CULTURE OF NEW EUROPEAN MULTINATIONALS

DR.IRENE FINEL-HONIGMAN
COLUMBIA UNIVERSITY SCHOOL OF INTERNATIONAL AND PUBLIC AFFAIRS
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Marcel Proust, the great French esthete and novelist, in the second volume of this opus Remembrance of Things Past,described the Princess of Parma's background and sense of duty:
"Your ancestors were the princes of Cleves and Juliers since 647; God wanted in his infinite goodness that you possess almost all the shares of the Suez Canal and three times as much Royal Dutch as Edmund of Rothschild; your direct descendency […] dates back to the year 63; two of your sisters-in-law are empresses."
In this sardonic juxtaposition, Proust makes the point that a diversified portfolio of international shares in the best global companies was a necessary condition for maintaining rather than simply having the finest social credentials.

In the present transitional phase between Anglo-American raw capitalism and European " patrimonial capitalism" it is necessary to ask what makes a European multinational? Since the Renaissance through the evolution of European capitalism, major firms with diversified portfolios, in metals, spices, textiles and currency trading with subsidiaries in all the market places in Europe bypassed political boundaries and superceded the concept of the nation state. The house of Jacob Fugger, from the 1550s to the 1590s held the silver mining monopoly, traded in bills of exchange in Antwerp, dominated the pepper trade from the Indies, and transacted through third party representatives in London, Frankfurt Leipzig, Paris, Venice, Genoa, Burgos, Toledo and Seville. The Buovisi family had holdings from 1575-1610 in London, Antwerp, Frankfurt, Paris and Milan; the Medeci Bank, in the 1400s met the definition of a conglomerate with diversified holdings.

According to Charles Kindleberger: " The origins of direct investment and even of the multinational corporation can be traced in finance back to the Italian banks of the fourteenth and fifteenth centuries […] A multinational corporation, in the usual sense, is an enterprise that maintains and coordinates business operations in several countries- the minimum being sometimes given as five."(A Financial History of Western Europe)
The French economic historian Fernand Braudel wrote: "The economy, all invading, mingling together currencies and commodities tended to promote unity of a kind in a world where everything else seemed to be conspiring to create clearly distinguished blocs." (Civilization and Capitalism, 15th-18th century, volume 1)
Merchant dynasties in Italy, the Low Countries and England developed cross border trade across Europe intersecting with Russian trading routes with the Ottoman Empire. Across the borders of the next member countries of the European Union barter trade flourished in gold and furs supplemented by the 1780s with the Austrian Thaler, the regions most valued currency.

Till the nineteenth century there are few examples of direct investment in manufacturing outside of home countries. Wars, extreme difficulties in maintaining communication and the time involved discouraged firms to establish subsidiaries abroad. The Dutch were among the first to engage in what today is called foreign direct investment. Adam Smith described the development of joint stock companies, which tied up capital and dealt in distant trade.
But it was the advent of the telegraph and the start of the railroads that required a resurgence of cross border transactions. One of the first companies to set up branches abroad was the Siemens and Halske firm, founded in Berlin in 1847, which opened branches in London and St. Petersburg by 1852.
Under the pro-business regime of Napoleon III in the Second Empire, France joined the global economy till then dominated by the British Empire. By 1857, world commerce was divided between sterling and franc denominated trade. French industry and commercial banks developed under the tutelage of Napoleon III and his economic advisor Michel Chevalier. Following the precepts of Saint-Simon, the government encouraged and promoted wealth creation, investment and economic expansion in order to achieve better social conditions and enhance the prestige of a paternalistic state.

The creation of the railroads which required new forms of financing, issuance of railroad bonds, the development of mining, steel and manufacturing sectors to build the infrastructure and the trains produced the same impact as the Internet and telecommunications in the last decade. By the mid 1850s the same mania of overvaluation and excessive speculation described in later novels like Disraeli's Endymion, and Zola L'Argent led to scandal-ridden bankruptcies like Jules Mires in France, and George Hudson in England.

By the 1870s French and British banks like Barclays, Barings, Credit Lyonnais, Paribas, IndoSuez set up subsidiaries abroad. In 1910 Credit Lyonnais was the largest bank with a presence in nearly 100 countries.

Therefore the concepts behind the multinational firm are far from new. The question now is, how has the culture of management, profitability and the philosophy of these enterprises changed in the last decade since the creation of the European Union, and again aggressively changed since 1999, with the advent of the Euro and European Monetary Union.

Has national jurisdiction been superceded by regional and cross border regulatory and judicial decisions? Decisions affecting the fate of Microsoft or ATT have become global rather than national business issues. Even more strikingly corporate decisions on EU or U.S. mergers, acquisitions, consolidations or anti trust rulings can be vetoed outside of their home countries as in the case of Honeywell GE. The final decisions are no longer necessarily determined by the biggest or the strongest power but by international rules and guidelines which insure multiple national and regional interests in the name of competitiveness.

The EU's top multinationals Siemens, Daimler, Nokia, Ericson, Unilever, Royal Dutch Shell, Philipps, Oreals, Nestle, Danone began as major firms in their respective industrial and manufacturing sector with subsidiaries and branches abroad. They promoted their products and name across Europe and then branched into other markets. In 1965 the top international firms were already Bayer, Hoechst, Daimler, Volkswagen, Siemens, Philips, Rhone Poulenc, Fiat. In the U.S. the top were Union Carbide, IBM, Monsanto, Dow Chemical, GE, GM, Chrysler, Westinghouse, Standard Oil and American Express, which had just opened branches in London and Paris. The sectors of telecommunications and technology and the expansion of service firms like American Express have added on to the number of multinationals, but overall the big names in the EU are still in place.

Europe today still has a large number of major corporations with global interests, which are direct descendants from the last pan-European industrial and corporate boom a century ago.

Among the 120 French blue chip companies in 1998-1999, 58 had been established prior to 1930 and 41 prior to 1898, including Saint-Gobain, world's leading manufacturer of glass and building materials. The company founded in 1665 under the tutelage of France's first finance minister Colbert, in the reign of Louis XIV, has operated internationally for over three centuries, with production in Germany since 1857, Italy since 1889, Spain since 1904, Brazil since 1937 and the U.S. since 1967.

Since the creation of the EU, a new superstructure as both economic and political umbrella defines corporate linkages and global expansion. In this environment, regions surpass nations as capitalism evolves from " oligarchic capitalism to democratic capitalism" (Alain Minc,www. capitalism).

Two CEOs in the last decade, Jorma Ollila at Nokia and Jean- Marie Messier transformed entire sectors into global powerhouses. Taking advantage of Finland's historically liberalized telecommunications sector, the small handset division of Nokia which had diversified interests began to focus all its energies on advanced technology, moving away from tires television and cables.

Vivendi, the former Compagnie Generale des Eaux was founded in 1853 in the first industrial wave under Napoleon III. Since 1994 under the leadership of Jean-Marie Messier the company moved from water and waste management with municipal contracts in France and abroad into publishing, media and telecommunications. With the acquisition of Canal Plus and Havas it became France's largest media company. In 1999 by taking a stake in the British telecom Vodafone's takeover of the German firm Mannessman, Vivendi expanded its operations into telephony and Internet services. In 2000 Vivendi acquired Seagram and in turn Universal Studios. Vodafone is also inter-linked to France Telecom. Vivendi's shareholders include Saint-Gobain, AXA-UAP, Alcatel Alshom, Societe Generale and BNP. In 2001 Messier became a member of the New York Stock Exchange, joining Jurgen Schremps of Daimler and his former boss, David Weil of Lazard Freres. Speaking at a Financial Times conference on New Media and Broadcasting, Messier signaled interest in new opportunities after the “e-crash” as Vivendi explored linkages with Barry Diller for USA networks. In 2001 Vivendi decided to purchase Houghton Mifflin and enter the lucrative US educational publishing field. The creation of Vizzavi, a multi access portal with Vodafone was aimed to rival MSN/Yahoo.

Bernard Arnault’s creation of LVMH began by the merger in 1987 of the most traditional of French high end manufacturing sectors, fashion, leather goods and beverage with the merger of Vuitton with Moet-Hennessy. It attained in 2000 a 13.2% share of the world market in perfumes, beauty products and couture by integrating Dior, Celine, Givenchy, Kenzo, Loewe and Sephora. In 1999 LVMH and Dior enhanced its presence in the United States by the locating its U.S. operations in a new architecturally innovative glass building in Manhattan. In competition with the Pinault group for other fashion labels, including the house of Gucci, these multinationals not only dominate the industry world wide, but allowed France’s prestigious but stodgy and non profitable couture sector to be revived and to regain its position of supremacy in EU and world markets.
These companies have contributed to France’s economic boom in the 1999-2001 when France for the first time since 1945 surpassed Germany in growth and productivity with a sharp drop in unemployment.

Defining the new economy for Messier in his book titled Faut-il avoir peur de la nouvelle economie? (Should one fear the new economy?) is not a series of new sectors or technologies but a new interrelationship between markets and producers. Messier judges that advances have come about by integrating new technologies into old economy firms and sectors and by melding the best of both cultures, interestingly a message not dissimilar to Alan Greeenspan’s interpretation of a healthy new economic paradigm after the present shakedown. Messier sees the European Unions advantage over the United States as “ our ability to represent cultural diversity at a time of globalization”.

In the 1980s, despite lip service to privatization, Europeans still sensed that rapid progress and modernization would occur more efficiently under government support. France modernized its antiquated telephone system within a decade once the government chooses to provide every citizen with a telephone and Minitel access. Finland’s massive push for wireless and internet technology was a joint effort by government, research centers and private firms.

Since 1990 the new strategy was to create Euro brands, The optimistic outlook in 1990-1991 led by the media creation of Robert Maxwell’s new publication, The European, was that the twelve country market of 325 million consumers would meld into a uniform trade zone with pan European clients and products, with new brand names created to make them compatible in all languages. The ensuing decade would prove how deeply entrenched national cultures, brand recognition and consumer responses are, yet to what a point the incursion of technology and American consumer products levels off major differences through the rapidity and uniformity of electronic communication, services and products.

Gradually both in the European Union's traditional innovative North and in the conservative South, there came the initial realization that there would have to be a de-coupling of the century old state-industry/finance relationship in order to foster competition and growth.

Since 1996, the prospect of the European Monetary Union has accelerated the rate of privatization and consolidation in order to strengthen domestic sectors. The elimination of financial costs of currency conversion, re-invoicing, has simplified the process of cross border uniformity, however smooth integration has involved the much more complex and intangible melding of entirely different management styles, organizational structures, attitudes toward profit, accountability and state alliances and allegiances.

Since the Thatcher privatization of British Telecom in 1984, Europeans have acknowledged that privatization is the first step to consolidation and reforming archaic structures. It imposes competition and the need to meet the demands of competitive society but it also frees up the political inter-linkages between industry and state. The advantages of the dirigiste model in France and the corporatist bank-industry model in Germany, which allowed their economies to flourish in from the 1970s to the 1990s, is slowly giving way to independent decision making which takes into account the bottom line rather than state influenced alliances.

The definition of privatization shifted from the " noyau dur" of the first wave of French privatization in 1987 when the government maintained a 51% share to the limits imposed by the EU Commission on the privatization of Credit Lyonnais, limited to 10% state stake. Europe in many ways is caught in the French dilemma between Mondialisation heureuse and L'horreur economique, between Vivanne Forrestier's fear of losing national integrity in the name of globalization and Alain Minc's version of benign capitalism.

American concepts are just beginning to take hold within the ranks of senior management where decisions were taken behind closed doors and knowledge was imparted on a need to know basis. The Vienot French government report in 1994 already indicated that corporate boards have to be reevaluated to reflect the more diverse nature of the shareholders and also include foreign members. Changing the culture of corporate governance has been a slow and recalcitrant process for traditional family owned or controlled companies like Michelin, the world's largest tire maker in existence since 1889, whose board of directors in 2001 did not allow outsiders or foreigners and maintained strict control on any public disclosure.

Once the state is no longer the majority shareholder it opens a Pandora's box as shareholders demand profitability and encourage a company's expansion both domestically and cross-border, but the core of shareholders are still a country's key institutional investors and major constituency, therefore the demands of a society's values are imposed on corporate decisions.

In early spring 2001, Prime Minister Jospin had to face this paradox after Danone and the British retailer Marks and Spence announced large layoffs: how to remain responsive to the demands of labor, his core constituency yet appear accountable to foreign investors who praised France's new aggressive approach to performance and profits.

EU corporations have to remain more socially responsible, have to balance the tradition of labor management participation, environmental concerns as well as answer to the sirens call of quick profits and bottom lines.

There is also a new mindset, which began a decade ago on how employment is viewed. Based on the tradition of guilds and skills passed from generation to generation, employment in Europe meant lifetime security guaranteed by the employer and the state. Since the mid 1980s there has been a democratization of the European work ethic. There is a new willingness to trade job security for better opportunities and compensation, a new approach to job mobility. Europeans today have a new generation of plurilingual, pluricultural, technologically literate young managers, many of whom have benefited from EU cross border graduate training programs under Erasmus, and Socrates I and II. During the height of the boom a New York Times article described how entrepreneurs were beginning to gain not just respectability but actually role model status even in conservative Germany ("On the continent, on the cusp," May 14, 2000).

In 2000 the new economy convention 3GSM World Congress in Cannes attracted as many participants and as much attention as the film Festival. One of the challenges will be how to integrate this new elite and new class of workers into the labor force. They are not represented by any union nor belong to any historical group, yet they are demanding, educated and necessary to the development of new technologies and new markets. The EU Commission will have to face the challenges of regulating not only the Internet but also new products and sciences with vast moral and economic implications.

There is an understanding that the qualities needed for global leadership are those described by Laurent Fabius, French Minister of Finance at the Nice EU Summit in December 2000:
"As I understand the economy, the decisive factors will be innovation, creativity, and knowledge research he said: You need a 300 million person market for this; I don't know if big is beautiful, but strong is beautiful. At the least it is very useful." The sectors where the most rapid changes are occurring are a combination of new and traditional: venture capital, in the Netherlands and UK, aeronautics in France, computer chips at the revived Sophia Antipolis, France's Silicon Valley, software, in Italy, wireless technology in Finland, the home of Nokia, and the research facilities at Tampere University.

The EU Commission for Information Technology commissioner Erkki Lii Kanen, who berated the lag in EU Internet use and awareness in 2000, vowed that the goal was to make the EU the most computer literate society by 2010. Internet use in EU households has jumped from 18 to 30% in the last two years with Denmark, Finland, Sweden and the Netherlands in the lead with over 50%, which surpasses the US 41%. In terms of human capital EU students outperform the United States in math, and science. The EU, although more dependent on oil imports, is more energy efficient and a whole new generation is much more aware of environmental concerns than the U.S.

As the American economy slowed down and productivity weakened in 2001, the OECD projected that EU growth for the first time in a decade would surpass US growth. In 2000 for example IBM revenues grew by 18% in Europe and 8% in the US.

In a December 15, 2000 "Survey of the Worlds Most Respected Companies" conducted by the Financial Times, among the top fifty, there were fourteen European, thirty-two American and four Japanese firms. The prediction is that within five years there will be eighteen European, twenty-nine American and three Japanese. The top EU firms are Nokia, DaimlerChysler, Vodafone, Royal Dutch Shell, British Petroleum, Siemens, Oreal, ABB, Airbus and AXA.

The entire EU banking sector has been revamped and forced to undertake radical reforms, eliminating bureaucracies, reducing nonprofitable branches, improving performance and focusing on clients needs by offering new services and products. The resurrection of the Nordic sector with the merger of Merita of Finland and the restructured and solvent Swedish Nordbanken in 1997 created the region's first megabank.

The Spanish economy, which began its renaissance in 1994, after near collapse of its financial sector with the bailout of Banco Banesto, has seen since 1999 the most solvent banking sector led by the powerhouse of Banco Santander, which absorbed Banesto and then consolidated with Central Hispano to create BSCH.

In telecommunications the privatization of France Telecomm and the Spanish Telefonica has accelerated the pace of reforms and injected more capital into these economies. Spain today creates half the jobs in the EU and has an outstanding record of successful fiscal reform. Benefiting from cultural and linguistic compatibility, Spain and Portugal also set up linkages for the EU with Mercosur and after the slowing down of Nafta, with Mexico and Chile.

In the retail sector the French Carrefour, Europe largest retailer, which introduced the concept of American type of supermarkets in France with its chain of hypermarches, by merging with its competitor Promodes in 1999, created the world's second largest retailer, after Walmart.

In the steel production sector the merger of the French giant Usinor with the Luxembourg Arbed and the Spanish Aceralia has created the worlds largest steel maker, surpassing South Korea and Japan.

European firms have also taken a lead in pharmaceutical, agrochemical and biotechnology. The successful merger of the French Rhone Poulenc and the German Hoechst, renamed Aventis, is a model of efficient, cross border alliance. With headquarters in Strasbourg, it has achieved synergy without compromising either sector, which operate out of Lyons and Frankfurt. France has a long history of excelling in medical research with the Pasteur and Merieux Institutes. With the creation of new industrial research centers like the Genopole in Evry, biotechnology has come to the forefront. The success of Aventis was to focus not only on the integration of product lines but to seek synergies on cultural and production issues. Similar success occurred in the French UK merger, Alstom in 1998.

The next decade is going to see much more aggressive trade rivalry between dollar and Euro denominated multinationals in Latin America and Asia.

The European Union has adopted many of the Anglo-American principles of capitalism but it has maintained its own cultural integrity in its interpretation. Not absorbing the lessons and tactics of U.S. style business behavior occurs at a high price, as illustrated in the Vodafone Mannesman hostile bid and takeover in 1999. Traditional German senior management was caught off guard by the aggressive UK tactics and by Vivendi's last minute decision to support the Vodafone bid over allegiances to its German firm. Shareholder demands, efficiency, cost reduction, and projected higher dividends won out over diplomatic and historic allegiances.

However as an article in the Financial Times entitled: "A New European Model" explained, the model is adapted to European's concern for its citizens. When Europe has to choose between the General Motors and Volkswagen model: "But between one that sacks its employees without blinking and one which trains its staff till the end, Europeans don't hesitate; they would choose VW over GM. "

Although CEO level compensation across the EU has greatly increased, salaries are rarely disclosed but the differential between CEO and labor force wages remain vastly smaller than in the U.S. A study in the Financial Times revealed that the average CEO in Sweden earns thirteen times the salary of average blue collar worker as opposed to fifteen times in Germany, twenty-four times in the UK but four hundred and seventy five times in the U.S.!

The interesting paradox about the EU's ability to modernize is that whereas Europe is seen as obsessed and enmeshed in its traditions and history, it is also able to simultaneously adapt very rapidly. Italy, Spain, France, the most conservative business cultures, have proven in the last five years the greatest flexibility in adopting new ideas and new methodologies. The U.S. benefits from inherent dynamism, natural assets, size of the market, geographic vastness, easy mobility and lack of stigma for failure, but fundamentally it is important to recall that Europeans are survivors, able to revive economies, states and even nations after total devastation.

The theological credo that money and profit are to be scorned and parodied as unworthy slowly evolved throughout the 19th century toward the economic concept that the welfare of society and the prestige of the state depended on business expansion and profitability. In France the "rentier" gave way to "rentabilite", respectability could be attributed to making rather than inheriting money..

Since 1995 there has been a sea change across Europe. The EU Commission on

Competitiveness began to intervene and set guidelines in the issue of state subsidies, bailouts for major banks, defining the conditions of privatization, including even such sacred cows as the German Landesbanken, under intense domestic and EU pressure. American firms are now being scrutinized by the EU, an entirely different scenario than when U.S. mergers dominated individual industries in European countries or had a free hand across Europe, as IBM Europe, McDonalds or Proctor and Gamble. The rights of European firms to successfully compete is now being protected as American mergers may be hampered in their EU operations.

Ten years ago Europe was seen as a threat to American corporations. So called "Fortress Europe" had the edge in technology and aeronautics. As Prime Minister Jospin made clear in his speech on France and the Internet in June 1999, historically Europe has been at the forefront of manufacturing, technological and technical innovation, from the ATM to the Minitel. A decade ago, France, Germany and Japan had the lead in superconductors, chips and personal computers.

But the issue is very delicate. Daimler Chrysler was supposed to enhance performance and profitability for both the American, German and since 1999 the Japanese Mitsubishi automotive sector. After three years Chrysler is under siege and the only profitable unit is Mercedes because the Mercedes line was left intact. There was no melding of product lines or parts, which saved and benefited an extraordinary product.

The EU continues to buy U.S. assets. The model cannot be Daimler Chiseler or even the less virulent Deutsche Bank Bankers Trust. It will have to be subtler, attuned to the differences in culture. Mergers will need to become strategic alliances with complementarily. The problems at Daimler go way beyond balance sheets even into the domain of language. The chairman Jurgen Schrempp speaks fluent English, therefore when the merger occurred it was understood that at Daimler, as in many EU companies (outside of France), the corporate language would be English. However at the restructuring meeting, once it was clear that "Chrysler has been subsumed by Daimler, it came as little surprise that yesterdays long-awaited restructuring announcement was conducted entirely in German" yet at its news conference Daimler insisted that it continues to seek " globalization with a new and positive definition here" (Financial Times, February 27, 2001). What these problems have shown is that even Germany, the motor of European economic revival since the 1970s, needs to readjust its strategy and become sensitive to cultural perceptions not only in the political, but in the corporate realm.

When European companies came to the U.S. in the 1980s to establish factories and branches (Mercedes in Alabama, Michelin or BMW or the Swiss Novartis in South Carolina,) the match was good. They created jobs whereas today Daimler has cut 35,000 jobs at Chrysler.

American workers were welcoming and saw benefits in the German work credo, but acquiring entire segments of an industry, an American institution like Chrysler was another matter. The Germans since the merger in 1998 have been perceived as arrogant, overbearing and insensitive, the exact same terms used in the 1960s to 1980s to describe U.S. firms in Europe, In an odd role reversal, for the first time a U.S. company had to deal with issues of loss of national sovereignty, loss of history and prestige of a known brand.

De Gaulle hated the idea of multinationals as an American phenomenon described in a January 23, 1963 interview with Alain Peyrefitte:
"What the Anglo-Saxons want is a Europe without limits, a Europe which would no longer have the ambition to be itself. A Europe without borders. English style Europe. In reality, America's Europe. The Europe of multinationals. A Europe which in its economy, and more so in its defense and politics, would be placed under inevitable American hegemony. A Europe where each European country, beginning with ours, would lose its soul."

Le Defi American in 1967 by Servan Schrieber, with an afterword by Jacques Maisonrouge, head of IBM France, who became Minister of Industry in France's business expansion of 1986-1988, was a call to arms for a Europe about to be overrun by American investment, buyouts, and multinationals. Europe suffered from lack of initiative, state run enterprises, dearth of technical expertise and immediate need for reforms, tax incentives and new business schools and management training. Japan was admired as a model for fostering the highest level of competition yet maintaining its socio-cultural traits.

A report by the Hudson Institute, part of the Rand Corporation in 1968, quoted by Servan Schreiber, forecast global growth and expansion for 1980, predicting that a new European Community, multicultural and multinational, could come about only when Europe could define "an economic and technological personality". The question was how quickly could European nations realign their economic priorities, energize their industrial policy, and develop human capital and management skills able to create companies, which could compete with the United States. Between 1979 and 1987 Europe led by France and Germany proved how quickly and efficiently these goals could be achieved.

In 2001 Europe is far more led by market orientation than by ideology or history, a credo gradually taking hold in former Eastern Europe and in the countries seeking ascension to the European Union. The challenges are far less daunting and focused on specific sectors rather than overhauling an entire socio-economic framework. Europe is no longer led by statesmen and visionaries, but like the United States by pragmatic shrewd CEOs. German Prime Minister Schroder's view of Germany " without illusions, without sentimentality", is the tradeoff for solid business acumen. De Gaulle, Mitterand, despite promoting socialist capitalism, Adenauer and even Kohl were wary, if not outright hostile to business and money-based interests.

U.S. multinationals still have the advantage of being one vast American enterprise going into Europe, EU multinationals are often the product of acquisitions and cross fertilizations across Europe which are now branching out into the US.

However Europeans firms have an advantage in their historic perspective and tradition of developing long-term strategies. Multinationals need to forecast consumer demands and the environment in which they will have to operate in radically different markets. As in the case of Daimler Chrysler, initial approaches may not be successful but they are reevaluated within a longer time span and a broader regional and global framework. Till a few years ago EU companies only provided annual reports, versus the U.S. quarterly report, a concept and term unknown in Europe. History has provided Europeans with a sense of patience and pragmatism, which in an uncertain world may serve them well.

In the first six months of the Bush presidency, the EU press has expressed concern about a perceived indifference in Washington. But in reality, on both sides of the Atlantic the immediacy and urgency of common decision making so crucial after the fall of the Soviet Union, has given way to greater concern on good corporate governance rather than clear leadership. Under the judicious guidance of Robert Zoellick and Pascal Lamy, the banana trade wars have been resolved. European multinationals by their very nature have not become Americanized but rather preempted into a broader global commercial and economic discourse.

This presentation began with esthetics, let it end with pragmatism. The French philosopher Voltaire in the 1756 version of the letter “Sur le Commerce” in Lettres philosophiques makes a prescient appeal to the French and the German, entrenched in their aristocratic contempt for commerce, merchants and financial transactions, contrary to the English who understand that the strength of their society depends on a rich and powerful bourgeoisie, a landed merchant gentry and the ability to conduct business transactions. Therefore when a German prince “had no money, without which one can neither capture nor defend cities, he had recourse to English merchants, in half an hour, he was lend fifty millions (gold pounds) and he could deliver Turin, rout the French and send a note of thanks to those who lend him this sum
“Gentlemen, I received your money and I allow myself to believe that I have used it to your satisfaction.”

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