

Financial Regulation as a Competitive Advantage:

The Creation of the French Securities Regulator at the End of the 1960s

(Abstract)

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In September 1967, an *ordonnance* signed by President Charles de Gaulle established the *Commission des Opérations de Bourse* (COB), a commission in charge of regulating the French securities market. The *ordonnance* was part of an ambitious reform of the French economy engineered by Michel Debré, then Minister for the Economy and Finance in the government of Prime Minister Georges Pompidou.

Amid the protracted decline and stagnation of the Paris *Bourse*, Gaullist policymakers seized the opportunity offered by a spectacular, if not isolated, insider trading case to establish an independent regulator. Surprisingly, these staunch defenders of national sovereignty drew their inspiration from an American model, the Securities and Exchange Commission (SEC).

This presentation is based on investigations conducted in French and, to a lesser extent, American archives.¹ It will first analyze the political circumstances surrounding the creation of the COB, the rhetoric used by policymakers to justify their decision, and the state of the Paris securities market at the end of the 1960s. It will then outline the process pursuant to which the American model was translated and transferred into a very different legal, economic, and administrative environment.

In historicizing the creation of the COB, this presentation will highlight the paradox that French policymakers of the late 1960s used regulation as a tool to attract foreign investors and revive the securities market, rather than as a limitation to its development—“regulatory competition” among nation-states, then, was not synonymous with the “race-to-the-bottom” of regulatory standards which is sometimes viewed as its necessary outcome.

¹ French archives included the Debré and Chatenet papers at the *Centre d'histoire de Sciences Po* (Paris)—Pierre Chatenet was the first chairman of the COB—, the private papers of Jean-Jacques Burgard, the first General Secretary of the COB (Paris), the archives of the *Banque de France* (Paris), of the *Compagnie des Agents de Change* (Savigny-le-Temple), of the French Ministry for the Economy and Finance (Savigny-le-Temple), of the French Presidency (Pierrefitte-sur-Seine), of French banks Crédit Agricole and BNP-Paribas (Paris), of French industrial conglomerate Pechiney at the *Institut pour l'Histoire de l'Aluminium* (Clichy). French archives were completed by investigations conducted in the papers of William J. Casey, the third chairman of the SEC during Chatenet's own chairmanship of the COB, at the Hoover Institution Library (Stanford).