Origins of United States Direct Investment in France*

Most analyses of American direct investment abroad focus on the post-World War II era, and on manufacturing. Professor Kindleberger examines United States direct investment in a range of undertakings in France—finance, insurance, trade, marketing, services, and manufacturing—and concentrates on pre-1950 developments.

In the French official literature, American direct investment in France is a phenomenon which dates from the 1950s. This judgment is quantitatively correct; the bulk of existing American investment in France is of postwar origin. In qualitative terms, however, one can find in the nineteenth and early twentieth centuries most of the factors which account for the recent movement, except perhaps for the sharp reduction in costs of communication and transport which have spread the movement, and the "follow-the-leader" psychology. Already by 1900 there was offensive and defensive investment, investment to supplement and to supplant exports, and American firms in service industries were already establishing units abroad to hold the loyalty of their domestic customers. By 1885 in insurance, 1920 in banking, and generally by 1929, there was French concern at the American invasion of France.

1 La Documentation Francaise, "Aperçu sur les investissements Américains en France," Notes et études documentaires, No. 3770, 15 Mars 1971, 3; and "Les Sociétés internationales," Notes et études documentaires, No. 3709-3710, 20 Juillet 1970, 40.

2 General concern about American investment is recorded first in Britain in 1900; see Fred A. McKenzie, The American Invaders: Their Plans, Tactics and Progress (New York, 1901), and B. H. Thwaite, The American Invasion: England's Commercial Danger (Wilmingtong, N.C., 1902). German anxiety over Überfremdung—excessive domination of industry by foreign ownership—was recorded as early as 1852, when Gustav Meissen complained about British, Belgian, and especially French ownership of Rhineland mines. German irritation over American investment in the electrical industry was expressed in the 1890s. See Pierre Benaerts, Les origines de la grande industrie allemande (Paris, 1933), 353.
recorded direct investments in manufacturing, moreover, Haviland & Co’s. porcelain factory in Limoges, illustrated a phenomenon which has only recently assumed major proportions — the establishment of plants abroad to manufacture goods primarily for the home market.

Most interest in direct investment in the literature attaches to manufacturing. In his well-known study of *American Investment in British Manufacturing*, J. H. Dunning dismisses investment in “sales agencies and banking houses” during the late eighteenth and early nineteenth centuries.\(^3\) There are a number of reasons, however, why a more complete picture of investments in sectors other than manufacturing is desirable. Up to the middle of the nineteenth century, distinctions between banker and merchant were not sharply drawn, nor were those between trader and manufacturer. Many entrepreneurs undertook all three functions simultaneously.\(^4\) Finally, and not of lesser significance for our understanding of direct investment, trade and service industries add to the generality of the explanation of direct investment based on manufacturing.

**Finance**

The first significant American investment in France was that of a banking house, Welles & Co., founded by Col. Samuel Welles of Boston in Paris in 1816. Maurice Lévy-Leboyer gives the firm name as Welles & Williams, indicating an association with another Bostonian, Samuel Williams, who had a banking house in London until its failure in 1826.\(^5\) Both were in the business of financing European dry goods exports to the United States. Welles had a branch in Le Havre in 1828, under the name Welles & Greene, manned by John B. Greene of Boston.\(^6\) Welles & Co. served as correspondent for

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\(^3\) (London, 1958), 17. Dunning is mistaken in giving pride of place to the establishment in 1856 of the North British Rubber Company in Edinburgh by J. Ford of New Brunswick, N.J., for vulcanizing rubber. An earlier manufacturing investment in Britain was the branch plant established by Samuel Colt in London in 1852 to make muskets and pistols with interchangeable parts. This concern was sold to a British purchaser in 1857 at the end of the Crimean War, and failed shortly thereafter. Mira Wilkins’ highly useful history of American direct investment (*The Emergence of Multinational Enterprise: American Business Abroad from the Colonial Era to 1914* (Cambridge, Mass., 1970)) states that these two failures are exceptional as American direct investments prior to the Civil War. She has not taken account of the still-flourishing Haviland & Co. of 1842 in France, although (as noted below) there is a question whether that qualifies today as an American investment.

\(^4\) Fritz Redlich, “Business Leadership: Diverse Origins and Variant Forms,” *Economic Development and Cultural Change*, VI (April, 1958), 177–190.

\(^5\) Lévy-Leboyer, *Les banques européennes et l’industrialisation internationale dans la première moitié du XIX\(^*\) siècle* (Paris, 1964), 432, 436.

\(^6\) *Ibid.*, 436; Adressbuch der Kaufleute und Fabrikkarten von ganz Deutschland so wie der Haupt-Handels-und Fabrikkarte des westlichen Europa unter der andern Welttheile (1828), 9, 19.

The liner service from New York to Le Havre was begun in 1822 by Francis dePau, four years after the initiation of the famous Black Ball Line from New York to Liverpool;
American merchants like Peabody & Riggs of London and Baltimore when they bought French and Italian goods; the firm was asked from London to honor drafts upon it at three months to purchase fine silk, linen handkerchiefs, collars, cravats, gloves, and veils from Paris, Lyons, and St. Etienne. In addition, Samuel Welles served as a social and mercantile center in Paris for visiting American businessmen. Like Williams in London up to his failure in 1826, and George Peabody in the same city from the 1830s, “few of his countrymen failed to find their way to his [counting] rooms, while he entertained in his home nearly every travelled American of note.”

There is some doubt whether Welles & Co. can properly be called an American direct investment. The bank was dissolved in 1841 at the death of Col. Welles; his widow married a French aristocrat who adopted his young son, who was then raised as a Frenchman. During its heyday, however, it received the support of Col. Welles’ cousins, John and Benjamin Welles, who constituted the auxiliary house in Boston to the banking house. John Welles drew his capital out of Welles & Co., Paris, just before the troubles of 1837. Presumably other American funds remained in the bank, whether those of Benjamin Welles, or of another of Col. Welles’s cousins, Henry Winthrop Sargent, a member of the firm of Gracie & Sargent, the New York correspondent of Welles & Co. Mr. Sargent retired, aged thirty-one, when the Paris bank was liquidated at the death of Col. Welles in 1841, after the bank had weathered the 1837 crisis.

The crisis of 1837 ruined three American banks in England, beginning with W. Wiggins & Co., Wildes & Co., and Wilson & Co., plus a number of others — Frisch, Low & Berry, Griswold & Adams, Draper, Todd & Co., and Francis F. Dorr & Co. Williams & Co. had failed earlier, in 1826. The crisis almost brought down W. and J. Brown, among the sons of Alexander Brown of Baltimore, who were aided by the Bank of England. It may have dealt the coup de grâce to Fitch & Co. of Marseilles and New York, which with Welles & Co. dominated the French trade in the 1830s.

Henry W. Lanier, A Century of Banking in New York, 1822–1922 (New York, 1922), 104–105. An American Chamber of Commerce in Le Havre is recorded in this period, but without details; R. G. Albion, The Rise of New York Port, 1815–1860 (New York, 1939), 237. The American Chamber of Commerce established in Paris claims to be the first American Chamber abroad.

7 Muriel E. Hidy, “George Peabody, Merchant and Financier, 1829–1854,” (Ph.D. dissertation, Radcliffe College, 1939), 17, 58.
8 Isabella Pratt Shaw, The Welles Family and Wellesley (n.p., n.d.), 23.
9 Ibid., 29, 29.
10 Hidy, “George Peabody,” 84.
11 Lévy-Leboyer, Les banques, 558.
12 Hidy, “George Peabody,” 87.
13 Fritz Redlich, The Molding of American Banking (New York, 1951), II, 69.
pulled through the crisis with help from the Bank of France. The firm had had $13,500,000 liabilities unpaid, largely to the United States, and $6,500,000 of acceptances outstanding among the public in Lyons and Paris, plus more at the Bank of France.\textsuperscript{14}

With the dissolution of Welles & Co. after Col. Welles's death, there appear to have been no notable American bankers in France in the 1840s. In London, Peabody & Riggs evolved into George Peabody & Co., later Peabody, Morgan & Co., still later Morgan, Grenfell, and shifted out of merchanting and financing shipments of dry goods, to state bonds and, at the end of the 1840s, to U.S. federal debt. George Peabody & Co. had correspondents in Paris, presumably French. Peabody's major sales of American bonds on the Continent, however, were to Germany, where after 1848 American securities were sought both to hedge against further revolution and because the coupons were bought at premia by emigrants headed for the United States.\textsuperscript{15} United States bonds were also sold in Britain, Germany, and Switzerland through branches of brokers and dealers of those countries established in New York. Lazard Frères was another such bank, in a way, although it started in New Orleans and opened branches in London and New York before establishing the head office in Paris.

An early firm which has left little trace in the record of Franco-American financial relations was Munroe & Co. This was started in 1851 as a successor to the merchandising business of its American founder. It may have specialized in silk.\textsuperscript{16} In 1878, it was noted as one of three collectors for a charitable fund in Paris, along with Drexel, Harjes and Seligman Frères.\textsuperscript{17} It moved gradually into stock broking, under which designation it was recorded in the American Chamber of Commerce Directory in 1930\textsuperscript{18} as a subsidiary of John Munroe & Co. of 100 Broadway, New York, with establishments in Paris, Cannes, and Pau (but it had disappeared from the directory in 1931, presumably a victim of the stock-market crash). Paris and Cannes suggest a business of brokerage among American expatri-

\textsuperscript{14} LeVey-Leboyer, Les banques, 559.  
\textsuperscript{15} Hidy, "George Peabody," 283.  
\textsuperscript{16} Cleona Lewis, America's Stake in International Investments (Washington, 1938), 193.  
\textsuperscript{17} Foreign Relations of the United States, 1878 (Washington, 1878), 182-184.  
\textsuperscript{18} American Chamber of Commerce in Paris, Americans in France (Paris, 1930).
ates. Pau, on the other hand, is largely an English, not an American watering place, though J. P. Morgan went there on one occasion, and there is evidence that a number of very rich American single women or widows of French nobility lived there. The pattern is by no means certain but would appear to have been trade, trade finance, government finance, industrial finance through bonds, stock brokerage, and then oblivion.

The next major developments in finance were associated with the Civil War in the United States. Eight Seligman brothers started out in retail dry goods in Alabama in 1838, went to California in 1849, and began as contractors in clothing, and possibly importers, in 1857. In 1862, they founded a bank, and quickly established branches in Frankfurt, Paris, and London, to market bonds of the U.S. federal government. The oldest brother, Joseph, sold bonds in Frankfurt with great success. The second brother was Jesse, the New York partner, friend of General (later President) Ulysses S. Grant and the “J” of J. & W. Seligman. William, the third brother, established Seligman Frères et Cie in Paris in 1864. The firm specialized in government bonds and played a major role in the re-financing of the American federal debt during the 1870s. In June 1874, J. & W. Seligman of New York acted for the Crédit Foncier and about fifteen other Continental houses in subscribing to a tender for $178,500,000 and took up half of a particular lot of $45,000,000. When World War I broke out, Seligman Frères & Cie in Paris found itself in a precarious position. J. & W. Seligman in New York advanced it funds to forestall liquidation, but withdrew its equity position on the ground of American neutrality. After the war, the French firm became Banque Seligman, which in 1935 became Seligman & Cie, but the direct United States interest terminated in 1914. William Seligman, who died in 1910, was one of the leaders of the American colony in Paris at the turn of the century, and he took a prominent role in the American Chamber of Commerce there. Especially was he called upon to deliver allocutions on ceremonial occasions.

The origins of the Morgan Guaranty Trust Company of New York in France go back to 1868 when the Drexel, Harjes firm was founded in Paris by Drexel & Co. of Philadelphia, its New York affiliate, Drexel, Winthrop & Co., and two individuals, Henry H. Harjes of Philadelphia and Robert Winthrop of New York. The founding firm, Drexel & Co., had originated as a Louisville, Kentucky, business in foreign exchange led by Francis M. Drexel, a German immi-

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19 Herbert L. Satterlee, J. Pierpont Morgan (New York, 1939), 150.
20 In Memoriam, Jesse Seligman (New York, 1894), 122.
21 Redlich, Molding, II, 367.
grant to the United States. Transferred to the broader opportunities of Philadelphia in 1838, the banking business evolved from foreign exchange to dealing in state and federal securities, along with personal banking. The firm flourished during the Civil War and developed close connections with Peabody, Morgan of London, successor to George Peabody & Co., in which Junius S. Morgan had become a partner in 1854. In 1868 it founded the Paris branch to conduct business as private bankers and to market American state and especially federal debt on the Continent. Shortly thereafter, Junius' son J. Pierpont Morgan, who had formed a small firm in New York under the name of Dabney, Morgan & Co., joined Drexel & Co. He was invited to do so by Anthony J. Drexel, the principal successor to his father, to broaden his access to the New York financial center. The firm of Drexel, Morgan & Co. was formed. In 1895 its name was changed to J. P. Morgan & Co. and that of the affiliate from Drexel, Harjes to Morgan, Harjes & Co.\(^{22}\)

There is no record that Drexel, Harjes & Co. took a role in the 250,000,000 franc loan which Morgan & Co., London, placed for the French government at the end of 1870. This was before the association of Drexel and Morgan, but the episode redounded to the good reputation of Drexel, Harjes and later Morgan, Harjes & Co. The company participated in refinancing U.S. federal government debt in the 1870s. A Drexel-Morgan-Rothschild alliance took $260,000,000 worth of bonds, with Morgan selling mainly in Britain and Rothschild on the Continent.\(^{23}\) The official account of the bank states that after 1873 it continued developing a market in France for the securities of U.S. companies and also became the “natural place for financial accommodation for the growing numbers of Americans visiting or living in Paris.”\(^{24}\)

Prior to World War I, the firm engaged in underwriting and issuing securities, largely for American accounts, on the French market. It carried on its books a number of dormant accounts of important French and American industrial companies, but these, states an informal history, did their current banking business mainly with the large French banks.\(^{25}\) Morgan in New York undertook to

\(^{22}\) Edward Hopkinson, Jr., Drexel & Co. (New York, 1952); Nelson Dean Jay, informal account of the Paris office of Morgan Guaranty Trust Co., typescript in possession of Morgan Guaranty Trust (hereafter cited as Jay typescript); John K. Winkler, Morgan the Magnificent (New York, 1930), 46.

\(^{23}\) Winkler, Morgan the Magnificent, 2.

\(^{24}\) Morgan Guaranty Trust Co., Annual Report, 1967, 10.

A Paris Embassy dispatch to Washington on October 20, 1873, however, noted that after consulting prominent American bankers in the French capital, it could be said that the number of American residents in France “does not increase but rather diminishes” (Foreign Relations of the United States, 1874, 401).

\(^{25}\) Jay typescript, 2.
market a minimum of $100,000,000 (maximum $200,000,000) of U.S. government bonds abroad against gold coin in the panic of 1896, using the Deutsche Bank in Germany and Morgan, Harjes in Paris, along with Morgan, Grenfell of London in the syndicate. The firm also served to transfer in gold and foreign exchange, without disturbing exchange markets and without compensation, the $40,000,000 paid in 1904 by the United States to the new deLesseps company in Paris, which sold its rights to build a canal in Panama.26

The bulk of its business, however, was the furnishing of banking services to the colony of wealthy Americans resident in France, and to affluent tourists.

World War I brought a major change in French-United States financial relations, and with it, in the activities of Morgan, Harjes & Co. J. P. Morgan & Co., in New York, was the purchasing and fiscal agent of both the French and British governments, and the Paris firm provided "the vital day-to-day contact with the French ministries." 27 In the postwar period, too, the French government raised private loans in the United States through J. P. Morgan, after direct Treasury-to-Treasury contact had been terminated. The firm reorganized its commercial banking facilities and observed that the older established American industrial companies, quiescent during the war, had become engaged in renewing and enlarging their plants with local credits and wanted to raise funds on the French capital market.28 The bank changed its name to Morgan & Cie in 1926, and with the merger of the parent company with the Guaranty Trust Co., to the Morgan Guaranty Trust Co. in 1959. It celebrated its 100th anniversary in 1968.

The informal services given to American travellers by private bankers began to be replaced at the end of the century when the American Express Company opened its first foreign office in Paris in 1895. Beginning on the Rue Halévy, it moved in 1901 to 3, rue Scribe, the address occupied by Drexel, Harjes & Co. from 1868 to 1873. American Express had been founded in 1850 as a result of a merger of three leading express companies: Butterfield & Wasson, Livingston, Fargo & Co., and Wells & Co. Two of the directors formed Wells, Fargo & Co. in 1852 to handle the western frontier, while American Express dealt in the East. As the railroad developed, the American Express Railway Agency was created prior to governmental parcel post in 1913,29 and later it became independent

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26 Satterlee, J. Pierpont Morgan, 309, 411.
27 Morgan Guaranty Trust Co., Annual Report, 1967, 10.
28 Jay typescript, 4.
29 In 1899, the American Chamber of Commerce in Paris circulated its 165 members to
as the Railway Express Agency. The American Express Company early started shipping cash, then turned to money orders in competition with postal money orders (1864). Interest in foreign freight began in 1888, and the activity which led to the establishment of the Paris branch was westbound freight. But the major business quickly became the traveller's check, developed and copyrighted in 1891, after the firm's president, J. C. Fargo, had encountered difficulty in cashing his letters of credit in remote foreign parts. In the first year, $9,120 of the traveller's checks were sold, then $6,000,000 by 1900, and $12,000,000 by 1913. The Paris branch was quickly followed by branches in London, Liverpool, Geneva, Rotterdam, and others. By 1926 American Express had five branches in France, and by 1972, the French subsidiary, organized as American Express International Banking, had 275 employees.

As revealed more fully below, the record is biassed by being more complete for successes than for failures. One of the latter may be noted, however. In 1906, almost 100 years after the failure of Boston banker Henry Higginson in London in 1811, Lee, Higginson & Co. of Boston organized an affiliated firm in London, Higginson, Tottie & Co., which the next year became Higginson & Co. In 1907 also, Higginson & Co. of London attempted to open a Paris branch. A biography of James J. Storrow notes that this branch occupied much of his personal attention, and its closing very shortly took a place among the very few failures of Storrow's life. A footnote in this biography, published in 1932, observes that the place of that branch was taken by the establishment of the French firm, Lee, Higginson & Cie in 1930. This did not last long either.

Prior to the Federal Reserve Act of 1913, national banks in the United States were prohibited from establishing branches abroad, or for that matter, outside the counties of their origin. The rule did not apply to private banks, nor to trust companies regulated by state law, and two New York banks, the Farmers Loan & Trust Company (1906) and the Equitable Trust Company (1910) existed in Paris in 1914, along with six British bank branches, two Spanish, obtain their opinions on the merits of the U.S. government starting parcel post service between the U.S. and France. Eighty-one replies were received, of which seventy-one were favorable and eight opposed—presumably American Express and the freight forwarders. American Chamber of Commerce, Paris, Minutes, April 5, 1899 (bound manuscript, American Chamber, Paris).

^Alden Hatch, American Express: A Century of Service (New York, 1950); Ralph T. Reed, American Express: Its Origin and Growth (New York, 1952).
^Carl Seaburg and Stanley Patterson, Merchant Prince of Boston: Colonel T. H. Perkins, 1764-1854 (Cambridge, Mass., 1971), 225.
^Henry Greenleaf Pearson, Son of New England: James Jackson Storrow (Boston, 1932), 100.

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one Italian, five Russian, and five from other nations. With the passage of the Federal Reserve Act and the war, a substantial movement abroad took place. The Guaranty Trust Company of New York opened a branch in Paris in 1916. With the Bankers Trust Company and J. P. Morgan & Co., it took a leading part in organizing the French Industrial Credits of 1916, under which 165 American banks accepted credits for seventy-five French firms. Upon American entry into the war in April 1917, existing banks expanded to serve American troops, new branches were established in ports such as Brest, Nantes, Bordeaux, and headquarters towns like Tours, and new banks entered. The number of employees of the Farmers Loan & Trust Company was twenty in 1914, then shrunk to only two with the mobilization of its French staff, then grew to 200 in 1918. The Guaranty Trust Company staff in France reached thirty-four in 1917, then grew to 414 employees in Paris in 1921, plus forty more in its Le Havre branch (started in 1919 to handle cotton imports). By 1925 the business was reduced to 265 employees.

The peak of American banking prior to World War II was reached in 1921, when there were eight U.S. bank branches (not counting independent affiliates like Morgan, Harjes, Seligman, and Munroe & Co.). By 1923, the number had shrunk to six. Clyde W. Phelps explains that with the growth of trade, it was necessary to change from dealing through bank correspondents to a firm's own branches (for secrecy, to deal in dollars and limit exchange risk, to protect client secrets, and to cosset the client psychologically). Paul P. Abrahams maintains that the United States government was interested in expanding overseas banking to push the use of the dollar worldwide. The Mercantile Bank of Connecticut started operations in Paris in 1917, but it never took an important place there. Its real interests were in Latin America, but when it got into trouble over Colombian coffee and Cuban sugar, it sold off its Latin American branches to the Bank of London and South America and its Paris branch to the Guaranty Trust Company. The Farmers Loan & Trust Company branch in Paris was absorbed with the merger of the parent bank with the National City Bank. The Bankers Trust

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33 Clyde William Phelps, *Le mouvement de l'extension des banques américaines à l'étranger et principalement en France* (thesis, Toulouse, Imprimerie V. Barnet, 1924), 141.
34 Paul P. Abrahams, "The Foreign Expansion of American Finance and Its Relationship to the Foreign Economic Policies of the United States, 1907–1921," (Ph.D. dissertation, University of Wisconsin, 1967), 71.
35 Phelps, *Le mouvement*, 77.
36 Phelps, *The Foreign Expansion of American Banks* (New York, 1927), 138.
37 Phelps, *Le mouvement*, 141.
38 *Ibid.*, 34–37.
39 Abrahams, "Foreign Expansion of American Finance," 84.
opened its Paris branch in 1920. The Chase National Bank also arrived in this period to take a leading role with Morgan, the Guaranty, and the National City.

Expansion in American banking in France has variously been viewed as offensive, as defensive, and as neutral. Clyde W. Phelps tried to explain that the banks gave French banks no competition, that U.S. banks were exclusively interested in U.S. commerce and tourists, with all internal affairs reserved for French institutions. He observed, however, that French opinion during and after the war was hostile to the so-called "invasion of foreign banks," and noted that a draft law had been prepared in November 1920, though not acted on, to supplement the tax of one per mille on capital with a tax of two per mille on all operations, while forbidding to foreign banks the right to receive deposits or to issue securities for customers other than their own nationals. In the United States it was claimed that American banks had to go abroad defensively: it was expected that the profits from foreign operations would be small for years to come, that the immediate profit would arise from increased domestic business growing out of the establishment of the branches for the banks' customers who were engaged in foreign trade; and that American industry could not surrender potential markets abroad to their competitors without contributing to profits which would enable these competitors to invade the United States.

The depression of the 1930s thinned the ranks further, but the post-World War II upsurge filled them to overflowing. Primarily this was to serve American companies abroad, as were lawyers, accountants, advertising agencies, consultants, and the like. The banker at the head of the First National City Bank of New York's operations in Europe, located in Paris, points out that foreign banks are at a disadvantage: they have to buy their money, rather than receive it free as demand deposits. Some underwriting is likely to be offensive, moving into monopolized and inefficient capital markets, and some distribution of American securities to French investors continues. For the most part, the new banks and bankers

40 Phelps, Le Mouvement, 95-96.
41 Ibid., 125-126. The one per mille tax on capital ("centime additionelle à la patente") was discriminatory in the sense that it applied to total capital of the bank, and not merely to the capital of units in France. Thus the National City Bank paid the tax on a capital of $100,000,000 for the entire bank, when it had only one branch in France, while the Société Générale, with 603 branches in France, paid a similar tax on a similar overall capital sum. In 1924, however, the National City Bank organized as a Société Anonyme, rather than a branch, and drastically reduced its obligation. Phelps, Foreign Expansion of American Banks, 179.
42 Abrahams, "Foreign Expansion of American Finance," 24, 40.
43 Jacques Koszul, "American Banks in Europe," in C. P. Kindleberger, ed., The International Corporation: A Symposium (Cambridge, Mass., 1970), 285-286.
are following their manufacturing customers to Europe, to be of service to them in any and all markets, with a view to holding the customers. From financing trade to the United States, to borrowing abroad for the United States, lending in France, providing personal banking services to individuals, and lending to American firms in France, American financial institutions are still some distance from entering competitively into French bank lending.

**Insurance**

Allied to finance in the nature of the product, but more nearly like trade and manufacturing in method, American insurance companies had a brief spurt in foreign investment from 1885 to 1914. From slow beginnings as early as the early 1860s, three New York companies in particular reached by 1914 impressive totals of life insurance in force ($750,000,000 in all foreign countries), premium income ($50,000,000), foreign currency reserves ($45,000,000) and buildings. New York Life, Mutual Life, and Equitable Life constituted the “Big Three,” whose advantage, necessary to foreign direct investment, lay in their aggressive selling, with high commissions paid to agents who “sold” insurance, rather than merely permitting customers to buy it. The American firms won authorization to do business in 1882 over the opposition of French insurance, banking, and railroad interests. Attempts were made in the French Chamber of Deputies to regulate the companies in 1885, 1890, 1892, and 1898, but all were unsuccessful. But in 1902 legislation was directed against them, requiring deposits in French securities, annual declarations of dividends due to policyholders, and more rigorous supervision. The large companies resisted by ostentatious purchases of French rentes, and an intensive propaganda campaign costing $40,000. The Armstrong scandals of 1905 in New York state led to more adverse publicity, and a new deposit law to cover old policies as well as new. Mutual Life withdrew, Equitable Life appealed to the Council of State and won its case in 1910, “partly because of the splendor of its new building.” New York Life accepted the ruling, believing that the $81,000,000 of insurance outstanding in France and $13,000,000 sold in 1905 were worth it. The inflation of the war, however, made the business uninteresting. By 1919, American companies abandoned their French insurance business until after World War II, when they went abroad with further

"Morton Keller, *The Life Insurance Enterprise, 1885–1910* (Cambridge, Mass., 1964), Part III."
innovations, group-life insurance, and major medical policies, though in the later period they expanded through participation in majority-owned local companies, rather than wholly-owned subsidiaries.

**Trade**

As already observed, distinctions between banking and trade were loosely drawn in the first half of the nineteenth century. Bankers and merchants financed the transactions of others, bought and sold goods for their own account and for third parties, as commission agents. As banking evolved and grew more specialized, moreover, so did trading. Commission agents, importers, wholesalers, jobbers, freight forwarders and the like separated themselves off. Fenwick & Co., for example, was noted as "the great importing house which played so important a part in American imports to France during the . . . three-quarters of a century" after 1894 (when the American Chamber of Commerce in France was founded). The firm was a founding member of the Chamber and was still functioning in 1969. Another founder was George R. Ostheimer, commission merchant, the Chamber's first Honorary Secretary, one of whose two sons, both members, was for many years a director. In addition to specialization, however, as the scale of trade grew and qualities of goods changed, large integrated firms went in for direct buying and selling. This evolution began early with American department stores.

The first American investment in trade in France of this sort was that of Tiffany's. Charles Tiffany started his New York store in 1837, and he acquired through a new partner enough capital to send a buyer to England and France in 1841. From Paris, his partner John Young bought artificial diamonds with gold settings of a type superior to those from Germany with which the company had started. On a subsequent trip in 1848, Young and an assistant found that the market for real diamonds had collapsed because of the Revolution. Throwing away their purchasing schedule, they put all their funds into real diamonds. Shortly thereafter Tiffany decided to open a store in Paris to take advantage of sudden fluctuations in prices, and to offer luxury merchandise to the many Americans traveling abroad who thought it "cosier and more reliable to pick up their more expensive mementos from a firm they could trust." 47

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45 Philip H. Whitcomb, *Seventy-Five Years in the Franco-American Economy: A Short History of the First American Chamber of Commerce Abroad* (Paris, 1970), 13.
46 Frank A. Southard, Jr., *American Industry in Europe* (Boston, 1931), xiii, lists 1850 as the date Tiffany decided to open a Paris store.
47 Joseph Purtell, *The Tiffany Touch* (New York, 1971), 19-24.

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Tiffany, Young & Ellis, as the firm was known between 1841 and 1853, also ordered additional goods made to their own specifications in Paris. Other luxury retail establishments with shops in Paris included A. Sulka in haberdashery (which was founded in New York in 1895 and opened a Paris branch in 1910), Révillon Frères, and later Kaplan’s (in furs), Durand-Ruel (art dealers), Brentano’s (books), Van Cleef and Arpel (jewelry), Winston (in diamonds), and, starting in Paris and moving to New York, Cartiers. Tiffany’s closed its Paris branch in 1952.48

The authorship of the department store, long associated with Ariste Bousicaut’s takeover of Bon Marché in Paris in 1852,49 and celebrated by Emile Zola in Aux Bonheur des Dames, is now in doubt. There is no agreement on criteria for establishing what a department store is: on the basis of size, the Ville de Paris with $2,000,000 in sales and 150 employees in 1844 could claim precedence;50 if the criterion is sales practices, A. T. Stewart’s in New York, founded in 1823 and expanded rapidly in the 1830s and 1840s, has a strong claim, as it went in for many departments, one ticketed price, low mark-up, cash sales, aggressive selling, advertising, volume buying for cash, and the like, well in advance of the competition.51 Ralph Hower insisted that the dominant consideration, however, is not the existence of departments, modern sales practices, or size, but a variety of housewares extending beyond dry-goods. On this score he supported the case for Macy’s, which opened its New York store in 1858.52 For present purposes, however, what is of interest is that A. T. Stewart made his first trip abroad in 1839, and stopped buying through commissionaires and import houses six years later when, in 1845, he opened his own foreign purchasing department in Paris. Stewart had a Paris partner, Francis Warden, who managed an expanding purchasing operation

48 The history of Tiffany’s makes a great deal of an alleged innovation in retail marketing in setting fixed prices, plainly marked on merchandise, concerning which there would be no bargaining, and attributes the immediate success of the Paris store to this technique (Purtell, Tiffany Touch, 18, 24). It may be doubted that fixed prices were original with Tiffany, despite the fact that New York newspapers of 1837 featured the practice in headlines. George Fox, the Quaker, called for it in the seventeenth century, and Josiah Wedgwood applied it in his showrooms in the eighteenth century [Ralph M. Hower, History of Macy’s of New York, 1858-1919 (Cambridge, Mass., 1946), 26, 89]. Bon Marché adopted the single price system in 1838, and the growing size of retail establishments made its spread inevitable when the store owner, or a trusted relative, could no longer take time to settle the bargain with each customer. The Tiffany investment was thus not solely or even primarily based on an innovation in retailing, although this store may have extended the system from dry-goods to jewelry.

49 H. Pasdermadjian, Le grand magasin (Paris, 1949), passim.
50 Hower, History of Macy’s, 73.
51 Harry E. Resseguie, “Alexander Turney Stewart and the Development of the Department Store,” Business History Review, XXXIX (Autumn, 1965), 303.
52 Hower, History of Macy’s, contains an extended discussion of the question whether Paris or New York deserves the credit for originating the department store, including an appendix (411-416) on “The Rise of the Department Store in Paris.”
from 1845 to 1873, establishing branch purchasing offices in every important textile center in the British Isles and on the Continent, and ultimately operating a number of textile mills in Europe for Stewart’s account.53

Macy’s relied increasingly in the 1860s on its own importations, as it eliminated importers and wholesalers as rapidly as increasing sales permitted. In 1893 it opened its own buying office on the Avenue de l’Opéra, partly because of the growing volume of purchases and partly for prestige, but closed it down within three years on the ground that the separate buyers from New York must see the goods.54

Field, Leiter & Company, from which Marshall Field of Chicago developed, was the largest single importer into the United States, according to a Chicago newspaper report of 1906, with foreign purchases rising from $2,000,000 in 1880 to $4,300,000 in 1900 to $5,900,000 in 1906.55 It paid three-fifths of the customs duties of the port of Chicago, which it had been instrumental in getting established in 1871.56 The evolution of the buying process is well illustrated in Field’s operations: at first in 1865 he went abroad himself in search of goods. As volume expanded, in 1868 he sent trusted employees. By the end of 1869 there was a Paris office on the letterhead of Field, Leiter & Co., but it was only a trade connection and not an independent office. In 1871 Marshall Field’s brother Joseph opened a purchasing office in Manchester, and in 1872 a real purchasing office was started in Paris. The number of buyers sent abroad rose from two in 1875 to twenty-one in 1906. In the 1880s the firm expanded the two foreign operations into a network which included the Paris office for general French merchandise, a second office in Lyons for silks, and a third in Calais for lace.57

The Field’s practice of the 1880s, however, gave way to the Macy’s decision of the 1890s to rely on annual trips of buyers familiar with the needs of the customers. Commission agents, importing houses, wholesalers and jobbers remained less preferable than direct buying, so that on the 1894 founding of the American Chamber of Commerce, it listed only two department stores with Paris buying offices: Jordan Marsh of Boston and Stern Brothers of New

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53 Resseguie, “Stewart and the Department Store,” 316.
54 Hower, History of Macy’s, 110, 242-243. Reference was made to “our Paris house” in the middle 1880s, but this was the buying office of L. Straus, a china-importing firm. Isador Straus (of the importing firm) bought into R. H. Macy & Co. in 1885.
55 Robert W. Twyman, History of Marshall Field, 1852-1906 (Philadelphia, 1954), 99, 178.
56 Lloyd Went and Herman Kogan, Give the Lady What She Wants: The Story of Marshall Field and Company (Chicago, 1952), 99.
57 Twyman, History of Marshall Field, 26–28, 116, 10.
York, and these names with all the others were missing from the list in 1969.58

New York department stores and Field’s in Chicago competed for exclusive agencies of European quality merchandise, especially kid gloves, chocolate, luxury china, and wines, plus French and Italian apparel. The decline of Stewart’s and the rise of Field’s was underlined when in 1880 the latter took over from the former the exclusive dealership of the celebrated Alexandre gloves.59

The next logical step after establishing purchasing offices was to undertake manufacturing. It was duly taken. It had been anticipated, however, by David Haviland, a New York importer of china from the East and England, who had been shown, in 1839, a broken teacup of unusual translucence and lightness, by a customer who wanted it replaced. Knowing only that it was French, Haviland went to France and found china of the desired quality being manufactured in Limoges. He tried to order some, but found it difficult to obtain his requirements in kinds of pieces, volume, and decoration. Accordingly in 1842 he established his own plant in Limoges, the first American manufacturing direct investment in France that I have been able to find, and antedating those listed by J. H. Dunning in Britain.60 The combination of French workmanship and American marketing made Limoges china renowned.61 A quarter of a century later, L. Straus & Sons, importers of china, glass, and crockery which sold in Macy’s and Wanamaker’s in New York, R. H. White’s in Boston, and in Woodward & Lothrop in Washington, D.C., acquired another china factory in Limoges, along with factories in Thuringia to make ivory and bisque novelties, and two in Bohemia for glassware and china, respectively.62 Haviland sold 80 per cent of its china through the New York importing company in 1905 and 20 per cent in Paris through the Au Louvre and Bon Marché stores.63 By 1972, only 40 per cent of the Limoges output was marketed in the United States and the rest in Europe, as Haviland & Co. became truly international.64

58 Whitcomb, Seventy-Five Years, 13.
59 Harry N. Ressegui, “The Decline and Fall of the Commercial Empire of A. T. Stewart,” Business History Review, XXXVI (Autumn, 1962), 269.
60 Interview, Frederick Haviland, and the pamphlet, Haviland: The History of a Name (n.p., n.d.); see also Whitcomb, Seventy-Five Years, 15.
61 A novel by Jacques Chardonne, Porcelaine de Limoges (Paris, 1936, pp. 83, 83) records trips by a Limoges engineer to America to discuss the technical workings of furnaces and refers to the mail from America.
62 Hower, History of Macy’s, 212, 246.
63 Custom House Justice and Haviland China (New York, 1907), 12, 33.
64 Interview with Frederick Haviland.
Stewart's was the only department store to go far with foreign manufacture. A number of American department stores manufactured in the United States, but Stewart's operated a cotton mill in Manchester, England, a linen factory in Belfast, and an underwear mill and lace curtain factory in Nottingham. Macy's opened an office in Belfast to take charge of production of linen articles.

The peculiarities of American taste led to the opening of a plant in France by American owners in one other item of consumption than china: kid gloves. Such gloves were a mark of elegance in the United States, and care was taken in department stores to stock a good brand, and if possible to do so exclusively. A. T. Stewart's loss of the exclusive agency for Alexandre gloves made by Fortin Fils et Deschamps was mentioned earlier. After Stewart's death in 1876, his successors had abandoned Stewart's practice of valuing Alexandre gloves three francs higher than other brands for customs purposes, leading finally to a Custom House charge of under-valuation, which brought unfavorable publicity to the French firm. In its first year of business, Macy's claimed that its kid gloves were its own importation. Hower believed they were handled through an agent, but that at some subsequent point the volume grew to the point where direct purchase was possible. Macy's adopted its own brand for La Forge kid gloves in 1877 and sold three different grades of Foster kid gloves, for which it was the exclusive agent in New York. It is not known whether these gloves were of French origin. It is noteworthy, however, that in his 1929 study of American Direct Investments in Foreign Countries, Paul D. Dickens observed that in a few products, the presence of local raw materials or local skill had drawn U.S. investments in manufacturing, and he cites French fancy glove skins. The reference is to Aris Gloves, Inc., which owns an interest in Gants Chanut, a long-lived investment which was established in 1910 and had 250 employees in the plant in 1972. In 1972 Aris Gloves in New York was bought by Consolidated Foods. The subtleties of high fashion make it unclear why in one case a French manufacturer will give an exclusive agency to an American wholesaler (Stewart's, Macy's, and Field's were all wholesalers of gloves in the nineteenth century, when they were also selling them at retail), whereas in another, the wholesaler-job-

66 Resseguie, "Stewart and the Department Store," 319; Hower, History of Macy's, 163.
67 Resseguie, "Decline and Fall of Stewart," 269.
68 Hower, History of Macy's, 110.
69 U.S. Department of Commerce, Trade Information Bulletin No. 731 (Washington, 1931), 32.
70 American Chamber of Commerce in Paris, List of American Firms in France (Paris, 1972), 12.
ber in the United States feels obliged to own the factory in France, presumably to have the product made to his idiosyncratic specifications.

The modern equivalent of Limoges china and Alexandre gloves, of course, is perfume and toiletries, in which American companies have taken over French firms to make the product to suit the American market exactly but to exploit French skills and the reputation of French products.

TRADE — SELLING

The rise of the department store led to direct buying of foreign goods. The introduction of new goods of Yankee ingenuity eliminated the commission agent and the wholesale merchant from the selling side. The merchant system is highly efficient because of specialization in the distribution of standardized products. It inhibits technical change, which is fostered by direct contacts between the producer and the ultimate user. The merchant impedes change by telling the producer, "they don't want them like that," and telling the would-be buyer, "they don't make them like that." An editor in 1884 recognized that the export house was no way to build a strong independent demand: "Sample machines lying in a far-off commission house and elegant office correspondence neatly done by a clerk on a type-writer," he wrote, "will never build up an export trade." Remington & Co., which obtained the exclusive rights to sell the Latham Sholes typewriter in 1875, arranged to market through Fairbanks & Co., a scales manufacturer with outlets all over the world. Six years later it cancelled the arrangement and undertook its own selling. The classic example is furnished by John H. Patterson, the high-pressure salesman president of the National Cash Register company. Prior to 1895, the European business of the company was conducted through agents, and sales were minimal. In 1897 Patterson took a trip through Europe covering fifteen countries and fifty cities in sixty days, and the French sales subsidiary along with many others was organized the same year. "It was not," wrote Roy W. Johnson and Russell L. Lynch, "the motion picture, or the petroleum industry, or yet the automobile that

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70 Charles P. Kindleberger, Economic Growth in France and Britain, 1851-1950 (Cambridge, Mass., 1964), 148ff.
71 Cited in Robert H. Davies, "Peacefully Working to Conquer the World': The Singer Manufacturing Company in Foreign Markets, 1854-1889," Business History Review, XLIII (Autumn, 1969), 306.
72 Richard N. Current, The Typewriter and the Men Who Made It (Urbana, Ill., 1954), 85, 103.
started the process often referred to as the 'Americanization' of Europe . . . the real pioneer in the movement that carried American selling methods throughout most of the civilized world was John Patterson and the NCR. Patterson spent two years in London beginning in 1908. By 1914 foreign sales accounted for one-third of the company's business.

Eastman Kodak, which had started manufacturing in England in 1890, was a pioneer in owning its own retail outlets. In 1902 it opened chain retail stores, first in London and then in Lyons. Twelve photographic dealers in Lyons protested. Eastman replied that the store would not subtract from their share of a fixed volume of trade, but that the publicity would expand the demand, with the result that other retail dealers would gain rather than lose.

It is impressive in the literature how rapidly the move from domestic production to exports took place. Staffan B. Linder's theory of comparative advantage in manufactured goods starts with development for the home market, and then, presumably after a considerable period, a move to sell the differentiated products abroad. The development in the local market must take place ahead of export, by definition, but it is remarkable how rapidly American manufactures entered the foreign market and established direct selling. Producers of the reaper, revolver, sewing machine, railroad brake, adding machine, typewriter, radiator, gramophone, kodak, arc lighting, telephone equipment, shoe-making machinery, and building elevators did not tarry in developing foreign markets. And fairly rapidly in the product cycle, as we shall see presently, they established foreign manufacturing.

In addition, the list of sales organizations includes a number of products long forgotten or languishing: the Yost typewriter, Jewitt typewriter, Brill railroad car, American gramophone, American Motor Carriages, Cleveland bicycle, Consolidated tires, Dunlap hats, and Stetson hats. Some gave up foreign investment prior to 1914, most before 1939. Some failed, some were driven out, some were absorbed by successor companies.

7a The Sales Strategy of John H. Patterson, Founder of the National Cash Register Company (Chicago and New York, 1932), 330.
74 Samuel Crowther, John H. Patterson, Pioneer in Industrial Welfare (Garden City, N.Y., 1926), 368, 273.
75 Carl Ackerman, George Eastman (Boston, 1930), 172.
76 An Essay in Trade and Transformation (New York, 1961), passim.
77 Yost & Co. early got the domestic (but not foreign) rights to the Sholes and Glidden typewriter, which ultimately became the Remington, but later Yost & Co. gave it up and started its own company in 1880. Current, The Typewriter, 78, 98. Little more is readily available about this company, and nothing about Jewitt.

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The origins of American manufacturing investment in France extend earlier than the sales agencies. The idealized product cycle starts with production for the home market, patenting abroad, exports, direct selling, licensing for manufacture abroad, and ultimately direct manufacture, although the order is not necessarily always identical. Products of Yankee ingenuity like Colt revolvers and McCormick reapers were patented in France as early as the 1840s, were exhibited before Louis Napoleon and at the Paris Exposition of 1855 (following successes at the London exhibition of 1851), and were licensed for manufacture by French firms in the 1850s.\textsuperscript{78} The Singer sewing machine license to Callebout in 1854 antedated the McCormick arrangement with D. J. Laurent of Paris and Francois Bella of Grignon in France.\textsuperscript{79} Like the contemporaneous direct investments of Colt in London and of J. Ford in Edinburgh, neither was a success. French peasant conservatism stubbornly resisted the McCormick reaper, despite the efforts of the initial two licensees and their successor of 1862, Albaret et Cie of Liancourt Rantigny. "In some seasons," William Hutchinson wrote, "McCormick's sales in France were fewer in number than the prizes awarded him there."\textsuperscript{80} Singer's initial licensee sold 425 sewing machines, but used the 15 per cent royalty owed to New York to pay off his own debts. This was the first and last time Singer sold a patent to an independent businessman. Mira Wilkins states that Singer started its own marketing in France after the expiration of the Callebout patent by the 1870s.\textsuperscript{81} Robert Davies' history of the company abroad from 1854 to 1889 makes no mention of it, and Philip Whitcomb, noting Singer's presence among the founders of the American Chamber of Commerce in 1894, adds that the company did not begin manufacture in France until 1937.\textsuperscript{82}

Manufacturing activities in France before 1900 included Westinghouse Air Brake (1879),\textsuperscript{83} General Electric and its predecessors,

\textsuperscript{78} William B. Edwards, \textit{The Story of Colt's Revolver} (Harrisburg, Pa., 1953), 255; William T. Hutchinson, \textit{Cyrus Hall McCormick} (New York, 1930), I, 404; Martin Rywell, \textit{Samuel Colt: A Man and an Epoch} (Harriman, Tenn., 1952), 127.

\textsuperscript{79} Hutchinson, \textit{Cyrus McCormick}, II, 415.

\textsuperscript{80} Ibid., II, 685.

\textsuperscript{81} Davies, "'Peacefully Working,'" 303; Wilkins, \textit{Emergence of Multinational Enterprise}, 38–39, 42.

\textsuperscript{82} Seventy-Five Years, 15.

\textsuperscript{83} The Vaupel & Curhan compilation [James W. Vaupel and Joan P. Curhan, \textit{The Making of Multinational Enterprise: A Source Book of Tables Based on the Study of 187 Major U.S. Manufacturing Corporations} (Boston, 1969)] gives the date of Singer's founding in France as 1907, the method as "subsidiary formed" and the activity as sales, with a manufacturing subsidiary formed only in 1957. The American Chamber of Commerce List gives the date of establishment as 1872.

\textsuperscript{84} Henry G. Trout, \textit{A Life of George Westinghouse} (New York, 1921), 269.
Edison Electric Light Co. of Europe, Ltd. and Thomson-Houston in electric lighting and arc lighting (1883 and 1892), Otis Elevator, United Shoe Machinery, Westinghouse Electric (1901), Western Electric, and American Radiator (1898). Further investments up to 1914 were made by Ford, Gillette, Eastman Kodak, Carborundum Co., Ingersoll Rand, International Harvester, International Steam Pump, and American Gramophone. The fourteen (sic) companies with manufacturing facilities in France in 1914 were fewer than the numbers in Britain (twenty-five), Germany (twenty-two), or Canada (thirty-four). All represented American innovations, predominantly in mechanical and electrical equipment. Where an invention was European, like the automobile, the investment (in an assembly plant by Ford) reflected an innovation in production on the one hand, and high rates of tariff protection on the other.

Manufacturing investment occurred in waves. After World War I there was another wave, including Corn Products, Carnation Milk, Colgate Palmolive, Atlas Chemical, and Chicago Pneumatic Tool—companies engaged in products of a second order of American ingenuity. If the story be true, one investment was inadvertent. The Norton Company in abrasives and grinding wheels, which had built a plant in Germany in 1910, was informed by a former employee that the plans on which he worked for a French factory in abrasives were identical to those which he had seen as a draftsman in Worcester, Mass. Arrests and litigation ensued, followed by a settlement, in the course of which the Norton Company ended up as the owner of a French plant.

Some notable companies did not participate in the postwar wave of investment, advisedly. Both Ford and General Motors turned down opportunities to buy Citroen, which came on the market in

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84 Exact dating of an initial manufacturing investment is difficult for the reasons illustrated in the preceding footnote. The Vaupel and Curhan compilation for 187 leading companies of 1967 and the American Chamber of Commerce List of 1972, covering 675 American branch, subsidiary, or affiliated companies in France (out of 1,000) are incomplete in coverage of existing firms at the time, and of course of firms that no longer exist or no longer maintain foreign investments. In addition, questionnaires are not always unambiguous and respondents can become confused in interpreting. In the American Chamber of Commerce List, “date of establishment” is sometimes given for the French subsidiary prior to acquisition or takeover, for transfer to the parent at time of reorganization or change of name. A further ambiguity inheres in the case of discontinuous investments. Vaupel and Curhan, moreover, ask for exact years only after 1900. The best general statement is, of course, Wilkins, Emergence of Multinational Enterprise. Appendix I presents as accurate a picture as can be drawn from secondary sources of companies by date of investment, according to broad classes.

85 Mildred McClary Tymeson, The Norton Story (Worcester, Mass., 1953), 171-172.

86 Mira Wilkins and Frank Ernest Hill, American Business Abroad: Ford on Six Continents (Detroit, 1964), 367.

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1919, in need of rebuilding and lacking cash. General Motors came in on the second wave of the 1920s, but limited itself to spark plugs and refrigerators. This wave led to an outburst at the end of the decade against American imperialism, both in Germany and in France. In particular, the award of a contract for the renovation of the French telephone system to an I.T.T. subsidiary provoked a storm in the Senate, but was upheld.

Investments by Bendix, Dana Corporation (both automotive parts), and Saint Regis Paper, all in 1930, appear to be parts of the end of the 1920s wave, parts which were delayed sufficiently to slip over into the depression. Since 1930 was a boom year for France, this delay was not unacceptable to the U.S. interests. Some substantial later investments — of Union Carbide in 1932 or Uniroyal in 1934 — are more difficult to explain unless they represented long lags, a response to higher tariffs, or bargains picked up by extraordinarily liquid companies.

The complexity of timing investments in France is also illustrated by roller bearings. These are essentially an American invention and product. In 1909, the Timken Roller Bearing Company licensed a Vickers subsidiary to produce roller bearings in Britain. The British company, which became British Timken, though the American company had no interest in it at the time, licensed a French company, Société Mécanique de Gennevilliers to make roller bearings in the early 1920s. Later in 1926, a British individual (B. U. Dewar) and American Timken bought British Timken from Vickers with a contract under which Mr. Dewar became manager. A French subsidiary was founded in 1927, also managed by Dewar, but was reorganized in 1928 as French Timken, owned first 75-25, then 50-50 by American Timken and Dewar personally. American Timken acquired Dewar's stock in French Timken in 1951 after his death. An investment in France associated with an American innovation thus moved from British to American ownership over thirty years, with some cyclical fluctuations.

The pattern of owning productive assets through British subsidiaries of American companies was fairly widespread. In the typical case, the British subsidiary was the first established, owing to iden-

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88 Ibid., 97; Alfred P. Sloan, Jr., My Years with General Motors (Garden City, New York, 1964), 317.
89 An earlier outburst against United States investment, prior to 1929-1930, occurred in 1923, when German interests were bought up with dollars during the hyper-inflation. This is a classic example of "market failure," like the carpetbaggers at the end of the American Civil War. See also Southard, American Industry in Europe, 178, 226-227, 44; Octave Hamberg, L'Imperialisme Americaine (Paris, 1929); and Jean Bonnefon-Craponne, La penetration economique et financiere des capitaux americains en Europe (Paris, 1939).
90 Letter to the author, November 3, 1972.
tity of language and the "special relationship," and extension to the Continent went on from there, or was managed from there. The pattern is exemplified in the Ford interests.91 When Ford merged with the Mathis company of France in 1934, it had to buy back the 60 per cent of its French company from its British company. The pattern of operating through London soon became unwieldy, and virtually every company ultimately chose to operate directly from the United States. If there were a European headquarters, it might be in London, or Paris, but it tended to be manned by American or international personnel. Occasionally the pattern was reversed, and the Paris office was the first in Europe. American Radiator employed the profits of its French manufacturing subsidiary of 1898 to open a German factory in 1901 and a British one in 1905.92

The list of American companies which once manufactured in France and have cut back is led by General Electric, Westinghouse Electric, and Ford Motor Company. All three names appear in the appendix tabulation, but now are far below their peak size. In addition, there are companies like Boston Blacking, which started out in cast-iron-stove polishes and moved on to chemicals, and which once owned subsidiaries in eight European countries93 (including France), subsidiaries since absorbed by others or liquidated. In the petroleum field, another example is Caltex, discussed in the next section. There is something to the view that direct investments are immortal, but it is not a universal rule. Some shrink or die, and some, such as the manufacturing establishments shown in Table B of the Appendix (those with employees in France between 100 and 1000), do not grow to enormous size.

Oil

Oil was among the earliest as well as the most important industries for investment by Americans in France. The history of the industry is highly complex and does not lend itself to rapid summary.94 The initial effort was to sell crude petroleum to French refiners and refined products to distributors. Exactly when the Standard Oil Company (New Jersey) entered the market is not clear, but it had 50 per cent of the crude market in 1893 when it

91 Wilkins and Hill, American Business Abroad, 66.
92 Lewis, America's Stake, 303.
93 Southard, American Industry in Europe, 118.
94 See Ralph W. and Muriel E. Hidy, Pioneering in Big Business, 1882-1911: History of the Standard Oil Company (New Jersey) (New York, 1955), and George S. Gibb and Evelyn Knowlton, The Resurgent Years, 1911-1927: History of the Standard Oil Company (New Jersey) (New York, 1956).
formed Bedford et Compagnie to engage as well in refining directly, so that the selling effort probably began in the 1880s. Vacuum Oil Company, a predecessor to today’s Mobil Oil Corporation, started to market petroleum and products in France in 1899, by 1900 had depots in Marseilles, Bordeaux, Nantes, Lille, Rouen, and Belfort, and in 1904 it built a plant for production of lubricants.

In the early period, Esso Standard entered into agreements with French refiners to limit its interest in refining, and then to get out of it, in return for 50 per cent of the crude market in France (1893) and later 80 per cent (1900). The inability of the cartel to meet French requirements for fuel during World War I, however, led to its dissolution, its replacement by a government consortium, and the entry of Esso Standard into first bulk and later retail distribution of products. The French governmental counter was the formation in 1924 of Compagnie Française des Pétroles SA to take up the French participation in the Turkish Petroleum Company. The major change occurred, however, with the law of March 30, 1928, which for defense purposes put a differential tax on imported products as against crude petroleum and required refiners to store substantial volumes of crude oil. Esso Standard, Mobil, and Texas (later Caltex) of the American companies bought and built refineries in France, along with Royal Dutch Shell and British Petroleum.

The Caltex company’s activities in France grew out of a 1920 distribution agency of Texaco, which went into refining in France in 1932, and merged with the Standard Oil Company of California for European operations after World War II. The company disappeared from France in 1962, converting its assets into a minority interest in Union Industrielle des Pétroles, a company with a dominant state interest. This sale was made under government pressure.

**SERVICES**

In the 1960s, a great many firms in the service industries—lawyers, accountants, advertising agencies, engineers, management consultants, and the like—have gone abroad to serve their American industrial clients, or like the banks and brokers, to serve the personal needs of the American colony. The first of these, so far as the record shows, was Dun & Bradstreet in 1872. This company, which provides information on credit ratings, had established a branch in London as early as 1857, and opened a Société à Responsabilité

85 Gibb and Knowlton, *Resurgent Years*, 510.
86 Jacques Gervais, *La France face aux investissements étrangers, analysé par secteurs* (Paris, 1963), 138.
Limitée with a capital of 125,000 francs in Paris fifteen years later. That its business had not developed widely by the turn of the century is suggested in an offer to the American Chamber of Commerce, reported at its meeting of February 7, 1900, from the Comptoir d'Escompte, to supply information on the financial standing of individuals and firms in France to American visitors to the Universal Exposition of 1900 who applied through the American Chamber of Commerce. In return, the Chamber would be expected to give the friends and clients of the Comptoir all information in its possession regarding commerce and industries of the United States.

The first prominent law office, Coudert Brothers, was established in 1879 by a firm which had been begun in New York in 1853. The father of the founding brothers had been an officer in the Napoleonic army who disagreed with the regime after the Restoration and emigrated to the U.S. in 1825. With the New York firm successful, one of the sons opened the Paris office primarily as a response to his love for France and Paris, and the opportunities for a practice of international law and a personal practice in wills, transfers of property, divorces, and so on among the members of the rich American colony. Until 1946, it had few corporate clients, though it represented the Bank of France and the French government in the United States. When it did diversify, the numbers of its lawyers went from six in 1939 to forty in 1972. The leaders of the firm served in prominent positions in the American Chamber of Commerce, of which Henry Peartree was the second president and Henry Cachaud, the third.

While Coudert Brothers was the most prominent, it was not alone in serving the expatriate colony. The New York Herald Tribune's Paris activities were started in 1877, and many individual American doctors, dentists, lawyers and other professional advisers (including one professor for curing shortsightedness) practiced in Paris. The American colony was estimated in 1929 as on the order of 55,000, though not all were rich. Otto Kahn had $20,000,000 in property in France when he died, and August Belmont a substantial amount. In addition, many American women married into the French aristocracy.

97 Letter to the author from Dun & Bradstreet, International.
98 American Chamber of Commerce, Paris, Minutes. After some hesitation, the Chamber agreed to the exchange, despite the fact that it was contrary to its practice, because there was need for the information. It accepted the offer on a non-exclusive basis, but refused to take responsibility for the accuracy of the information.
99 Interview with Charles Torem.
100 The first president, Dr. Stephen H. Tyng, represented one of the insurance companies. He had been a chaplain in the Civil War in the United States, but resigned from the church over "many vexatious controversies" in religion. American Chamber of Commerce, Minutes, November 18, 1899.
tocracy and brought large dowries. The record dowry is given in one account as $7,000,000 with others noted of $6,000,000, $4,000,000, two of $2,000,000, and so on.101

The depression of the 1930s and World War II virtually destroyed these firms providing personal services, although they were mostly quickly reconstituted after the war. In brokerage, Bache & Co., which had started operations in France in 1936, closed down in 1940 and opened once more in 1947. Dewey, Ballantine, Bushy, Palmer & Wood (previously Root, Clark, Buckner & Ballantine) opened first in 1929, closed down in 1933, and did not return to Paris until 1965.102

Peat, Marwick, Mitchell & Co., a firm of public accountants who established a branch in Paris in 1906, were followed by a wave immediately after World War I, when other sizeable law firms and advertising agencies came along. Engineering began with Stone & Webster just before World War II. In the 1960s there were architects, public relations firms, manpower specialists, market research, armored car service, and a variety of others.103

Statistical Summary

The earliest estimates of American direct investment in Europe as a whole are those by Nathaniel T. Bacon for 1900 ($10,000,000) and John Ball Osborne for 1910 ($200,000,000), including United States holdings of European securities, of which there were "only a few."104 While Paul Dickens regarded the Bacon estimate as "very careful and comprehensive" and "reasonably accurate,"105 for Europe it was evidently far too low. United States investment in France in 1929 was about one-eighth of the European total, as compared to one-third for Britain and one-sixth for Germany.106 These relative proportions are broadly the same as the numbers of manufacturing subsidiaries in Europe in 1914 cited earlier from Wilkins: Britain twenty-five, Germany twenty-three, France fourteen, if allowance is made for British subsidiaries to be somewhat larger

101 George W. Herald and Edward D. Radlin, The Big Wheel (New York, 1953), 63–65.
102 American Chamber of Commerce in Paris, List.
103 Ibid.
104 Bacon, "American International Indebtedness," Yale Review, IX (November, 1900), 265–283; Osborne, "Protection of American Commerce Abroad," North American Review (May, 1912), 673–690. Bacon (276) excludes the $45,000,000 of reserves of foreign securities held by the life insurance companies against their liabilities. He makes no mention of direct investment. Keller, Life Insurance Enterprise, 89, gives an estimate of $15,000,000 of European securities owned by United States investors in 1899, apart from the life insurance reserves.
105 Dickens, American Direct Investment, 37.
106 Ibid., 10.
than those on the Continent. The suggestion that U.S. direct investment in France was only $1,200,000 in 1900 and $25,000,000 in 1910 is not to be believed.

The first estimate which breaks down American investment by countries is that of Paul Dickens for 1929. Prior to that time, the reports of the Department of Commerce in the 1920s had lumped together direct and portfolio investment, private and governmental, and those in separate countries. The figures for numbers of firms and book values for 1929 and 1936 are broken down by broad categories.

### Table 1
**American Direct Investment in France**

|                  | 1929          | 1936          |
|------------------|---------------|---------------|
|                  | Number of Firms | Book Value (in millions) | Number of Firms | Book Value (in millions) |
| Manufacturing    | 86            | $91           | 77             | $77           |
| Distribution     | 56            | 14            | 55             | 13            |
| Petroleum        | 23            | 25            | 7              | 40            |
| Communication, transport | 6            | 5             | 25             | 14            |
| Miscellaneous    | 25            | 9             | 164            |               |
|                  | **203**       | **$145**      | **164**        | **$146**      |

*Source: Dickens, *American Direct Investment* and *American Direct Investment*, 1936.*

By 1950 the total has risen only to $217,000,000 of book value, broken down into $114,000,000 in manufacturing, $75,000,000 in petroleum, $5,000,000 in trade, $5,000,000 in public utilities, and $3,000,000 in smelting and refining, with total earnings amounting to $29,000,000, of which most came from manufacturing ($20,000,000) and petroleum ($7,000,000). From approximately the same

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107 In 1929 and 1936, United States subsidiaries in France were distinctly smaller than those in Britain or Germany:

|                  | 1929          | 1936          |
|------------------|---------------|---------------|
|                  | Number of Firms | Book Value   | Average per firm |
| France           | 203           | $145 million | $700,000 |
| Germany          | 186           | 217           | 1,170,000 |
| Great Britain    | 389           | 485           | 1,240,000 |
|                  | 164           | 146           | 880,000 |
| Germany          | 151           | 228           | 1,500,000 |
| Great Britain    | 411           | 474           | 1,150,000 |

*Source: Dickens, *American Direct Investment*, 10; and Paul D. Dickens, *American Direct Investment in Foreign Countries*, 1936 (Washington, Department of Commerce, Economic Series No. 1, 1938), 3.

108 U.S. Department of Commerce, Office of Business Economics, *Balance of Payments Statistical Supplement* (Washington, 1958), passim.
level in 1952, U.S. direct investment doubled in book value by 1956 and tripled by 1961, before rising to close to $3,000,000,000 by 1972.

Book values, of course, give a highly arbitrary and understated view of real values, although whether one should value direct investments on market, liquidation, replacement, or capitalized earnings basis remains an unanswerable conundrum. In evaluating the Department of Commerce book value figure of $840,000,000 for American investment in France in 1961, Jacques Gervais calculated that this investment was worth "certainly $2,000,000,000."

An educated guess would thus put the volume of United States direct investment in France over time, in current dollars, as:

| Year | Amount |
|------|--------|
| 1900 | $ 12 million |
| 1914 | 35     |
| 1929 | 250    |
| 1936 | 250    |
| 1950 | 450    |

As this brief survey has indicated, American direct investment in France prior to the post-World War II era was significant. Many of the same factors which called forth the expansion of United States investment abroad in the 1950s and subsequently, both in manufacturing and in other sectors, were also present in the many instances of earlier investments in France. When American firms of recent decades engaged in overseas direct investment, they did so in the context of a long history of such activities, dating well back into the nineteenth century.

109 Gervais, La France face aux investissements étrangers, 53, 54.
## APPENDIX
### AMERICAN DIRECT INVESTMENT IN FRANCE TO 1950
#### A. MANUFACTURING COMPANIES WITH MORE THAN 1,000 EMPLOYEES IN 1972

| Date of Sales | Company                        | Product                      | 1972 Employees in France | Book Capital 1970 (in millions F) | Percent owned US |
|---------------|--------------------------------|------------------------------|--------------------------|----------------------------------|------------------|
| 1872          | Singer                         | sewing machines             | 4,750                    | 64                               | 100              |
| 1879          | Westinghouse Airbrane          | railroad brakes             | 1,775                    | 12                               | 88.8             |
| 1880 ca. 1913 | Otis Elevator                  | building elevators          | 5,500                    | 36                               | 100              |
| 1880 ca. 1893 | Exxon (SONJ)                   | petroleum products          | 4,899                    | 596                              | 82               |
| 1889          | I.T.T.                         | telephone equipment         | 8,700                    | 29                               | 75               |
| 1890 before   | Studebaker                     | pumps                       | 1,200                    | 11                               | 100              |
| 1900          | Worthington                    | agricultural machinery      | 5,285                    | 53                               | 99.9             |
| 1909          | International Harvester        | petroleum products          | 2,580                    | 249                              | 100              |
| 1904          | Mobil Oil                      | cameras and film            | 8,700                    | 972 (sales) almost entire         |
| 1907          | Eastman Kodak                  | accounting machines         | 1,900                    | 12                               | 100              |
| 1914          | Intl. Business Machines        | computers                   | 18,000                   | 524                              | 99.99            |
| 1920          | Norton Co.                     | abrasives                   | 2,090                    | 31                               | 92               |
| 1920          | C.P.C.                         | corn                        | 2,270                    | 53                               | n.g.             |
| 1921          | Goodyear                       | tires                       | 2,453                    | n.g.                             | n.g.             |
| 1922          | Corning Glass Works            | specialty glass             | 4,500+                   | n.g.                             | n.g.             |
| 1923          | Carnation Milk                 | evaporated milk             | 1,200                    | n.g.                             | 100              |
| 1925          | General Motors                 | spark plugs, sales          | 2,526                    | 2                                | 100              |
| 1926          | Timken Co.                     | roller bearings             | 1,200                    | n.g.                             | 100              |
| 1930          | Uniroyal                       | automobile tires            | 1,776                    | 28                               | 99.9             |
| 1930          | Bendix Corp.                   | automotive equipment        | 19,000                   | n.g.                             | n.g.             |
| 1930          | Dana Corporation               | transmission systems        | 3,500                    | n.g.                             | n.g.             |

n.g. means "not given."
| Date | US Company                  | Product           | Employees in France 1972 | Book Capital 1970 (in millions F) | Percent owned by US |
|------|-----------------------------|-------------------|--------------------------|----------------------------------|---------------------|
| 1892 | General Electric            | electrical apparatus | 120                      | n.g.                             | n.g.                |
| 1898 | W. W. Bliss                 | mechanical presses | 420                      | 10                               | 99                  |
| 1901 | Westinghouse Electric Co.   | electrical equipment | 425                      | n.g.                             | n.g.                |
| 1901 | U.S.M. Corp.                | shoe machinery     | 500 ±                    | 5                                | 97                  |
| 1905 | Ingersoll Rand              | industrial equipment | 300                      | 0.8                              | 100                 |
| 1910 | Aris Gloves                 | kid gloves         | 250                      | n.g.                             | n.g.                |
| 1910 | Carborundum Co.             | abrasives          | 340                      | 17                               | 99.9                |
| 1913 | Sperry Rand                 | appliances         | 625                      | n.g.                             | n.g.                |
| 1913 | Gillette Co.                | razors and razor blades | 820                      | 1                                | 99                  |
| 1916 | Joy Manufacturing Co.       | mining equipment   | 229                      | 13                               | 100                 |
| 1919 | Coca Cola Export Corp.      | soft drinks        | 210                      | n.g.                             | n.g.                |
| 1921 | Crane Co.                   | plumbing supplies  | 400                      | 19                               | 81                  |
| 1921 | Pennwalt Corp.              | industrial equipment | 252                      | 6                                | 100                 |
| 1921 | Lanvin, Charles of the Ritz | toiletries         | 206                      | n.g.                             | n.g.                |
| 1921 | E. F. Houghton              | lubricants, etc.   | 297                      | 4                                | 25                  |
| 1923 | Colgate Palmolive           | soaps              | 600                      | n.g.                             | n.g.                |
| 1923 | Atlas Chemical              | chemicals          | n.g.                     | n.g.                             | n.g.                |
| 1926 | Armco Steel                 | steel              | 600                      | 4                                | 99.8                |
| 1927 | NVF Co.                     | plastics           | 151                      | 4                                | 98                  |
| 1927 | Simmons                     | home furnishings   | 627                      | 7                                | 50                  |
| 1928 | Blaw Knox Co.               | industrial equipment | 350                      | n.g.                             | 100                 |
| 1929 | Crown Cork and Seal         | metallic packaging | 364                      | n.g.                             | n.g.                |
| 1929 | Helena Rubenstein           | cosmetics          | 366                      | 5                                | 100                 |
| 1929 | Monsanto Co.                | chemicals          | 490                      | n.g.                             | n.g.                |
### B. Manufacturing Companies with 100–1,000 Employees in 1972 (cont.)

| Date   | US Company            | Product               | Employees in France 1972 | Book Capital 1970 (in millions F) | Percent owned by US |
|--------|-----------------------|-----------------------|--------------------------|----------------------------------|---------------------|
| 1930   | Addressograph         | office, machinery     | 334                      | 2                                | 99                  |
| 1930   | Hoover Co.            | home appliances       | 567                      | 63                               | 50 (50)*            |
| 1930   | S. C. Johnson & Sons  | waxes                 | 320                      | n.g.                             | n.g.                |
| 1932   | Union Carbide         | graphite electrodes   | 630                      | 18                               | 56.5                |
| 1934   | Ferro Corp.           | ceramic glazes, colors| 349                      | 3                                | 10.2 (89.8)*        |
| 1937   | Parker Hannifin Corp. | hydraulic materials   | 237                      | 2                                | 92                  |
| 1937   | Abex Corp.            | brake linings         | 101                      | n.g.                             | n.g.                |
| 1937   | Max Factor            | cosmetics             | 300                      | n.g.                             | n.g.                |
| 1946   | Fruehauf Corp.        | trailers              | 994                      | 13                               | 67                  |
| 1947   | Johns Manville        | insulation            | 875                      | n.g.                             | 100                 |
| 1947   | Fischer & Porter Co.  | industrial measures   | 438                      | n.g.                             | n.g.                |
| 1947   | Bournes Inc.          | electronic components | 350                      | 5                                | 75                  |
| 1949   | Foster Wheeler Corp.  | design, engineering   | 640                      | n.g.                             | n.g.                |
|        |                       | chemical plants       |                          |                                  |                     |
| 1950   | Chevron Chemical Inc. | petro chemicals       | 115                      | 3                                | 99                  |
| 1950   | Honeywell Inc.        | automatic controls    | 690                      | 25                               | 100                 |

* Shares in parenthesis belonging to non-Americans owned outside France.
** Not to be confused with Honeywell Information System, capitalized at Ff 485 million, with a 66 per cent participation in Compagnie Honeywell Bull, engaged in data processing equipment.
### C. COMPANIES ENGAGED IN SALES AND RENTING ONLY

| Date | Company                     | Product               | 1972 Employees in France |
|------|-----------------------------|-----------------------|--------------------------|
|      |                             |                       | More than | Less than |
| 1909 | Swift & Co.                 | abattoir products     | 33         |          |
| 1912 | Armstrong Cork              | insulation            | 40         |          |
| 1916 | Ford Motor Company          | automobiles           | 450        |          |
| 1919 | Smyth Manufacturing Company | book binding machinery | x          |          |
| 1919 | Bracket Stripping Machinery | tape stripping machines | x          |          |
| 1922 | United Fruit Co.            | bananas               | 32         |          |
| 1925 | Dorr Oliver                 | engineering           | n.g.       |          |
| 1927 | International Nickel        | nickel                 | 30         |          |
| 1930 | Metro-Goldwyn-Mayer         | film distribution      | 97         |          |
| 1935 | Walt Disney Productions     | film distribution      | 32         |          |
| 1945 | International Mercury Outboards | outboard motors   | 50         |          |
| 1948 | Pan American World Airways  | air travel             | 268        |          |

### D. COMPANIES ENGAGED IN BUYING, OR BUYING AND SELLING

| Date | Company                              | Product               | 1972 Employees in France |
|------|--------------------------------------|-----------------------|--------------------------|
|      |                                      |                       | More than | Less than |
| 1921 | Conde Nast Publications              | fashions              | 185        |          |
| 1922 | Associated Merchandising             | buying drygoods       | 40         |          |
| 1927 | New York Times                       | news gathering        | n.g.       |          |
| 1929 | Warnaco                              | lingerie              | 66         |          |
| 1944 | United Press International           | news gathering        | 66         |          |
| 1949 | Aviquipo                              | export-import equipment| 23         |          |

### E. COMPANIES ENGAGED IN FINANCE

| Date of Founding | Bank or Firm                      | Activity                  | 1972 Employees in France |
|------------------|-----------------------------------|---------------------------|--------------------------|
|                  |                                   |                           | More than | Less than |
| 1868             | Morgan Guaranty Trust Co.         | bank                      | 481        |          |
| 1875             | American Express Co.              | banking and travel        | 275        |          |
| 1918             | Chase National Bank               | bank                      | 400        |          |
| 1920             | Bankers Trust Co.                 | bank                      | 40         |          |
| 1921             | First National City Bank          | bank                      | 330        |          |
| 1936– (1947)     | Bache & Co.                       | brokerage                 | 19         |          |
| 1938             | Fahnestock & Co.                  | financial consultants     | x          |          |
| 1949             | Bank of America NT & SA           | bank                      | 237        |          |
## F. Other Services

| Year | Company | Service | Employees in France |
|------|---------|---------|---------------------|
| 1872 | Dun & Bradstreet | credit ratings | 130 |
| 1877 | Paris New York Herald Tribune | newspaper | n.g. |
| 1879 | Coudert Brothers | law firm | 40 lawyers |
| 1906 | Peat, Marwick, Mitchell & Co. | accountants | 200 |
| 1919 | Grey Advertising | advertising | 136 |
| 1920 | Price, Waterhouse & Co. | accountants | n.g. |
| 1920 | Porter & Dunham | law firm | x |
| 1920 | Ernst and Ernst | accounting | 70–80 |
| 1920 | Haskin and Sells | accounting | n.g. |
| 1924 | Arthur Young | accounting | n.g. |
| 1927 | McCann Erickson | advertising | 148 |
| 1929–1933 | Dewey, Ballantine, Bushy, | law | x |
| 1933 | Palmer & Wood | | |
| (1965) | | | |
| 1939 | Stone & Webster | engineering | 20–25 |
| 1946 | Parsons and Whittemore | engineering | 95 |
| 1947 | Arthur Andersen & Co. | accounting | 200 |
| 1949 | Cleary, Gottlieb, Steen & Hamilton | law firm | n.g. |
| 1949 | Cahill, Gordon, Sonnet, Reindel & Ohl | law firm | x |
| 1950 | AAA World Wide Travel Inc. | travel agency | 15 |

**Source:** The major source is the *List of American Firms in France* published by the American Chamber of Commerce in France, which deals with dates, nature of activity, and employees in 1972. The figures on capitalization are from a card file in the American Chamber of Commerce. Dating has been amplified and corrected from other sources, (not all of which are themselves accurate), especially the worksheets of Vapuel and Curhan, a special printout of which has been kindly provided by the Harvard Business School project on multinational business, as well as company histories and the like. An inevitable residue of error and ambiguity remains.