

CONCLUSION

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May I begin immediately by disclaiming expertise in a topic that I think is one of fascination, on which many different views can be held, and which has far to go in its development but seems to me to be a most worthwhile concept to deliberate on and see whether there is as we go forward a market for it within Europe.

On the program I am labelled, my words are "conclusion". That has a welcome ring. There is only me that stands between all of you and an apéritif, the other pleasure of the evening.

There once was a nineteenth century judge who said I have not been present during the argument but I agree with all of you and which has been expressed. I've only been able to hear the last really stimulating ¾ of an hour for which we are very grateful. So, I won't attempt to summarise the conference.

I can't resist saying that as a Director of Total, or Total-Elf as it is now becoming, and Administrator, I am much more impressed by the concept of worker participation than are others who practice the rubric of Anglo-Saxon capitalism under the simple word "shareholder value". I think this much in what Lionel Jospin just said recently something along the lines: we want a market economy but not a market hegemony And somewhere I think we have to make certain that in our great corporations we do balance the interests of those who may exist.

There seem to me some very positive features of this conference. One is that it has wide ranging French-English support both legal and commercial. We would be the envy of those who are involved in the world of beef. And in a sense I welcome this harmony as an illustration that one does not always get highlighted in our curious British press that our 2 countries working together to the constructive goal of furthering trade and very hearten by the presence and participation of Karel Van Hulle and his interesting closing words.

A very heartening thing, if I may say so personally, about the involvement of Exeter University, was that our law school was quick to recognise the importance of European law and it continues to be a leader in exploring topics of importance to the future. The work of Robert Drury and Andrew Hicks in this area, which is summarised in the proposal for a European private company, seems to me to give certainly a valuable, insightful impulse and scope for thought, and I would only quote one sentence of the introduction. You don't have to read very far in this paper published in the Journal of Business Law to get to the nub of it. One sentence about businesses within the European Union. "As they are able to use a single European currency, would it not also make sense if these businesses were able to use a single European structure?"

It seems to me that the advent of the Euro is a key economic development for Europe. Our continent has to be competitive not only against the outside world but internally. The Single Market must create an opportunity for good businesses and must be implemented in a way that sets it face wholly against both protectionism and barriers to people operating across borders. The Euro is a catalyst for change. I know it is fashionable in this country to say well look at

what's happened to the exchange rate this year. But even the Times, perhaps I should say particularly the Times, had the wit to recognise this morning that it is a false issue in the debate whether the UK should join the Euro. Exchange rate stability and a basis for widening and deepening capital markets is most important and I think it's a pointer to what we want to try and achieve in the world of Corporate Governance and Corporate opportunity. Whenever we can we should help the market to serve business. All of us are well aware that multinationals operate across Europe, an instance of the value of the idea of creating a European public company. But today, we focus on a task of great importance to our economic dynamism.

We all know that medium and small size companies are a critical engine of economic growth and a creation of jobs in a continent that badly needs further job creation. I saw when I was in banking how, over virtually the whole decade I was there, that small and medium-size enterprises became increasingly the dynamo of growth, the dynamo of growth of jobs, of growth of domestic product. And I welcome very much the Europe private company initiative as a valuable supplement to the work that the European Union is doing with the project for the European company law statute. The private company approach could implement this work, complement it by providing a vehicle for smaller companies, which will not need the full panoply of regulation needed for a more public entity. I agree with what I think was the thought expressed from the platform. One must simply not over regulate in this area. But I do say it is being important in the 21st century Europe. It would help promote trade and act as a useful platform for inward investment into the European Union. Useful to multinationals establishing their European subsidiaries with the uniform management and reporting structure.

Nor it seems to me as there is surprise, there is support from across the European spectrum from the European employers confederation UNICE and the European association of Chambers of commerce Eurochambres. Because what we are looking at is part of an option of choice of companies. I think no one is suggesting, and I would certainly not suggest, that the European private company should be put forward as a mandatory scheme. I think that choice is vital just as in the US, companies have a choice in which State to incorporate and I think there are legitimate areas of proper competition that can be offered by individual States leaving it for investors to choose in regard to, for example, Spain.

Well, I might put off by the concerns expressed about minority shareholders. I think that should be a choice open. But equally I think one part of that choice should be the opportunity for companies who want to go into Spain, but may not particularly like, – we always pick on examples; I am not picking up Spain because I'm well used to people always picking up UK as an example of what's wrong in the European Union; so I am not picking up Spain but the opportunity of companies to go into Spain – to choose a European public law statute. I do see it as a worthwhile initiative. I do not believe that these initiatives come to flourish easily. I was Chairman of the Takeover Panel for 2 ½ years and incidentally may I say we didn't do a bad job in simple concepts like good faith, fairness reasonableness, openness, expressed as about four general principles with the detailed rules being only illustrative and also giving way to the general principles if they conflicted. But what I did see in my time as the Chairman of the panel is the first draft taken of a directive submitted for consideration. We tried to give what help we could in that area. An so having seen the beginning of that and knowing that it is still running now I am very conscious that within Europe these developments rightly take quite a long time.

But what we also have to balance that against is that since the Single Market, the advent of the Euro, Europe has a new opportunity of dynamism, which we'll need to take. If it seeks to set up private company which is over regulated with too high hurdles then I suspect it will fail. But to look to way in which it can give companies have an opportunity to trade across Europe under a simple company law statute, which places light burdens, clear burdens that can be understood by the shareholders who decide whether to join. I think that will be creating something that would give much needed as we said a few moments ago, flexibility to choice within Europe.

And now, having said that, I have a choice of going on, standing further between you and your drink and preventing the film starting in the cinema, or being flexible and applying common sense; and that I propose to do, and say thank you very much and thank you very much to all who've made such stimulating contributions to this conference and taken a very enlightening debate forward.