⁵² Mira Wilkins, *The Maturing of Multinational Business*, pp. 344-345.

Indice de pénétration des entreprises américaines en France : poids par rapport aux effectifs de chaque branche d'activité en 1971 (en pourcentage) ²⁵³		
	Poids des entreprises américaines	Poids de l'ensemble des entreprises étrangères
Machines agricoles	20,5	37,6
Pétrole et carburants	19,7	42,8
Constructions électrique et électronique	12,9	26,2
Matériel de transport	10,8	18,7
chimie	9	20,4
Construction navale	6,7	15,5
Mécanique de précision	6,7	16,9
Caoutchouc, amiante et transformation de matières plastiques	5,9	13
Corps gras et produits amylacés	5,1	29
Grosse et moyenne mécanique et équipement ménager	4,5	8
moyenne	4,6	10,7

At the same time, it must be made clear that the American penetration was not an all-out success: as regards the number of employees, American firms accounted for only a twentieth of the total industrial manpower. Though it must also be said that this represented fully half of number employed by foreign investors. Moreover, these enterprises come well ahead of all other countries in terms of turnover and amounts invested.

Indices de pénétration selon les pays en 1971 (pourcentage) ²⁵⁴			
	effectifs	ventes	investissements
États-Unis	4,6	7,2	8,2
Marché commun à six	3,5	5,3	5,4
Royaume-Uni	1,2	2,1	2,4
Total des pays étrangers	10,7	16,1	16,9

B. The increase in the penetration during the 1970s

Despite the cyclical and political setbacks (and a major slowing down of the economy in 1979-1983 due to the American recession and the nationalization drive in France), the flow of American direct investments continued throughout the 1970s.

Classement des entreprises américaines en France			
	Chiffre d'affaires	Effectifs	Rang
Esso (Exxon)	26 665	4 879	2 (derrière Royal Dutch Shell)
IBM	13 698	20 506	4
Mobil Oil	8 003	2 480	6
Ford	4 214	4 854	11
Esso Chimie	3 896	1 183	12
Cargill	3 710	233	13
Kodak Pathé	3 547	8 455	14
General Motors	2 540	5 535	17
Rank Xerox	2 353	5 113	21
International Harvester France	2 159	4 690	22
DBA (BIFCO)	2 132	7 839	23
Colgate Palmolive	1 992	2 688	24
CGCT (ITT)	1 966	10 225	26
Massey-Ferguson	1 920	4 737	27
3M	1 819	4 016	29
Du Pont de Nemours	1 511	543	33
John Deere	1 456	2 454	35
Procter & Gamble	1 381	?	37
Ascinter-Otis	1 219	5 259	43
Union Carbide	1 200	2 200	44
Duquesne-Purina (Ralston-	1 194	1 150	45

²⁵³ J.C. Cohen & P. Fondanaiche, « Les participations étrangères dans l'industrie française en 1971 », *Économie & statistique*, n°52, January 1974, extracts from table 7.

²⁵⁴ *Ibidem*, extracts from table 6.

Purina)			
Compagnie des produits du maïs (Cpc)	1 182	2 383	47
Dow Chemical	1 133	220	48

American corporations won for themselves enviable commercial positions and succeeded in extracting massive profits.

Participation des sociétés à capitaux américains au classement des cent premières entreprises françaises selon leur capacité bénéficiaire en 1981		
	Profit (en millions de francs)	Classement selon la masse de profits
IBM France	375 788	n°4
Chrysler France	91 121	16
Honeywell-Bull	80 816	17
Esso-REP (exploration-production)	76 340	21
Esso Standard (raffinage, distribution)	70 500	24
Kodak-Pathé	66 000	27
LMT (ITT)	34 092	43
DBA	19 218	85
Ideal Standard	17 419	102
Burroughs	17 343	103

8. Anti-American sentiments versus the attraction for American brands

One of the peculiarities of the contemporary economic history of France is the schizophrenic attitude taken by both the government and private sectors. On one hand they are bent on going full steam ahead towards a "free economy" in the name of modernity and progress while at the same time, they seem to be terrified by the possibility of losing their technological and financial independence. While the European multinationals, most notably the Dutch and the Germans, did not escape French fears, it was the American corporations which gave rise to the strongest apprehensions in France, due to the fact that a feeling of "imperialism" pervaded the geopolitical relations with the United States and undermined the other economic considerations.

A. The first anti-American moves?

The negative reactions vis-à-vis the American incursions into the French market was only the next step in the anti-American current which had begun to manifest as a distaste for the American brand of diplomatic and cultural imperialism²⁵⁵. Matters began to come to a head during the 1950s when certain studies were launched by experts close to the Communist Party which denounced "the road towards servitude" which had been followed ever since American capitalism had been allowed to enter by "a French oligarchy [which] has chosen, since 1947, to collaborate with American finance" with the objective of "opening the French and European markets to American capital and goods, to meet all the conditions [...] required to increase the profit margin and eliminate French competition. To allow American trusts free access to the raw materials and outlets in French colonies, to gradually disengage France's overseas territories and to substitute an American protectorate."²⁵⁶ "Such an imperialism's appetites are naturally insatiable [...]. The attempt to transform a country like France into a colony is well beyond the power of American imperialism."²⁵⁷ We also find the recurring and confused notion that resisting the penetration of American corporations would help to stop the spread of American "values" and the consequent American lifestyle, way of thinking and economic

²⁵⁵ For example: Claude Julien, *L'empire américain*, Paris, Grasset, 1968.

²⁵⁶ "Le capital américain et la France", in *La France et les trusts*. Special issue of the monthly review *Économie et politique*, n°5-6, 1954, pp. 141-162.

²⁵⁷ *Ibidem*, p. 161.

practices which were too individualistic (opposite of conformism) and a threat to the traditional European values²⁵⁸.

Even apart from these specific circles, which had always been anti-American, the beginning of the 1960s saw a general sense of uneasiness sweep across the nation, especially regarding the power of American capitalism and the risks of coming under its hegemony. Established in 1967, the magazine *L'Expansion* targeted the elite of the business world and was always at the forefront in keeping a vigil against the American advance and issuing warnings: "Europe's lag is increasing"²⁵⁹ in "the Europe/USA match". It pointed out that only three French companies (Renault, Rhône-Poulenc, Compagnie française des pétroles) were part of the group of twenty European corporations to have posted a turnover of more than 5 billion Francs in 1966, as against the sixty American companies which had done so. *L'Expansion* lamented "*Corporate Europe has a puncture*" and asked "*Why can't the bigger European companies merge?*"²⁶⁰ On the other hand, we must also see the degree to which the French companies had managed to internationalize themselves as compared to their American multinational competitors: while Michelin succeeded in keeping its French turf with 60 per cent of the market share (85 per cent if we include its subsidiary Kleber-Colombes), it came only in the fourth position worldwide²⁶¹, far behind the three American giants, and only 4 per cent of the American market. Then, things took on a more urgent note as a new generation of American firms (Dupont de Nemours, Monsanto, Philip Morris, RCA, Litton, Seagram, Levi's, Genesco, etc.) took over from where the older ones (Esso, Singer, etc.) had left off, with a clear and methodical deployment strategies aimed at creating world-wide groups. The urgency was more keenly felt in the emerging computer industry: "*Otherwise it would lead to a division of the world as it has already begun. On one side the United States would have the latest discoveries of science and technology at their disposal, and on the other, the rest of the world, trailing behind the Americans and dependent on their goodwill.*"²⁶² This dark vision of the market economy can help explain the reticence, of not outright hostility, vis-à-vis the strategic deployment of American firms in France.

Jean-Jacques Servan-Schreiber, the owner and guiding spirit behind the media group which published both *L'Express* and *L'Expansion*, came out with a thundering book²⁶³ and initiated a series of conferences around the country to "awaken" it and make it realize the necessity of speeding up the modernization process. The French Planning Office also insisted in its Fifth and Sixth Plans (for the years 1965-1974) on the necessity of accelerating the processes of "modernization" and "expansion" by simultaneously having a clear Governmental "industrial policy" and a more dynamic and assertive entrepreneurship. Training of the business elite was also taken into account with the participation of "business schools"²⁶⁴. Ultimately, the American financial firepower proved decisive, thanks to the large loans on the Euromarket to finance the American expansion and prompted *L'Expansion* to say, "how Uncle Sam bought over Europe."²⁶⁵

²⁵⁸ Cf. Georges Suffert, "The very thought that American values are being implanted in the place of the old European values is, truly speaking, unbearable to the French.", in "Devenons-nous Américains", *L'Express*, 24 July 1967, pp. 17-21. Cf. also the denouncing of the social practices in an American multinational in Paris in a novel by René-Victor Pilhes, *L'Imprécatrice*, Paris, Seuil, 1974.

²⁵⁹ Marc Clairvoix, « Le retard de l'Europe s'aggrave », *L'Expansion*, June 1968, pp. 72-75.

²⁶⁰ Renato Mazzolini, « L'Europe des affaires est en panne. Pourquoi les grandes firmes européennes n'arrivent pas à fusionner », *L'Expansion*, October 1973, pp. 155-163.

²⁶¹ Goodyear (turnover of 18 billion francs in 1968), Firestone (12.5), Uniroyal (8.5), Michelin (7), Goodrich (6.5), Dunlop (6.4), General Tyre (6), Pirelli (5.8), from: Robert Serravalle, « Comment l'Oncle Sam achète l'Europe », *L'Expansion*, December 1969, pp. 111-118.

²⁶² Maurice Roy, « Le cauchemar de M. Debré : Bull », "Mr. Debré's nightmare : Bull", *L'Express*, 2 January 1967, pp. 8-10.

²⁶³ Jean-Jacques Servan-Schreiber, *Le défi américain*, Paris, 1967 ; *The American Challenge*, New York, 1968.

²⁶⁴ Gilbert Veyret, « La France cherche ses *business schools* », "France in search of its business schools", *L'Expansion*, May 1968, pp. 113-116.

²⁶⁵ Robert Serravalle, « Comment l'Oncle Sam achète l'Europe », "How Uncle Sam bought over Europe", *L'Expansion*, December 1969, pp. 111-118.

B. Some anti-American action?

As a result of these anxieties regarding what was thought to be, rightly or wrongly, the overwhelming power of American enterprises, the anti-American reaction within the government expressed itself in three clear stages.

a. The temptation to resist American investments

The first of these anti-American measures was a purely defensive action – alongside the “circle of chariots” syndrome. The government formed a committee (the *Bureau d'accueil des investissements étrangers*) which, as part of the Treasury division of the Finance ministry and the ministry of Economic and Financial Affairs, was required to authorize all foreign investments coming into France. This was during the “governed economy” period, marked by a strong governmental interventionism which not only regulated and controlled the economy, but also to gave it an orientation and if possible, attempted to master it. And so, while the US was the very first country to invest directly in France in 1964 (as we have already seen), the next couple of years (1965-1966) saw France take a clear step backwards, a regression which continued till 1969. The government, pressurized by the Gaullists who were already up in arms because of NATO, the Palestinian crisis and the Vietnam debacle, raised all kinds of barriers against any investments coming from the US; the “Bull Affair” could have been decisive: the buy out of the first French electronic data processing company by General Electric shocked de Gaulle, and he asked the Finance ministry to block all American investments. The fate of the French biscuit industry also hung in the balance when General Mills made a bid for the Biscuiterie nantaise in 1967, as it was one of those sectors which were not as yet consolidated: *“For 18 months Mr. Debré played a subtle game with foreign investments. Sometimes he would use them to threaten the French into modernizing and strengthening themselves, then again he would use them to bring in some American technology in a bid to inspire French industries; at other times he would raise issues which either used legal loopholes or created such legalities that allowed the adoption of American technology without having to bear the burden of the ‘Yankee’ capitalist yoke.”*²⁶⁶

The electronic industry became the main focus of these geopolitical and strategic considerations as the government was acutely conscious of the fact that this would be the epicenter of the next industrial revolution. When GE began to eye Bull, the leader of the French computer industry which was then in a financial crisis, it proceeded with caution: claiming to want only 20 per cent of Bull’s capital while opening wide its own technological doors. Immediately there was a furious opposition: Finance minister Valéry Giscard d’Estaing blocked the project on 4th February 1964 in favor of the takeover by a consortium of banks. Then, when the new management began to toy with the idea of some sort of cooperation with GE, the Prime Minister himself stepped in and one is left to imagine the subtle arrangements which finally weighed in favor of French interests in a subsidiary which would ensure the production of computers in the name of employment and a national production facility (see below). Later, in 1977, when it was rumored that the French company CII was hesitating between an American alliance and a European agreement, the anti-American sentiments overflowed into the press: *“Will France give up to the Americans the building of large computers?”* and *“It would be CII’s second death.”*²⁶⁷ Barriers were also set up in the software sector to protect French companies: in 1968, attempts by the Auerbach Corporation to take over Cegos, the second ranked software company in France, were comprehensively quashed. In February 1969, when Leasco Data Processing Equipment bought 20 per cent of Sema²⁶⁸ and wanted to use that as a lever to penetrate the information services, a network of governmental and financial institutions took up arms and forced Leasco to abandon its project at the end of ten weeks, while some French financial investors (Paribas) entered Sema to consolidate its position.

²⁶⁶ Article in *L’Express*, 21 August 1967, p. 22. Michel Debré was Minister of Economy and Finance from January 1966 to May 1968.

²⁶⁷ Titles appearing in an article in the daily *Le Monde*, in June 1977.

²⁶⁸ Sema had at that time 2,000 employees.

Meanwhile, the government was jealously guarding the French automobile industry, as it had now become one of the pillars of French economic growth. When Ford went on a symbolic offensive by entering the Le Mans 24 Hour Race, which coincided with the launch of its *Taurus* range in France, the imminent entry of American multinationals in this sector sent a chill down French spines: "*Ford scares Europe*"²⁶⁹, whimpered a newspaper headline after Ford won its second victory at Le Mans in 1967. "*At the moment, Citroën and Peugeot are the only French automobile manufacturers who are coming together to fight off the American assault [...]. But even together, Citroën, Panhard and Peugeot cannot be compared to the American giants [...]. They need to be assured by the government that they would be protected from foreign investments.*"²⁷⁰ "*Renault in on the lookout for a modus vivendi with the Americans who pose the greatest threat via their English and German subsidiaries. M. Dreyfus [Renault's President] met Henry Ford who told him: 'We will win because we are stronger.'*"²⁷¹ Pompidou's Presidency also saw the continuation of this vigilance, which practically came down to an informal but firm policy which protected key sectors, areas which were thought to have a strategic importance, especially those concerning the production of industrial goods. In these domains, foreign investments were to be restricted below 50 per cent. Thus, in January 1970, the government refused to give the green signal for the proposed buyout of Pompes Guinard by ITT²⁷² and in February of the same year, it did not allow Westinghouse to buy a 60 per cent stake in Jeumont-Schneider. Some part of industrial equipment sector had to be preserved.

In the meantime, Westinghouse had begun to build a pan-European electro-engineering conglomerate with the idea of entering the power generation sector, especially the lucrative nuclear reactor segment. It began by buying out ACEC, a subsidiary of the Belgian group Empain, and adding it to its own growing list of European subsidiaries. Earlier, in France, it had made a bid for Jeumont-Schneider, for which Empain had asked for a sales authorization on 4 December 1968 and again on 17 January 1969. The whole affaire turned political as the government was loath to let such a "strategic" industry pass into American hands. Westinghouse tried to play on patriotic sentiments by pleading the cause of a Franco-American-European juggernaut, capable of standing up to the German giant, Siemens – hoping that anti-German feelings would prove stronger than the anti-American stance²⁷³. It contended that such a federation of European companies under Westinghouse would have a turnover of 5.5 billion Francs²⁷⁴, while the Westinghouse group itself would weigh in at 18 billion, with Siemens at 12 billion. Westinghouse then went a step further by nominating one of the stalwarts of the French government, the former president of the French railroad company SNCF and one of the most celebrated engineers of France, Louis Armand, as head of Westinghouse Europe in July 1969. The group also did not hide the fact that the head of

²⁶⁹ "What did the victory at Le Mans mean to Henry Ford? A victory of the heavy industry, of mass production. The third biggest giant in the world, Ford made a turnover of 58 billion with 365 000 workers. And 4 600 000 vehicles sold in 1966. » *L'Express*, 19 May 1967.

²⁷⁰ The weekly *L'Express*, 19 April 1965, p. 32.

²⁷¹ *L'Express*, 25 January 1965, p. 25. Renault produced only 453 000 cars in 1965 as against the 4.2 million made by GM, the 2.7 million by Ford and the 1.255 million by Chrysler, behind even Volkswagen (1.170 million), Fiat (945 000) and BMC (608 000).

²⁷² ITT already owned the Pompes Salmson since 1962 and could have become the European leader, beating to the second spot the German giant KSB.

²⁷³ « Schneider entre le mark et le dollar » ("Schneider caught between the Mark and the Dollar"), title in *L'Express* of 27 October 1969. « Argument choc de l'entreprise américaine : la somme des entreprises françaises face aux regroupements allemands, anglais et japonais. » ("The shocking argument put forth by the American enterprise : the entire mass of French enterprises against the Germans, English and Japanese.")

²⁷⁴ "The Westinghouse corporation was thinking of restructuring and regrouping most of its European licensees. This group would include Jeumont-Schneider (turnover of 650 million francs), the ACEC (1,100), the Italian firm Marelli (350) and the Spanish company Cenemesa (200). Westinghouse's controlling interests would be retained by a holding company presided over by M. Armand and headquartered at Luxembourg. Westinghouse would then begin a vigorous development program for the members of this group" by injecting a fresh sum of 250 million dollars and a transfer of technology. "Westinghouse would give a large degree of autonomy to the management of this European entity [...]. Its main objective being to use the power of this company to help in the rapid development of its European subsidiaries, facilitated by the common technology." Note "Plan Westinghouse", September 1969, Simon Nora files, archives of the Centre d'histoire de Sciences Po Paris.

Westinghouse Electric International, the American José de Cubas, was a graduate of the *École supérieure d'électricité de Paris* (Supelec). On 16 October 1969, Armand and Cubas were received by the minister of Industry, François-Xavier Ortoli himself and, on 22 October, by Finance minister Valéry Giscard d'Estaing. On 24 November 1969, Ortoli met the president of Westinghouse, Donald Burnham, in Washington. Westinghouse also suggested that the European research center of the proposed subsidiary be established in France.

The argument regarding the future of an independent industry reached fever pitch: "*with investments pouring in from the United States and hemmed on all sides by the new German and English giants, the French electrical engineering industry finds itself today in a delicate though not hopeless position.*" "*We see that French production units are no more in the same league as the major European producers after the mergers which have taken place in Europe.*"²⁷⁵ Did that mean that there was no other solution except to choose between Westinghouse and GE? "But then these major European reshufflings can only lead to an American victory. It is precisely such an eventuality that we would like to avoid in Europe."²⁷⁶ The government came to the conclusion that the strategy proposed by Westinghouse was just a Franco-European cover hiding the fact that it would only help the American multinational. "*The Westinghouse project has proposed this restructuring under a American hegemony, which has been kept more or less hidden for the moment under the guise of circumstance.*"²⁷⁷ "*I am convinced that the Westinghouse solution, under its momentary European guise, would end all French aspirations in a domain in which she can still embark upon a mutually fruitful dialogue with the English and the Germans, etc. I am in receipt of a note from Glasser [Alsthom's director] which shows that this so-called 'national' solution has actually a solid industrial base [...]. Westinghouse's proposal condemns Alsthom – even after its purchase of Rateau – as no longer capable of playing in the international arena.*"²⁷⁸ "*The most unacceptable part of the Westinghouse plan is that it would further alienate a part of the national potential in a domain in which the French industry is already rather weak, and that it does not provide any real solution to the Schneider problem. Moreover, from the public's point of view, a pure and simple acceptance coming after the Schneider affair [group bought by the Belgian Empain] would be seen as another capitulation by the government vis-à-vis foreign interests.*"²⁷⁹ To avoid risking such a "capitulation" and as this report had come to symbolize the economic battle being waged within the Common Market, Jeumont-Schneider was kept under French control. This "Westinghouse affair", which concerned the electrical parts of the industrial equipment manufactured by Schneider in its factory at Creusot (electric locomotives, alternating current turbo generators for power plants), was perhaps the apogee in the anti-American sentiments which swept through the government and a large fraction of the major business leaders. The American corporation was clearly perceived as a dangerous invader who had to be kept well away from the growing French economy: "*The government feels that the electrical engineering firm is a Trojan Horse. Once inside, Westinghouse would begin to flex its industrial and financial muscle to enlarge its bridgehead and conquer other sectors.*"²⁸⁰

²⁷⁵ « Étude sur la restructuration de l'industrie du gros matériel électromécanique », (A study of the restructuring of the heavy electromechanical equipment industry) Note for the Prime Minister's cabinet, 21 July 1969, Simon Nora files, archives of the Centre d'histoire de Sciences Po Paris.

²⁷⁶ « Grandes manœuvres européennes », *L'Express*, 11 November 1968, p.102.

²⁷⁷ « Étude sur la restructuration de l'industrie du gros matériel électromécanique », (A study of the restructuring of the heavy electromechanical equipment industry) Note for the Prime Minister's cabinet, 21 July 1969, Simon Nora files, archives of the Centre d'histoire de Sciences Po Paris.

²⁷⁸ Note by Simon Nora, in « Étude sur la restructuration de l'industrie du gros matériel électromécanique » (A study of the restructuring of the heavy electromechanical equipment industry), 21 July 1969, Simon Nora files, archives of the Centre d'histoire de Sciences Po Paris.

²⁷⁹ Note « Plan Westinghouse », September 1969, Simon Nora files, archives of the Centre d'histoire de Sciences Po Paris. "I am led to believe that if we get the feeling that France, by saying yes to Westinghouse, has decided to become just a European base for the American giants, Alsthom would not be able to cement any fruitful agreement with BBC, ASEA or Siemens," Gérard Worms, 25 September 1969, *Ibidem*.

²⁸⁰ Guy Thomas, « Après le Yalta de la construction électrique française », *L'Expansion*, 7 August 1959, p. 76. Cf. also: "Westinghouse-Europe will not be", in Tristan de la Broise & Félix Torres, *Schneider. L'Histoire en force*, Paris, Jean-Pierre de Monza, 1996, pp.227-229.

Several other sectors too were placed under a protecting umbrella to maintain a balance between the French capital, the European capital and the American capital. While no clear "doctrine" had been spelt out by the authorities, it was well understood and internally quite coherent. The "*articles de Paris*" or luxury items were among the top priority: In June 1970, a veto quashed a bid by the American cosmetics giant Helena Rubinstein to buy out Rochas, the no.1 among French perfumeries. It was felt that in this sector too, the Americans were weighing in a little too heavily: Revlon had already bought over Balmain and Raphaël, Pfizer owned Coty and Robins controlled Caron. The agri-food sector too, so close to the heart of a nation so proud of its rural riches and the interests of its farmers, felt the protecting umbrella open over it. While American capital had already obtained a solid foothold, in December 1970, the government vetoed Heinz's bid for Grey-Poupon-Parizot (which held 25 per cent of the mustard and condiments market) and also General Food's grab for Orangina, the maker of non-alcoholic drinks. It was as though one wanted to slow down the march of the American marketing juggernaut....

b. Building challengers capable of standing up to the American giants

The second step was more positive, in the sense that it was offensive: it involved the building of "national champions" in each of the branches which the 5th Plan (1965-1970) called the "exposed industries" (intermediates chemicals, heavy engineering industry, aluminum, etc.). Champions who would be capable of resisting the onslaught of the "multinationals", especially the American conglomerates. In order to keep Ford and Opel from encroaching further into the automobile market, Renault decided, in the mid-1960s, to expand its facilities and also to widen its range to include mid- to high-end cars. Renault-Saviem, Renault's subsidiary in the utility vehicles segment went on the offensive against the spectacular gains made by Caterpillar by buying out the heavy equipment manufacturer Richard-Continental in 1965. It thus also attempted to set up a competitive French challenger²⁸¹ around what was then the only European manufacturer of crawler tractors. When General Electric took control of Bull in 1964, the government came up with the "*Plan Informatique*" ("Computer Plan"): several of the smaller French computer companies merged to form the *Compagnie internationale pour l'informatique* (CII): "*We are almost entirely dependent on the Americans who have 90 per cent of the French market [...]. At the moment, our weapons are laughable.*"²⁸² We can well imagine that this decision by the French government smacks of a somewhat schizophrenic attitude as, on one hand, it rejoiced in the success attained by IBM and GE-Bull in France, while, on the other, it projected them as examples of American technological imperialism. Anyway, the whole idea was to set up a future rival of these groups, and CII was assured of the entire public sector market²⁸³ and a five-year, government financing plan.

In the same way, the French government, investment banks and industrial corporations came together in an "industrial Yalta" in 1968 to again thwart American giants such as GE and Westinghouse, which were already dominating the electric power generation sector throughout the capitalist world²⁸⁴. As a result, the majority of French electrical engineering firms merged under the banner of CGE-Alsthom²⁸⁵: "*The fear of the Americans was doubtless the principle factor behind this industrial coming together that we see in Europe for some years now. Were*

²⁸¹ In 1965, Richard-Continental realised a turnover of 180 million francs with 1,500 employees, while Caterpillar attained 8.5 billion francs, with 600 million in profit.... The other major French company, Poclair, specialists in mechanical shovels, managed a turnover of 355 million francs.

²⁸² Robert Franc, « La bataille des ordinateurs » (The computer war), *L'Express*, 21 March 1966, pp. 46-47.

²⁸³ Jean-Michel Quatrepoint & Jacques Jublin, *French ordinateurs. De l'affaire Bull à l'assassinat du Plan Calcul*, Paris, Alain Moreau, 1976. Symbolically, CII's headquarters were located on the very grounds which had been liberated by NATO's SHAPE at Louveciennes, to the West of Paris.... The creation of CII took two years (1967 and 1968) and the first computer was delivered in September 1968. Cf. also Robert Lattes & Adrien Duffau (eds.), « Livre blanc : Les ordinateurs », *L'Expansion*, July-August 1968, pp. 73-103.

²⁸⁴ In 1968, the turnover of the French electrical engineering companies CGE and Thomson-Brandt was minuscule compared to those of the two leaders: General Electric (41.9 billion francs), Westinghouse (16.5), Philips (13.3), Siemens (10.8), GEC-AEI (UK, 10.2), AEG-Telefunken (7.2), Matsushita (6.6), CGE (5.5), Thomson-Brandt (5.5), Brown Boveri (4.2) (source: *L'Expansion*, 1969).

²⁸⁵ Jacques Marseille (ed.), *Alcatel-Alsthom. Histoire de la Compagnie générale d'électricité*, Paris, Larousse, 1992.

it not for Westinghouse, which was prowling around Schneider, CGE and Thomson would never have been so quick to come to an agreement regarding the restructuring of the electrical industry in France."²⁸⁶ In the same vein, the merger of Rhône-Poulenc and Progil was necessitated by the threat of American groups and the desire to see France in the exclusive "10-billion-franc-turnover-chemical-companies-club"²⁸⁷.

In the consumer goods market, American Motors gave up its *Kelvinator* brand around May 1967, while Whirlpool relinquished control of Royal Corporation in France (with the brand leader *Pontiac*) to the French group Claret, which thus increased its capacity to 120,000 refrigerators and outstripped General Motors in 1966. The idea was to build a "French champion" around what became the Thomson-Brandt group (which bought over Claret), just as was done by the manufacturer SEB in July 1969 when it took over the French company Scovill, which had been only four years in the country. At a time when electronics had just begun to enter the office (electronic office equipment), Alcatel's foray into the office equipment sector in 1979-1980 (by buying out the American Friden and the English Roneo, etc.) opened the way to the creation of a true European giant: "*We must transform Alcatel into a world brand at any cost, if we are to fight against such powerful names as IBM and Xerox.*"²⁸⁸.

With the merger of CIT and Alcatel and the Thomson group's buy-out of LMT, one of ITT's subsidiaries in France in 1976, Alcatel and Thomson emerged as the two linchpins of the French telecommunications industry, capable of standing up to the American giant ITT. Then, when these two merged their telecommunication branches and, more importantly, bought over ITT's second French subsidiary CGCT (which had 16 per cent of the market share) in 1982-1983, it signalled the emergence of a true European leader: "inasmuch as some people began to talk again of a French Telephone."²⁸⁹ The government made its intentions clear by not renewing its order for the new ITT equipment (*System 12*) and instead looking to these two French groups to meet its needs. At last, the American giant's grip was loosened. The most "frenchified" of all American groups had finally to put an end to a six decade long association with France – partly because of the demands of an "economic and technological patriotism"²⁹⁰ and partly because it had embarked upon a strategic restructuring. Finally, the nationalization of dozens of companies in 1982 aimed at creating robust French enterprises which would be strong enough to resist the multinationals, especially the Americans, as was claimed by the presidential candidate François Mitterrand in May 1981.

c. Building European challengers

The third step taken by the French government in its anti-American multinational drive promised a far more durable future: it began to involve France into a pan-European cooperative effort which would have far reaching consequences on its industrial policies. The Airbus project epitomized this change of perspective and scale. This pan-European effort was conceived of as the only possible answer to the American hegemony, especially as the purely French aircraft had only received some critical (and not popular) success at the international level (for the civilian Caravelle) and benefited mainly from the active support given by the military for exporting: "*282 large aircraft, already ordered from Lockheed (1011), McDonnell-Douglas (DC 10). Boeing returns to France. French, English or German, can they come together to face*

²⁸⁶ Robert Serravalle, « Comment l'Oncle Sam achète l'Europe » (How Uncle Sam bought over Europe), *L'Expansion*, December 1969, pp. 111-118.

²⁸⁷ *L'Expansion*, December 1969. Dupont de Nemours (turnover of 17.4 billion francs in 1968), ICI (Uk, 14.6), Union Carbide (13.4), Monsanto (11.3), ahead of the Germans Hoechst (9.4), Bayer (9.1), BASF (9) dominated Rhône-Poulenc (9).

²⁸⁸ *Le Nouvel Économiste*, 22 September 1980, page 75.

²⁸⁹ Article in *Monde* in May 1982.

²⁹⁰ Truly speaking, it was first and foremost a pro-French policy and not really an anti-American stand because, in 1976, Thomson simultaneously bought over ITT's subsidiary LMT as well as a subsidiary of the Swedish group Ericsson.

it?"²⁹¹ "Only the rich have wings. It is a question of whether we accept to have an American monopoly in the aeronautic industry."²⁹²

C. Some honourable Franco-American compromises

Whatever be the steps taken or the strategies implemented to break the North-American hegemony, reality had to be paid its dues, and France could not afford to cut itself off entirely from the vital influx of American money and technology.

a. Opening France up to American investments

The anti-American sentiments were rather ambiguous: on one hand, they stemmed from a real necessity to reign in the burgeoning financial and technological imperialism which was suffocating French innovation. But on the other hand, they seemed more like a stand taken to please a somewhat chauvinist public opinion and to assuage the labor unions or organizations of the small and medium scale enterprises which were afraid of this race towards modernization and productivity but which were generally satisfied with simply making some anti-American noise. This resistance to American investments began to appear more and more stupid in the course of the 1960s, as all the money which was refused by France simply went to some other country within the Common Market. All that the American firms wanted was to make the most of this new European customs union and to establish their commercial and manufacturing plants, not caring which nations' flag fluttered over the factory or warehouse.... An example was Phillips Petroleum which wanted to build, in 1963, a petrochemical plant at Bordeaux-Ambès, in the South-West, and which, due to the government's reluctance in giving the necessary authorization, went on to implant it in Anvers²⁹³. The lesson was still not learnt when Opel too chose to plant its factory at Anvers²⁹⁴ in 1965. It was the same story with Ford, who was blocked from getting into France by a French pressure group which prevailed on the government to nix the project in 1966, just a little after Ford had won the *24 hours Le Mans*. Ford simply went to Belgium and Sarre and built a number of factories there. "A US company might, to be sure, have had difficulty entering France, but it could always invest in another nation in the EEC and thereby achieve entry into the French market."²⁹⁵

And so, the Treasury Department was forced to accept the ground reality and began to allow foreign investments. Though it was still very much on a case by case basis, it was also in a spirit of a more liberal "*laissez passer*". There was also the question of choosing between opening up to investment from other European countries and opening the doors to American money. Sometimes, the government seemed as afraid of European groups as it was of an American incursion. The fear of the German renaissance, for example, meant that Siemens and some other groups had to face rebuffs. A beacon for such nationalistic choices was the failure of *Project Unidata* (between Siemens, Philips and CII) in 1970 which sought to establish a European consortium of computer firms; the strength of some pressure groups which favored "national solutions" and the fact that till the very end Dassault tried its utmost through its network of influences to tip the balance in favor of its own civil aircraft project *Mercure* instead of the European Airbus.

At the same time, the Finance and Industrial ministries began to gradually open up to American solutions. In April 1967, they gave the green signal to General Motors-Opel for

²⁹¹ Jacques Morisset, « Les géants se battent pour l'Airbus » (The giants fight over Airbus), *L'Expansion*, June 1968, pp. 83-87.

²⁹² Hervé Jannic, *L'Expansion*, June 1974, page 77. The turnover of the American aeronautic industry rose to 135 billion francs in 1973, that of the French at 10.5 billion, ahead of the English who posted 9 billion in that same year.

²⁹³ The worst part of it was that the French group Rhône-Poulenc was a stakeholder in this petrochemical factory at Anvers.

²⁹⁴ « General Motors à l'assaut », *L'Express*, 8 February 1965, pp. 34-35. "Strasbourg was considered for a while, but it proved too difficult to get the required manpower", wrote the journalist, who neglected to take into account the power of the French manufacturers' lobby....

²⁹⁵ Mira Wilkins, *The Maturing of Multinational Business*, p. 350.

opening an auto parts factory in Alsace²⁹⁶. Moreover, as soon as Pompidou became the President, he decided to make an end of this French anti-Americanism and gradually, the tensions which had prevailed during the period 1966-1968 began to fade. In January-February of 1970, the authorities²⁹⁷ set forth the general rules regarding foreign investments, as France had agreed to the Code on Liberalization of Capital Movements fixed by the Organization of Economic Co-operation and Development (OECD) and had agreed to abide by the Franco-American convention on bilateral relations. The Treasury was now given the role of ensuring that American firms were accorded a fitting welcome in keeping with France's capacity, especially in view of the fact that the United Kingdom and Ireland were already thought of as ready platforms for American investment ventures in Europe. In March 1970, Pompidou made a trip to the US and insisted on France's opening wide its doors to American investments. The first signs of this change in the political climate came in the form of some symbolic measures. Despite the protests of French manufacturers, Ford was allowed to implant its first factory at Bordeaux-Blanquefort in 1970, followed by a second in 1973.

b. The cooperation with Westinghouse

The Westinghouse group, which had been seen as an "invader" just a few months previously, was now welcomed by Pompidou himself when he decided that the French technology for civilian nuclear reactors was too expensive (as certified by the public sector producer EDF) and chose instead Westinghouse's PWR technology. Westinghouse gave its license to the French Framatome group²⁹⁸, 51 per cent of which was owned by Schneider and 45 per cent by Westinghouse. Westinghouse's victory was complete when its competitor, the CGE group admitted, in August 1975, to its inability to implement the PWR technology offered by the American group GE. Thus, Westinghouse had now a monopoly in a sector which was growing at full steam because of the shock of the first "oil crisis"²⁹⁹. Though it is true that the technology was to be Gallicized over the next dozen years and that gradually, the stamp of licensee would change into the status of a certified association³⁰⁰, the fact remained that in this key sector, France depended on a trans-Atlantic technology transfer. Westinghouse finally got the fruits of its publicity campaigns which aimed at projecting it as a "good" as opposed to the "bad American", and as a group which was modern, rich in innovation and beneficial.

c. The GE-SNECMA co-operation

At the same time, the government took another historic decision: in January 1971, while Europe was coming together to form the Airbus Industries, it decided to give its consent to the public sector company SNECMA (which manufactured military aircraft engines) for tying up with General Electric. Though these two already had a technological agreement in place since October 1969, it was only for designing engines for mid-sized civilian aircraft. This alliance had been necessitated mainly by economic considerations, as two thirds of the market was located in the US. "There was no other way except for SNECMA to tie up with one of the big foreign

²⁹⁶ Robert Franc, "Comment Strasbourg a séduit la General Motors" (How Strasbourg seduced General Motors), *L'Express*, 17 April 1967. "The French auto manufacturers were not too happy to see General Motors and Opel arrive in France." The announcement of an investment of 375 million francs and the creation of 3 000 jobs for the manufacture of gearboxes had been made on 26 December 1966.

²⁹⁷ Proceedings of the inter-Cabinet council of 16 January 1970, to prepare the inter-Ministerial committees and the cabinet of 29 January 1970 and of 10 and 12 February 1970. Simon Nora files, private archives consulted at Centre d'histoire de Sciences Po Paris in 2006.

²⁹⁸ « EDF découvre l'Amérique » (EDF discovers America), *L'Express*, 3 November 1969. The first orders were for the power plants of Fessenheim I and Bugey III. Though the Westinghouse technology had already been used for the Franco-Belgian plant of Chooz and for the Belgian power station of Tihange.

²⁹⁹ Sixteen nuclear power plants were ordered from Framatome and eight from CGE in March 1974.

³⁰⁰ The *Commissariat à l'énergie atomique* (CEA), a public sector undertaking, did have some knowledge regarding the PWR technology used in nuclear submarines, and began a process to try and Frenchify the Westinghouse PWR technology. Little by little, Westinghouse's share in Framatome came down: in 1975, the CEA bought 30 % from Westinghouse, then in January 1981, Creusot-Loire, a Schneider subsidiary, took over the rest of the 15 per cent still held by Westinghouse. There were constant negotiations with Westinghouse, in 1972, in 1975 and in 1980. Finally, the Frenchification process was completed on 22 January 1981.

engine manufacturers"³⁰¹ as the cost of developing such an engine was estimated at almost two billion francs. As SNECMA had no experience in the domain of civilian aircraft engines, GE proposed using the technology behind the *F101*, a military aircraft engine. There was a feeling of "the crushing domination of the Americans"³⁰² because of their long history in the manufacture of aircraft and aircraft engines. The subtle battles within the government's economic apparatus between the various pressure groups finally resulted in the adoption of this strategy. A strategy which was used most notably by René Ravaut, SNECMA's president (1971-1982) and Gerhard Neumann, the chairman of GE Aircraft Engines. The two companies shared the development and trial costs while SNECMA used its expertise in fans and airflow nozzles to increase the airflow rate within the engines. Yet, a not too equal negotiation stipulated that while the French used their technological know-how for the turbines, their engineers would not have immediate access to the American technology behind the manufacture of the high pressure casing of the engine itself. That had to wait till a thaw in the relationship spread some mutual trust, and a political agreement at the summit (Nixon-Pompidou) had to be inked before any real sharing of technology could take place. The factories at Corbeil and Villaroche (in the Paris region) were to manufacture the *CF6-50* and later *CFM 56*³⁰³ engines for Europe, Africa and Asia. Meanwhile, CFM International, a common subsidiary (in a 50-50 partnership), was established in September 1974 as their world-wide marketing agent, against the likes of Pratt & Whitney (of the UTC group) and Rolls Royce.

The history of the French aeronautic industry could have also seen a Franco-American alliance building civilian aircraft. Despite having had its *Mercure* project shot down in favor of *Airbus*, the Dassault group had plans to negotiate a partnership with MacDonnell-Douglas in 1977 for developing a twin-engine medium range passenger aircraft based on its *Mercure 200* as a replacement for the *DC9*.... It would seem then that these Franco-American agreements followed the existing fault lines between the French pressure groups.... On the other hand, it must also be kept in mind that the *Airbus* program itself was based, in large part, on Euro-American subcontracting agreements and that 470 American suppliers³⁰⁴ contributed the equivalent of 26 per cent of the value of the *A320* – such as Honeywell, which equipped the cockpit with flight program systems.

d. American enterprises as saviors of French companies?

Despite the anxieties caused by GE's buyout of Bull in February-April 1964, the authorities let GE assume entire control of Bull in July of the same year as the French company had no longer the financial resources needed to continue its Research and Development program³⁰⁵. It was in dire need of a technology guru and a financial godfather. While GE held only 49 per cent of the company which manufactured the Bull brand of computers in France, it acquired a 51 per cent

³⁰¹ Report of 29 January 1970, proceedings of the inter-Cabinet council of 11 March 1971 (to prepare the inter-Ministerial committees of 16 and 25 March 1971), Simon Nora files, private archives deposited at the Centre d'histoire de Sciences Po Paris.

³⁰² The journal, *Le Monde*, June 1977.

³⁰³ For the history behind this agreement and the growth of SNECMA, which then had some 13,000 employees, see the website [www.safran-group.com]. The jet engine was ready for its first flight tests in February 1977. The first order was received in March 1979 for refitting thirty United Airlines *DC8*s. In fact, the engine was first used as a replacement engine for *Dc8*, etc. and for the American and French *Kc135* military tanker aircraft in 1981, before bagging its first orders for a new aircraft, the *Boeing 737*, and then, the *Airbus 320*. In the 1980s, a whole range of jet engines was developed: the *CFM56-2* (12 tons of thrust), the *CFM56-3* (for 100-200 seater aircraft), the *CFM56-5A* and *5B* for the *Airbus A320*, etc. Cf. the website [www.snecma-moteurs.com]. This program enjoyed considerable success and ensured the continuation of this French industry. In 1999, the respective turnovers of aircraft engine manufacturers in the West were : 10,600 million dollars for GE, 8 200 for Pratt & Whitney, 7,000 for Rolls-Royce and 4,550 for SNECMA. It must be noted that the letters "CF" stood for "*commercial fan*", the name given to an innovative technology which was used in what then grew to form a whole new family of jet engines. SNECMA manufactured low pressure units: fans, compressors, turbines, as well as accessory gearboxes and thrust reversers. Some 4 500 of its employees were engaged in this program.

³⁰⁴ *Le Nouvel Économiste*, 26 August 1988, page 54. Textron and Dowty were two other important suppliers.

³⁰⁵ While Bull held 41.5 per cent of the French market in the punch-card controlled electromechanical machine sector in 1964, it only held 2 % of the world market. In the electronic computer sector, it was ranked nineteenth in Europe. It had to lay off 500 workers in April 1965 (source: *L'Express*).

stake in the company which marketed them in France and which controlled Bull's entire European network: "*GE has got what it had never hoped to get: its hands on Bull's exceptional commercial network.*"³⁰⁶

The French park of mainframes computers ³⁰⁷ in 1966	
Total Park	2 393
IBM mainframes	1 300
GE Bull mainframes	887
ICT-Ferranti (a British group) mainframes	112
CAE mainframes (a small French company)	94

A stream of negotiations at regular intervals tried to maintain a balance of forces within the Franco-American groups. Though the government did allow GE to completely revamp Bull's production apparatus (its factory at Lyons was relocated to Belfort in August 1967)³⁰⁸, it was balanced by a substantial injection of funds which doubled the capital from 222 to 444 million francs in January 1967 and helped develop the *Bull 600*. The research & development efforts were followed closely by the government³⁰⁹ and the Finance minister met with GE's vice-president and head of its computer branch in January 1967 to extract some firm engagements. Consequently, the factories at Angers and Belfort began to produce a range of small computers³¹⁰ which were also exported to the US. At the same time, to reiterate its good faith, GE launched a massive publicity campaign by highlighting Bull-GE's role in the French economy and its key supporting status in such or such client enterprise³¹¹. It also talked about its own achievements: "*Bull GE, in five years, this is what we have become.*"³¹² It is true that the brand had chosen the right strategy in stressing on its "compatibility", that is to say, that it was easy for clients to exchange their IBM for a GE Bull and to upgrade their system all through the wide Bull range³¹³. It also pioneered the concept of boosting the renting of computing processes by the system of "time sharing".

Through a second stage of the story, the government allowed Honeywell to take over from GE as Bull's new owner in June 1970 and "*Bull General Electric became Honeywell-Bull*"³¹⁴. Honeywell-Bull thus turned into the American group's major foothold in Europe. In fact, GE could not consolidate its computer business either in Europe or on the world stage and stagnated at the sixth place world-wide. In spite of its efforts to streamline Bull's production facilities and to develop the *Gamma 600*, profits from its French investments remained meager. Even the transfer of a score of American managers into the French company did not succeed. Finally, it relinquished its computer arm to Honeywell which attempted to establish itself as "*the other computer company*"³¹⁵. Rising to the second spot worldwide (with 12 per cent), Honeywell-Bull turned into IBM's major competitor in Europe and France. "*It is not tomorrow that we shall see the French and the Americans come together and succeed!*" began one its ads, "*No, it's today*"³¹⁶. It wanted to make it known that Bull's acquisition by Honeywell was sanctioned by the minister of Industries himself in May 1975. No doubt it was "the American way"³¹⁷ and the communist journal *L'Humanité* did not fail to cry out: "*Giscard has handed over the French computer industry to the Americans.*" And yet, this trans-Atlantic

³⁰⁶ *L'Express*, 9 October 1964. GE controlled 49 % of the *Études & recherches* (Studies & Research) subsidiary (Machines Bull held 51 %), 51 % of the *filiale commerciale* (commercial subsidiary) (Machines Bull 49 %), and 49 % of the *Développement et production* (Development and production) subsidiary (Machines Bull 49 %).

³⁰⁷ Source: *L'Express*, 1966. These are approximate figures which exclude the very large computers (CDC, etc.).

³⁰⁸ *L'Express*, 28 August 1967.

³⁰⁹ Maurice Roy, « Le cauchemar de M. Debré : Bull », *L'Express*, 2 January 1967, pp. 8-10. We must remember that at that time GE had a massive computer network. In 1964 it even bought over Olivetti's electronic department.

³¹⁰ The *Bull GE 50*, *53* and *58* computers, which in 1971, accounted for a fifth of the group's entire turnover.

³¹¹ "With the *Gamma 10*, *L'Alsacienne's* biscuits will always retain their freshness." Advertisement in *L'Express*, 17 May 1965. *L'Alsacienne* was then one of the leaders of the French biscuit industry.

³¹² Infomercial in *L'Express*, 18 May 1970, pp. 99-103.

³¹³ Cf. the advertisement in *L'Expansion*, March 1965.

³¹⁴ Advertisement in *L'Express*, 26 October 1970.

³¹⁵ Advertisement in *L'Express*, 1st April 1968 and 18 March 1968. Honeywell was till then mainly a specialist in automatism. It offered its *H110* and *200* computers.

³¹⁶ Advertisement in *L'Expansion*, March 1971.

³¹⁷ Title in the (leftist) daily *Le Monde*, 8 May 1975.

accord did not result in any technological or commercial “pillage”. On the contrary, the American directors of GE Bull returned to the US while a French managerial team took over under the leadership of Jean-Pierre Brûlé, the former CEO of IBM France’s military division. They began a process of turning the enterprise into a truly pan-European company, a company which would be able to adequately represent the American group on the entire European continent – with, in 1970, 11 per cent of all installations³¹⁸. It also entered Latin America, Africa and Japan, a total of 43 countries! And Bull turned into Honeywell’s international passport, eliciting this advertisement: “*Why Honeywell Bull have become a world power in computers.*”³¹⁹ The range of computers and peripherals were homogenized, American models such as the *GE Bull 6000* (the former *GE 600*) were sold in France and bagged its first order from the Paris public transporter RATP in February 1971. Honeywell Bull kept IBM at bay at the second spot in France and maintained its workforce (14,300 employees in 1968, 15,700 in 1974) which accounted for two fifths of the Honeywell group’s entire workforce. As early as 1971 the Honeywell Bull factory at Belfort became the centre of the group’s European peripheral operations (printers, perforators, card readers) which necessitated the closure of the factory in Amsterdam which had been established in 1940. France also boasted an important research centre with 1,300 scientists and technicians.

Thanks to its deep roots in the French industrial landscape³²⁰, Honeywell was recognized by the French government as the “godfather” of the French computer industry in 1975-1976. With only 14 per cent of the market share as against IBM’s 54.5 per cent, CII had failed to penetrate deep enough and though Honeywell-Bull held only 14.8 per cent, it was only a part of the company’s pan-European network, and moreover, it reaped rich harvests from the joint research and development efforts carried out in the US. CII was much too weak to survive without a constant transfusion of public money.... And so, in 1975, the government decided to insert it within the Honeywell group³²¹. Though Honeywell thus had to reduce its share of Honeywell-Bull from 66 to 47 per cent, it ensured the merger of Honeywell-Bull with the CII to form a “Euro-Franco-American giant” in the computer industry, strong enough to challenge the might of IBM.

Honeywell’s strategy was to consolidate its computer arm, which was struggling to keep up with IBM – which had a 55 per cent market share, as opposed to Honeywell’s paltry 9 per cent. Both the partners were equally interested in the merger: Honeywell stood to not only gain many new outlets, but that would also allow it to play a major role in the restructuring process which was bound to take place in the early 1980s within the “BUNCH”³²². The alternatives were clear: either to leave a few “dwarves” to nibble at the French market, sustained principally from assured public sector orders, or to push the French computer industry into the European or even the international market by injecting fresh capital and technology and profiting by the economies of scale accruing from the research carried out mainly in the US and partly in the French laboratories engaged in this effort of research and development. In that respect, Honeywell’s technological capacity seemed greatly ahead of other European corporations such as Philips and Siemens, whose computer arms were weak to begin with. Within the time frame of our study, this strategy seemed to work because, the merger of the Franco-American Honeywell-Bull with the French CII created a promising new enterprise, the CII-Honeywell-Bull. In 1981, it ranked eighteenth among French investors³²³, weighing in at 1,451 million francs – which could

³¹⁸ In September 1970, Honeywell-Bull held 11 % of the European computer population, behind IBM (58 %), but ahead of ICL and Univac (9 % each), Siemens (3.5 %), CDC (2 %) ; NCR (1.5 %) and CII (1 %).

³¹⁹ Advertisement in *L’Express*, 20 September 1971.

³²⁰ Honeywell-Bull published a 3-page advertisement in *L’Express* of 26 October 1970, (pp. 31-33): « Les retombées françaises » (“The French repercussions”).

³²¹ After a string of negotiations which lasted from May to September, the official agreement was concluded on 25 November 1975 and signed on 23 December. The CII-Honeywell-Bull corporation was officially created on the 1st of July 1976.

³²² The “BUNCH” brought together IBM’s five biggest competitors: Burroughs, Univac-Sperry-Rand, NCR, Control-Data, Honeywell. Cf. Jacques Baron, « Plan Calcul : l’ambition de Giscard », *Les Informations*, 14 April 1975, n°1561, pp. 52-58.

³²³ 26th Esso SAF (941 million francs); 85th Kodak (218); 100th Mobil (180); 104th Control Data (164); 114th Esso Chimie (147) ; 120th Diebold Computer Leasing (134).

not but profit the French economy as a whole³²⁴. Still, IBM's competitors (the "BUNCH") faced such major difficulties that all of a sudden Honeywell changed its strategy: it began to withdraw from the computer industry and started backing out of CII-Honeywell-Bull, leaving the strategic control in the hands of French investors, namely Saint Gobain, reducing its stake from 47 to 19.9 per cent.

The anti-American "French Way" was finally abandoned³²⁵, to be replaced by the way of cooperation and integration. In retrospect, this might seem to be in contradiction to the policy of European cooperation pushed by the experts who were in the midst of constructing the EEC with, for example, the strategy behind *Airbus*. Similarly, such an integrated partnership, which allowed a French company to become the cornerstone of a Euro-American group had been rejected when Westinghouse had proposed it for the electrical engineering firm of Jeumont-Schneider. But this same exact policy was adopted in the case of jet engines (SNECMA-GE) and subsequently in the computer industry. The government's "industrial policy" did not seem to have any great coherence. Things were decided on a case to case basis, depending on the pressure groups, the state of such and such branch of activity within what was judged as being in the "national interest", etc. Be it as it may, the "primary anti-Americanism" had given way to a more supple and hands-on policy.

And so, when the deplorable state of the French electronic components industry was brought home by the entry of Motorola and Texas Instruments (the French Thomson-CSF-SESCOSEM came in only at the 18th spot worldwide in 1975³²⁶), it was in the form of a Franco-American cooperation, deliberately chosen by the government and defined by the "Components Plan" in May 1977. Three main points were to be kept in mind for the development of a national industry which would nevertheless depend upon agreements signed with American companies. First, there was to be a transfer of technology, second, that research and development centers were to be installed in the country, which would, as the third point, ensure that the factories would not just be "screwdriver plants" as the Americans had earlier established in Europe to assemble their components. Motorola came together with EFCIS-CEA in a license agreement, NSC joined hands with Saint Gobain in a common subsidiary for the manufacture of MOS circuits (51 per cent held by the American) and Harris allied itself with Matra (same type of subsidiary). But doubts still lingered regarding this strategy: "*Will we truly gain in technology by these joint ventures with NSC and Harris? These two firms were looking for an opening into Europe, and now they have it!*"³²⁷ Here too there was a hesitation between a Franco-American alliance and a European cooperation. But in those days, the European solution did not seem too attractive as the joint ventures between Plessey-Thomson and ? and between Philips and Thomson-SESCOSEM had both been failures....

Consequently, in all these sectors (nuclear reactors, aircraft jet engines, computers, etc.), the American technological superiority, the worries regarding economies of scale and the pressures of development deadlines were all as much the causes for a transatlantic cooperation as the making of economic sense and a positive perception of the American partners who now accepted the role of French executives in the management of joint subsidiaries and the need to gradually Frenchify the concerned technologies. The Americans' tactical skill in entering the French political game by making just the right number of concessions provided the springboard required for surmounting the "chauvinistic" obstacles which were often raised by pressure

³²⁴ That said, CII-Honeywell-Bull was not really consolidated as the year 1981 ended with it showing a deficit of 449 million francs.

³²⁵ Jean-Michel Quatrepoint & Jacques Jublin, *French ordinateurs. De l'affaire Bull à l'assassinat du Plan Calcul*, Paris, Alain Moreau, 1976.

³²⁶ « Vue des États-Unis, la France fait un peu figure de nain » (Seen from the United States, France looked like a little midget), in Jean-Michel Quatrepoint, « Composants électroniques : peut-on encore sauver l'industrie française ? », (Electronic components: can we still save the French industry ?) *Le Monde*, 19 April 1977. At that time, the principal French manufacturer of components was Philips' (a Dutch group) subsidiary, La Radiotechnique-Compelec.

³²⁷ « Composants électroniques : une prise de conscience tardive », *Le Nouvel Économiste*, 19 September 1977, pp. 70-72.

groups within the Paris industrial circles. The main thing for the French was to “save face” and not to be seen as succumbing to an American monopoly. A good example of such a balancing act was the attitude taken by Thomson-Brandt which, though it held 60 per cent of *France Couleur*, which manufactured the French *Secam* color television tubes, also chose to manufacture American television picture tubes by buying an RCA license in 1971: It would thus be able to increase its exports in Europe and especially, to the other RCA licensees.

Moreover, even when the Left came to power, the new government too, despite its nationalization drive, continued to be realistic in its approach and actively pursued a policy to seduce American investments. The unemployment crisis had reached such proportions that American money was thought indispensable, especially after the anti-foreigner wave³²⁸ which had surged out during the nationalist policies expounded by the Left in 1981-1983. And so it came to be that DATAR, a public sector undertaking charged with the National Economic Planning, set up four offices in the US to prospect for industrial opportunities. Trans-Atlantic soliciting missions were dispatched every year and in January 1985, one was sent to explore the possibilities of a European Disneyland.... In 1984, American firms were the second highest creators of employment in France with the help of government subsidies and took the top spot as regards the total number of jobs created in France by foreign investments³²⁹. Far from being an anti-imperialist stronghold under the aegis of a “Sovietized” Left, France remained hospitable, maintaining an “open economy” towards both a European integration and the “drift towards trans-Atlantic alliances”³³⁰.

D. The tactics employed by American companies to help them anchor themselves in more firmly

To have a “French profile” was thought to facilitate a commercial penetration and it always paid off to convince the authorities, the client or the public at large that the American group had been sufficiently Gallicized to seem at home even under the French tricolor....

a. French brands in the service of the Americans

At the same time, some companies were a little more discreet regarding the American origins of their group so as not jar buyers’ sentiments. Such was the case for Chrysler, which allowed the *Simca* brand to keep its market share³³¹ for two decades (from 1955 to the 1970s) as its clientele remained somewhat “chauvinistic” – except that they let themselves be seduced by the German cars, a fact which was used by Ford to announce, right from the 1960s, its historically German culture with as much gusto as its American antecedents. And the assertion of the family brand *Chrysler*³³² in the 1970s led to a decline in the sales of Simca in France itself, despite substantial export orders. It was as though the French turned up their noses at American-wannabees. Thus Kodak continued to officially call itself in France Kodak Pathé and always juxtaposed *Kodak Trade Mark* and *Kodak Pathé* in all its advertisements in the 1970s. International, which had bought over the *Yumbo* brand of heavy construction equipment, kept the brand intact in France as well as for exporting: “*With Yumbo shovels, International is ready to meet the French market.*”³³³ Sometimes, corporations completely hid themselves behind their dealers, as was

³²⁸ Claude Bunodière & Alain Jemain, « Investissements étrangers en France : “Wait and see” », (Foreign investments in France : ‘Wait and see’), *Le Nouvel Économiste*, n°315, 14 December 1981, pp. 46-49.

³²⁹ The American firms created 1,683 jobs with the help of government subsidies (behind the Japanese who had 4,378 jobs and ahead of the Germans: 1,099 jobs) and 3,141 jobs unaided, which added up to a total of 4,824 jobs (ahead of the Japanese: 4,731, the Germans: 1,374 and the English: 1,127) out of a grand total of 13,394 jobs created by foreign companies in 1984 (source: DATAR).

³³⁰ De Gaulle used to use this expression to refer derogatorily to pro-American Great Britain which he suspected always preferred “the great big” Atlantic to a European political integration.

³³¹ 15 per cent of the French production, with 350,000 cars in 1969.

³³² « Chrysler sous le capot Simca », (Chrysler under the Simca bonnet), title in *L’Express* 18 May 1970. Simca became Chrysler France and merged into the European group. The mid-high range model sported the *Chrysler* name and was a failure in France regarding both style and brand identity.

³³³ Advertisement in *L’Expansion*, March 1971.

the case with the industrial equipment firm Feralco³³⁴, a leader in its field, which had been bought over by Interlake Steel in 1965. Other groups too sought to project their French roots – wanting to capitalize from both their American power and their French background. This was evidently the case with both of Bull's successive proprietors: GE Bull and then, Honeywell Bull. Chrysler too adopted a dual citizenship in the 1970s with its umbrella brand *Simca-Chrysler* in all its ads, even though the cars themselves had only *Simca* written on them.

b. Companies which were as much French as American?

Many of these corporations had been in France for so many decades that they began to identify themselves with not only the economic, but even the cultural dimension of their adopted country. They also began to be seen to be as much French as American – and it could even be that the majority of their clients were ignorant of their origins. This was certainly the case with Esso France (which recorded the tenth highest turnover in the private sector in 1966) or of Singer France, whose president Jacques Ehrsam was, in the second half of the 1960s, the figurehead of French patronage – often lauded for his social policies and his cultural activities. It was he who gave the money for renovating the glass panes in the cathedral at Reims³³⁵...

ITT: a French company?

In this regard, the most "French" company of all was ITT. It worked in France through two subsidiaries which had very French names and were deeply rooted in the national mindscape: the CGCT (*Compagnie générale de constructions téléphoniques*, with some 8 400 employees in 1971) and the LMT (*Le matériel téléphonique*). In fact, from the 1920s, these two formed the pillars of the French telecommunication equipment industry. Together, they constituted an integral part of the officially recognized "cartel" which supplied to the government's telephone services, the PTT. They were also very much part of the three-year developmental plan launched by the PTT in 1970. The CGCT and LMT had also another "French" ace up their sleeve – they had a research and development center in France itself in the form of the LCT laboratory, staffed by teams of capable engineers (totaling some 1 700 in 1968). In addition, they were not limited by the French market because, within the ITT group, they had also the right to have their own export policy and to freely explore other outlets. During the 1960s and 1970s, many ads by the CGCT dwelt at length on its exporting capabilities: "*The first French exporter of telephone equipment. From Mexico to Tahiti, Nigeria to Ireland, CGCT technicians are busy increasing French exports. Over the last six years, CGCT's exports have risen, on the average, by more than 50 million francs. Pentaconta equipment has been installed in more than 70 countries.*"³³⁶ In 1969, this company exported between one fifth to one third of its entire production³³⁷, which accounted for 71 per cent of all French telephone exchange equipment exports. Since 1951, the CGCT had produced the *Pentaconta* model of electromechanical telephone exchanges. In 1960 it launched the *Pentaconta Crossbar*, which was developed indigenously and which established it as one of the leaders of this kind of technology in Europe, in league with Ericsson's French subsidiary and the 100 per cent French owned companies CIT-Alcatel and Thomson. Then in 1970, it developed the *Metaconta 11A* automatic electronic switchboard for the smaller telephone exchanges within companies.

Similarly, another ITT subsidiary in France, Ascinter-Otis was so far from being seen as a tool of a multinational that even the takeover of its parent company Otis by United Technologies in 1976 passed completely unnoticed. Moreover, the fact that Otis had installed the first elevators in the Eiffel Tower in 1889 weighed heavily in favor of its brand being perceived of as quite French. Elsewhere, its factory at Gien grew to be, in 1969, the pivot of its production system at

³³⁴ Created in 1954, Feralco was the first to specialize in stocking material, especially the manufacture of perforated angles. *L'Express*, 24 May 1965.

³³⁵ In *L'Express*, November 1969.

³³⁶ Advertisement in *L'Expansion*, 1968. That being said, Tahiti was still a French territory.... Cf. also the advertisement in *L'Express*, 26 June 1967.

³³⁷ In 1968, 84.5 million of its total turnover of 363 million francs came from exports and, in 1971, 95 of its 498 million. CGCT mainly exported its telephone exchanges to Latin America: to Costa Rica and Mexico in 1967, bagging its tenth contract with Mexico in 1971, etc.

the European scale with the manufacture of "the first European standard elevator"³³⁸. Meanwhile, its center at Argenteuil was consolidated as its "development center". In 1972, the ITT group as a whole had a workforce of some 26,000 employees in France³³⁹, but this was without it catching the eye of the general public as each brand led its own private life, except perhaps Claude, which appeared in advertisements as ITT Claude. The French section of the ITT conglomerate accounted for 6.6 per cent of its global turnover and 6 per cent of its total assets, which goes to show France's importance in the world's economy and underlines ITT's success in giving to this country a value which was in keeping with its potential economic influence.

The workforce of the ITT group in France in 1972		
Telecommunication Equipment	CGCT	8 948
	LMT	7 888
	LCT et LCE	
Lightning appliances	Claude	2 300
Televisors	Océanic	987
	Sonoror	624
Various industrial products (semi-conductors, etc.)		2 463
Contactors	Jeanrenard	758
Car rental	Avis	274
Professional teaching	Pigier	250
Hotel industry	Sheraton	65
varia		
Total		26 145

IBM, a French company?

The other major Franco-American group with a key French element was IBM. IBM's French subsidiary, named IBM France in 1948, enjoyed a substantial market share and benefited greatly from the newly dawned information age (which was therefore woefully under-equipped), and the fact that there was no major national competitor on the scene, as was the case in Great Britain. In the 1950s, it took the lead in turning the punch-card machines obsolete with the launch of the first calculator with electronic tubes, the *IBM 604*. This was followed closely by the introduction of the first generation computers³⁴⁰. All the efforts made by the Franco-American Bull and the purely French CII to eat into IBM's hegemony of the French market were like so many ant-bites to the giant. This in spite of Control Data's iron grip on the very large computer segment and the incursion of Digital in the "mini-computer" market. Though IBM was confronted by a national competitor (Honeywell-Bull in France, ICL, Siemens) in every major market, it retained its unquestioned preeminence.

Market share for computers in France ³⁴¹ in 1968			
	France	Germany	Great-Britain
IBM	42,6 %	55	30
Bull-General Electric	29,2	9,1	
CII	6,2		
ICL			51,4
Siemens		4,3	
Various American groups	9,5	12	17,3
Various European groups	10,3		

We all know the role played by IBM in the spread of the third generation computers (with integrated circuit boards and improved compatibility, i.e., the possibility of transferring software within the entire range) in 1963-1964. It was also instrumental in introducing administrative data processing to Europe (and France) via its famous range of *IBM 360* and *370* computers, including the *360-1904* mini-computer. It is no wonder then that IBM maintained such a healthy share of the French market.

³³⁸ Otis France's website, p. 1.

³³⁹ Michel Herblay, « La fin de l'évangile selon ITT », *L'Expansion*, September 1972, pp. 120-126.

³⁴⁰ With the *IBM 650, 704, 1401, 1410, 7071, 1620, 1710*, etc.

³⁴¹ *L'Expansion*, July-August 1968, p.90.

The market share of IBM within the computer park in 1972 (total in 1971 : 5 940)			
	France	Great-Britain	Germany
IBM	45,8%	25	51,8
ICL	2	30	
Honeywell-Bull	31,8		
CII	7		
Siemens	1		12
Digital Equipment	5		
Burroughs	2,1		
Univac	1,9		
Ncr	1,5		
Control Data Cdc	0,7		

Though this subsidiary was very much a part of IBM Worldwide, the entire French setup was an absolutely vital element in its European presence. In 1955, IBM had two of its 13 active European factories³⁴² implanted in France (at Corbeil and Vincennes) which it then fully integrated in its European production system: "*IBM World Trade Corporation continued to consolidate the production of IBM products in its most suitably located European plants, in order to take advantage of the internal tariff reductions taking place among the nations within each of Europe's two regional marketing areas.*"³⁴³ Thus, from 1965, the 360 was made in the factory at Corbeil-Essonnes, which was only the third factory in the world to produce the 360, after the two in the continental US (at New York and at Burlington, Vermont): "*One of the first of the 360 manufactured in France was delivered to an international research center and consulting firm there.*"³⁴⁴ Then, in the 1970s, the 370 began to be produced in several plants all over Europe (Montpellier in France, Mayence in the Federal Republic of Germany, Havant in England) with components from the factory at Corbeil³⁴⁵. In 1965, France was one of only four European countries (the others being Great Britain, Sweden and Germany) to have a "commercial programming development facility", with "program libraries" which combined hardware and software into a complete package for clients.

Nevertheless, an evaluation of the actual extent of value addition brought in by the innovations and improvements made by IBM France's engineers, as compared to the laboratories established in Zurich (in 1956), in the Netherlands or in Germany, remains a dicey affair. Still, in the 1950s, it enlarged and refurbished its laboratory which had been established in 1934 and, more importantly, opened a scientific data processing center which worked mainly on in-house projects, though it too nurtured a few clients in the 1950s under the management of Jacques Maisonrouge. Then, in 1963, it established a research and development center at Nice-La Gaude where some 700 employees worked mainly on the application of computers to telecommunications – in keeping with the group's international division of labor: "*1969: The French industry is responsive. IBM France proves it. It has doubled the floor space of its research center at La Gaude.*"³⁴⁶ In 1981, five establishments brought together some 9,400 employees while IBM France had a total of 20,600, including 8,400 executives³⁴⁷.

³⁴² Including two in Germany, one in Italy, Norway, Sweden, Switzerland, Belgium and the Netherlands, and two in the United Kingdom.

³⁴³ IBM's Annual Report for the year 1960, p. 25.

³⁴⁴ IBM's Annual Report for the year 1965. The 360 were used mainly by insurance companies.

³⁴⁵ Cf. the advertisement: "When the IBM 360 surpasses itself, we call it the 370.", advertisement in *L'Express*, 6 July 1970.

³⁴⁶ Advertisement in *L'Express*, 23 December 1969.

³⁴⁷ A double page ad inserted by the group, *L'Expansion*, 1982, pp.208-209.

The production system of IBM in France in 1981			
Location	Date of creation	Production	Workforce
Corbeil-Essonnes	1941	Composants : circuits logiques, mémoires	4 000
Vincennes	Closure at the end of the 1950s		
La Gaude-Nice	1962-1963	Research Centre; Technical Systems	1 200
Montpellier	1964	Computers	2 300
Boigny-Orléans	1965	Périphériques (disquettes, têtes de lecture magnétiques, sphères, encre, rubans) et centre administratif	700
Canéjan-Bordeaux	1970	Sous-ensembles électroniques (cartes électroniques)	1 200

Thanks to this industrial and commercial clout, IBM could insist on its French roots: in 1982, an infomercial (*IBM France's contribution to the French economy. A 68-year long contribution to our economic life*) stated that the company was the third highest tax payer in the country, that it was the fifth biggest exporter, with 49 per cent of its turnover coming from exports and that it had made massive investments with, for example, 2.4 billion francs in 1981 alone. It was a question of smoothing a few feathers which might have got ruffled by the perception of the multinational's hegemony. It also was the reason why IBM insisted on its strong links with the "France of the little ones" (the smaller enterprises) which included a local purchase policy and thereby sustained 6,000 suppliers while its subcontracting involved some 400 small and medium sized enterprises and 4 000 jobs³⁴⁸. In 1970, a series of advertisements appeared on the theme: "A French enterprise in the European economy" which highlighted the pivotal role played by IBM France in Europe: "The factories of IBM France supply the components to the other IBM factories in Europe [...]. While the big computers, the model 360, 40, 50, 65, are entirely built in Montpellier and delivered to five continents."³⁴⁹ Moreover, an inventory management center for spares at the European scale was established at Orly. IBM thus flowed into the national economic stream³⁵⁰ and vindicated its label "Frenchified". Or perhaps, one might say that it would surely have merited it when the president of IBM World Trade's board and vice-president of IBM, Arthur Watson, who belonged to the family which controlled the group, was appointed ambassador to France in 1970... "He is responsible for much of the success and growth of our overseas operations."³⁵¹

c. America at the service of a modern France

A number of advertisements were very insistent on the strength of the commercial involvement of American firms in France. Almost every one of these American groups had found a well respected and traditional French firm which could serve as a solid stepping stone and give it a sheen of respectability. As a General Electric advertisement would have it: "The Ciments Lafarge [the leader of the French cement industry] has called upon General Electric to install the most modern automatic calculating system at their cement plant in Val d'Azergue (Rhône)."³⁵² In a similar vein, an advertisement by Bull General Electric for its time sharing and facilities management system said, "250 French enterprises today have a secret computer"³⁵³ and then went on to list a series of big names (such as Télémécanique électrique, Banque de

³⁴⁸ *Ibidem*.

³⁴⁹ Advertisement in *L'Express*, 19 January 1970.

³⁵⁰ We would like to thank Eric Auvray, General Manager Igs France/Nwa and Edward Walsh, director of Communications, IBM France North Africa, as well as his assistant Anne-Marie Huré, for all their help regarding the collection of data on the history of IBM in France, especially IBM World's Annual Reports and a booklet which retraced IBM's evolution in France. Cf. the website [www.ibm.com/annual report]. Cf. also the website [www.ibm.com/fr/90ans].

³⁵¹ IBM's Annual Report for the year 1970.

³⁵² Advertisement in *L'Expansion*, 1968.

³⁵³ Advertisement in *L'Expansion*, September 1969.

l'Indochine, Tréfinmétaux and Shell France) which were all clients of this Franco-American group.

Even more striking was the part played by American companies in projects which were of a national interest or importance. In such cases, the advertisements did not dwell so much on the American origins as on the contribution made by the innovations (which the reader knew well that they were from the US) to the French success. The brand thus received a sort of certificate of patriotism: "*Xerox's secret weapon. The engineers at Sud-Aviation will be able to reproduce all the Concorde plans by the tens of thousands! Straightaway, on ordinary paper, without negatives and without any developing process, thanks to the 3Copyflo 5 BC to be installed in a month by Rank Xerox's French subsidiary.*"³⁵⁴ "*LMT has designed and developed a research flight simulator for the supersonic Concorde aircraft and has also been entrusted with the study and development of a flight simulator for the Transall aircraft and the SA 330 helicopter.*"³⁵⁵ Similarly, Timken also let it be known that it too was part of the *Concorde* program: "*Concorde: Timken quality ball bearings for its landing gear!*"³⁵⁶ And again, "*For building the fastest commercial jet ever, Sud-Aviation required the fastest computer of all, the Control Data 6600.*"³⁵⁷ Elsewhere, though it happened without any publicity campaigns, let us also note that the American Corning Glass group was busy developing the French SECAM television tubes (as opposed to the American NTSC and the European NTSC-PAL) via its subsidiary Sovirel in association with Saint-Gobain.

Still other advertisements dwelt on the typically French values, the defiance of the « little ones » against the « big ones », the taste of liberty – or else a competition for itself, or at the least, the competition between its suppliers – and consequently a sympathy with challengers: "*We are the choice offered to your freedom*"³⁵⁸ proclaimed a Honeywell ad which tried indirectly to break IBM's stranglehold of the computer parts market, hitting at those who "went around in circles, led by blind loyalty." But IBM retorted by publishing a "*Declaration of the rights of small enterprises to have a computer*"³⁵⁹ when it brought out a range of small computers, the *IBM 3*, followed by the *32*, *34* and *38*.

d. American enterprises and the French social system

A few enterprises set about trying to convince the public (especially the government and the unions) that they were not "Trojan horses" which would introduce a "barbaric" social liberalism and that on the contrary, they could contribute greatly to the French social fabric. They tried to project their social activities and their participation in building the French or European "social model". To begin with, they made sure that they were always on the right side of the evolving social legislations. Some of them went on to implement them with the sense of "social progress" which made of these companies models of "enlightened enterprises". The first example was Manpower France – its directors initiated a study of temping which resulted in the imposing of strict rules and helped appease the labor unions. Soon after, Manpower France's management contributed greatly to the formation, in 1966, of the National Chamber of Temporary Employment and to the negotiations with the government on the interim laws³⁶⁰ (in 1970-1971) which, in their final form, turned out to be just a formalized version of the practices implemented by Manpower itself. In the 1960s, the widespread hostility (of the government and the unions) towards temping had all but eliminated it for the next thirty years: "*Fought against by all, except by the temporary workers and the enterprises, it was even denied its very right*

³⁵⁴ *L'Express*, 5 April 1965, p.42.

³⁵⁵ Advertisement in *L'Expansion*, April 1969.

³⁵⁶ Advertisement in *L'Expansion*, 197x.

³⁵⁷ Advertisement in *L'Expansion*, June 1968.

³⁵⁸ Advertisement in *L'Expansion*, November 1969.

³⁵⁹ Advertisement in *L'Express*, November 1969.

³⁶⁰ *Ibidem*, p. 92. It was the law of 3 January 1972. Earlier, Manpower France had negotiated an agreement with CGT (the accord of 9 October 1969) which, though limited to the company, constituted a major step forward in the organization of temping. On the other hand, the *Syndicat national des entreprises de travail temporaire* had excluded Manpower because it had refused to accept the contents of this accord till 1982..

to exist. It took a long and hard battle, spearheaded by Manpower, to slowly overcome the fierce resistance. Gradually things began to change, temping too began to be regulated by laws and an ethic. It was finally accepted by the labor unions and its utility was officially recognized by the law." And "Manpower [was] the precursor of the major social advances made in this profession."³⁶¹ Evidently it is impossible to conclude from these fragmentary studies whether the "American social model" had implanted itself in France to enlarge the "French model", especially as regards the public sector. But we can perhaps say that the larger corporations did worry, due to the fact that they were so "visible", about their social brand image vis-à-vis the general opinion (political, unionist, civic?) and the intrusion of American capitalism in France.

The computer industry has furnished two revelatory case studies regarding this tendency. IBM for its part, signed the collective agreement in the field of metallurgy which was an interprofessional contractual code of the Union of Metallurgical and Mining Industries, widely considered to be very pro-employee. The other example is also the clearest and most structured illustration in this regard. Right from the start Hewlett-Packard (HP) aimed at being a "social enterprise" on both sides of the Atlantic³⁶² and insisted on "a policy of social responsibility." *"The company took its social responsibilities very seriously, be they regarding the personnel or vis-à-vis the country in which it was implanted. HP recruited actively in all the countries it was present in [...]. It always maintained that the quality of the production is a reflection of the competence and growth of its personnel and implemented an innovative social policy: it was one of the very first enterprises in the world to introduce the concept of flexible work hours for all its employees, working either in its factories and its commercial branches. It was also a pioneer in declaring every fifth week as a paid holiday. Moreover, HP also gave its employees a number of other social perks. Over and above the French legal labor participation regulations, HP France had its own plans for the participation of employees in company results and the buying of company shares at preferential rates. Very open and sensitive to any thing that could help improve work conditions, HP had long since adopted the notion of job enrichment"* and had made use of "quality circles" in its factories³⁶³. For a third of a century, that is, till 2004-2005, HP France followed a policy which integrated technological advancement with social progress in the Grenoble region, with a workforce which included many technicians, engineers and executives. It was the leading company as regards social reform and was held up as an example to French companies in an era when ideological and social issues dominated the French industrial establishment. In parallel, Motorola too was talking about its own social model which it called "the Motorola Spirit". The absence of any unionism in its factory at Toulouse (which had 1,100 employees in 1970) bears evidence to a decentralized social relations management, which implemented small work units wherein dialogues could take place and be resolved then and there.

This building up of a responsible brand image added much to the purely factual elements linked to the power of the American multinationals and to the positive perception of their contribution to progress and innovation. This also explains the fascination for American companies felt by the students of the big French business schools³⁶⁴ in the 1960s. They were seduced by the brand name and what it represented: rapid promotions, commercial dynamism, sharp management,

³⁶¹ A communiqué at around the same time that Michaël Grunelius's book, *Du travail et des hommes*, 2003, first appeared, in *Les ressources humaines sur internet*, [www.ressources-web.com/article.php3?id_article=66]. "In his book, M. Grunelius explains how Manpower, convinced that its growth depended on giving its interim workers a social status which came as close as possible to that of the regular employees, was at the forefront in the struggle to improve their social status with measures which included: the creation of the first secretarial training school (1965), granting of 'project completion' bonuses (1966), eligibility for paid leave right from the very first hour worked (1967), etc. In 1969, Manpower signed an agreement with CGT which recognized temping and legitimized the social advantages given to its temporary workers [...]. This agreement was the only one of its kind to have been signed for temporary employment in this branch of activity till 1982", *Ibidem*, pp. 3-4.

³⁶² David Packard, *The HP Way. How Bill Hewlett and I Built our Company*, HarperBusiness, 1995.

³⁶³ Infomercial in *L'Expansion*, 1982, pp.88-89.

³⁶⁴ Christian Bownnelaer, « A qui rêvent les grosses têtes ? » (what are these egg-heads dreaming of ?), *L'Expansion*, July 1970, p. 103. The classification especially mentioned the companies: Arthur Andersen, IBM, MacKinsey, Peat Marwick, Young & Rubicam, Procter & Gamble, Dupuy Compton, etc.

in-house training and the pay scale were the five principal qualities which pulled them and gave to this young generation of future executives a positive perception of American capitalism – quite in contrast to the anti-imperialist feelings of a section of the French student body at the beginning of the 1970s.

e. The clash of corporate cultures: a “Frenchification” of American enterprises?

Many were greatly impressed by the American corporate culture, with its reputation for the efficiency of its organization and the willingness to accept vertical (between the managers and the lowest ranks) as well as horizontal (between the managerial teams) tensions – as opposed to the autocracy and anti-unionism (regarding social relations) and hypocrisy (in the hierarchical relationships between executives) which were felt to be rampant in French enterprises. And while American companies seemed to thrive in an atmosphere of open and free dialogue, their French sister-concerns labored under a thick blanket of fear and secrecy. Just before appearing live on a televised duel with a French director of a big American group, a unionist remarked: “*The French bosses keep quiet because they are afraid of the public and their unpopularity grows because of this silence. For this dialogue they had to go find a Frenchman from New York.*”³⁶⁵ This courage – dare we say the cowboy spirit? – was perhaps their greatest asset. They could mix the entrepreneurial spirit with a willingness to enter into a dialogue because they were supremely confident of themselves – “*Many American traits, the vitality, the enthusiasm, command our admiration.*”³⁶⁶ This brand image was formed in the post-War period and the French who found themselves bowled over by this American spirit were perhaps not very aware of the bitter corporate relations which had prevailed in the US during the 1930s....

That being said, American managers had also to adapt themselves to the “social culture” and to the hierarchical and institutional modes of functioning within French (and Italian) organizations due to the strong communist influence on the labor unions (CGT, CGIL) which created a rather unique environment for negotiations and the relationships of power. Unfortunately, we do not have any documents regarding the cultural relations within the management teams of the French subsidiaries of American firms. But there was no “culture shock” nor any tensions to speak of. It is true that during the better years, especially the years between 1950 and 1970, companies had a much larger leeway regarding their social obligations on one hand, and the possibilities of promotion for the executives on the other. At the executive and especially, at the managerial level, though some Americans did find the French somewhat slow in taking to the modern accounting and marketing practices, “*there was one thing that struck me repeatedly, the flexibility, adaptability and individualism of the European manager. Since my return from Europe, I see things from a broader perspective.*” “*I am more open to new ideas. My approach to problems has become, it would seem to me, less compartmentalized, less stereotyped than that of my American colleagues,*” said a director³⁶⁷. “*I have the feeling that the European businessmen, especially in the bigger enterprises know how to listen better, listen to people, listen to their employees, listen to their clients. They take more time in dealing not only strangers, but also their colleagues.*”³⁶⁸ Some clues (as yet too few) would seem to suggest that the “American management culture” was itself not entirely flawless, especially in their management of organizations: according to the boss of Manpower France-Europe, “*The American manner of working is systematic, conscientious but also, it would seem to me, more laborious and slower than our own. We seem to be more reactive and more imaginative*”³⁶⁹. He seemed to have almost foreseen the slide towards a “corpocracy” felt by many firms at the beginning of the 1980s, when they found themselves getting clogged by a management of “procedures” and “reporting”.

³⁶⁵ Interview with Eugène Descamps, general secretary of the CFTD, which appeared in *L'Express* of 13 April 1970. It was about *À armes égales*, his conversation with Jacques Maisonrouge, the boss of IBM International which was to be broadcast on television on 28 April 1970.

³⁶⁶ Michaël Grunelius, *Du travail et des hommes*, op.cit., p. 168.

³⁶⁷ William Rose, president of Armco Steel's International division, in Jack Star's *Ce que l'Europe enseigne aux Américains. Une enquête auprès des managers qui sont venus travailler chez nous*, p. 134.

³⁶⁸ Marion Dietrich, marketing director of Moteurs Cummins, after having spent three years in Europe, *Ibidem*.

³⁶⁹ Michaël Grunelius, *Du travail et des hommes*, op.cit., p. 170.

Conclusion

Still pending