AMERICAN BUSINESS IN EUROPE TODAY

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The French are French, the Germans are German, the Italians are Italian, and the British are British—but Americans are the only Europeans. Such a statement may be an exaggeration but when applied to large business operations in Europe it contains a great element of truth, for American business in Europe is not tied to nationality. It must operate within the national laws of each country, but it can adapt itself to the most favorable locations anywhere and can produce for a European market. The common market presents an American opportunity.

The French have been particularly worried by the invasion of American business firms that are buying control of French firms and have sought to stem the tide—to the great benefit of the Netherlands and Belgium—into which American business has been moving of late. The French find it difficult to compete; they try every usual economic weapon to stem the American invasion, but nothing seems effective.

What is the American secret? An expanding technology supported by tremendous operations at home, great accumulations of capital, backing of a very powerful government—all these things have been heard about. But American technology is an open book, open freely to Europeans; Europe has the population to provide a market greater than the American; and it is European rather than American government regulation that controls American business in Europe. Furthermore, much of the capital used by American business in Europe is obtained in the European money markets.

A French journalist named Jean-Jacques Servan-Schreiber in 1967 produced a book called The American Challenge, which by the summer of 1968 was a best-seller in Paris. With an obvious intention to shock he says the French cannot defeat the competition of the Americans unless they learn how the Americans do it. He finds the American “secret” to be in management competence and management technology, the ability to release and guide creative power. In short, the “secret” is what has been in the curriculum of the best American schools of business since World War II. Servan-Schreiber thinks the French can maintain economic and cultural independence only by the not-so-simple expedient of going and doing likewise.
For Americans *The American Challenge* contains some food for thought about what makes their own country tick and about what accounts for the explosive growth in productivity in the United States since the depression years.