Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY
November 3 - November 9, 1969

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY

November 3 -- November 9, 1969

THE COMMON MARKET

A Quick Breather

Although the decision by the governments of the Six to delay their summit conference in The Hague by a fortnight will cause major problems of timing for the Community, the announcement that it would not now take place until December 1 and 2 was greeted almost with relief by most of those concerned. It is felt that the extra time gained will provide the opportunity for all those taking part to define their proposals more effectively, as well as enabling various minor aspects to be ironed out before the meeting begins.

The summit was delayed at the request of the Italian government, whose Foreign Minister, Signor Aldo Moro has only just left the clinic where he has undergone a kidney stone operation. However, the difficult internal political and economic situation which exists in Italy may well have had something to do with the decision, while some sources suggested that it was due to a clash between Paris and Bonn. The latter seems unlikely as the new German government, despite its desire to promote a more rational solution for the common agricultural policy and the enlargement of the Community, has made it clear that good relations with France are all important. This statement has been heightened by the news that Chancellor Brandt is to visit Paris in the first half of January - his first foreign visit - thus preceding by two months the March meeting of the two governments held under the Franco-German Treaty of Friendship signed by General de Gaulle and Dr. Adenauer in 1963.

Dr. Scheel, the German foreign minister was in Paris for talks with his French counterpart, M. Schumann, the day before the meeting of the EEC Foreign Ministers in Brussels. Dr. Scheel, who in a Bundestag debate on November 6, had stressed the dangers which would arise if the summit conference failed, came away from the Paris talks with the feeling that the new French government was sincere in its desire to see Britain a member of the Community. The ministers had attained a larger measure of agreement although there were still some differences outstanding. Although Dr. Scheel stated that they agreed the CAP must be altered to deal with the problem of surpluses, and that talks over enlarging the EEC must start as soon as possible, some French sources are not as convinced as other observers of the results of the meeting. French government circles, however, stress that there is a need for confidence above all, for if this can be achieved then many of the problems facing the Communigy can be overcome.

This question of confidence also came up during M. Schumann's talks with Dr. Luns in The Hague on November 6. The French Foreign Minister made it clear that with regard to enlargement it was not as important to fix a definite date as to adopt "a definite approach, so that we are able to reach a common goal in the shortest possible time". There were three conditions for the success of the summit: firstly completion of the EEC and especially the new agricultural financial regulations "based on unconditional legal and moral obligations; secondly an agreement to harmonise economic, financial, monetary and technological policies; and thirdly a common attitude over the way negotiations with the candidate countries should be tackled - and this might mean that the Commission would be able to negotiate for the Six as a whole. Dr. Luns said afterwards if there was no confidence on any of these three points, then the conference could well prove a flop. When Dr. Luns indicated in reply to a question that negotiations with Britain might start in the first few months of 1970, M. Schumann added "Why not?".

Before the start of the ministers' discussions in Brussels, M. Schumann also met M. Harmel, his Belgian counterpart, who has been actively engaged in trying to promote France's return to the WEU. The meeting of the WEU Ministerial Council due to be held on December 1 and 2 has been postponed, this being the new date for the summit, and it is now expected to take place in Paris during the early part of next year. This might well allow France to take part again, and thus provide a way out of its boycott.

Recent weeks have shown a noticeable change in the French attitude towards the enlargement question, especially with regard to the links between "Fulfilment and Enlargement". Previously Paris insisted that the Six should first of all work out their attitude towards the internal problems facing the EEC before even getting down to working out a common approach for negotiations. Then it was suggested that if rapid progress was made over the internal problems, it would be that much easier to define a negotiating position. Now it seems that France is willing to accept an even closer link between these two phases.

At their working lunch in Brussels on Monday, the ministers made reasonable progress, and in a press conference afterwards Mr. Hans de Koster, the Dutch State Secretary said that the summit conference was unlikely to fix a firm date for the start of negotiations, but would probably agree a period of time, possibly early spring. The real problem which has to be overcome is the question of financing the common agricultural policy when the definitive period of the Community begins on January 1, 1970. France is insisting that this must be settled before anything else. The Germans, however, would like stronger action over the problem of surpluses, and consider this could be tackled alongside the farm finance question (see below). M. Schumann begged to differ, maintaining that France felt this was a problem which should be dealt with during the discussions on the Mansholt Plan. For France, the new regulations had to be "definitive" and subject to modification only by a unanimous vote. Italy was represented by an Under-Secretary, Mario Redini, in place of Signor Moro, whom M. Schumann is expected to meet before December, and the Italian suggestion that the new farm finance regulations could be limited in time for perhaps two years was quickly turned down by the French Minister.

Despite the differences which still exist, and Italy may well take a strong line at the summit, the meeting seems to have convinced the Five of France's sincerity in her desire for progress. If so, then the vital confidence factor will have been restored, and hope for the Community's future and its enlargement will receive a powerful pre-summit boost. That France is modifying her position was further shown in M. Schumann's admission that it was not essential for talks with those EFTA countries which have not applied for membership to take place at the same time as negotiations with the candidate countries.

The British government is following the negotiations between the Six with considerable interest, although taking care not to get involved on one side or the other. Like the French government, which takes a stronger line inside France, Mr. Wilson has been adopting the approach "we want to join, but if we don't it will hurt the Six more than us". In his speech at the Lord Mayor's Banquet on Monday evening the Prime Minister said "there is a growing feeling that if we are not allowed to join it will not be because they fear the debilitating effect of Britain's weakness; it will be because some at least fear the competitive power of Britain's growing economic strength. The world knows we are strong enough to survive outside Europe, just as we are strong enough to survive and prosper inside Europe". A somewhat similar view was put by Mr. Stewart the Foreign Secretary - who is due in Bonn on Friday for talks with the new government - in an interview on German television, "if we are not admitted, we won't be lost and I hope that our friends in Europe won't think that. After all, we have EFTA and also trading connections with the Commonwealth. We would, therefore, be able to solve our economic problems, though with difficulty."

* * *

COUNCIL OF MINISTERS

CAP: Beginning to Sound Good

After a lot of foreboding from commentators and the rather sour atmosphere that surrounded the emergency Council meeting that followed Germany's announcement of the deutschemark revaluation (see No 536), this week's plenary session of the Agricultural and Finance Ministers was almost sweetness and light, by contrast. When the Six have only seven weeks in which to renew the whole of the financing arrangements for their agriculture, and to come to agreement on the surplus problem and the means of conquering it, it may seem rather extravagant to enthuse about the tone of a meeting, but many are pinpointing the relative cordiality of the sessions on Monday and Tuesday as perhaps the most important feature. Seeking agreement through the minutiae has seldom proved a valid procedure in the Community context (witness Euratom), and so it need not be depressing that the Six this week were not even able to agree on provisions for the tobacco, fruit and vegetable sectors. Italy is blocking progress here, but this is her iron in the fire for the bargaining to come. It is the approach to the bargaining itself that counts, hence the enthusiasm which has greeted the behaviour of M. Valery Giscard d'Estaing at this week's meeting. As French

Finance Minister, he is right in the focus when it comes to gauging prospects for progress, and in this regard he disappointed few observers this week.

In short, what Giscard d'Estaing has done is to admit in an open Council meeting that France recognises the principle of adapting Community farm finance regulations to the fresh conditions that would be created by the admission of Britain and the other candidate countries. Only an acceptance of principle, this is nevertheless a considerable departure from the line taken by M. Debre under De Gaulle's presidency, and follows hard upon M. Schumann's encouraging noises about the need for Britain in the Community.

This said, it must straight away be stressed that the French Minister's basic standpoint still is that the Five must agree to the principle of full Community financing of agriculture as a permanent component of the EEC system. Moreover, he seemed totally unprepared to countenance any suggestion by the other members that attacking surpluses and controlling production be linked with the renewal of the financial regulation: this must come first. Production control could not be made part of the price of consensus on finance, and anyway (as M. Schumann pointed out in the Foreign Ministers' Council), this would naturally arise in the course of the debate on the Mansholt Plan. Clearly, France intends to bargain from strength on this, but in the denouement at the end of this year, there is still nothing to prove that the Five will not be able to do a certain amount of "packaging" over the CAP. Provided the financial regulation is maintained intact, and French farming is secured in this respect, there could well be the start of a restructuring deal appended to, if not integrated with the year-end agreement.

The whole issue still remains very fluid, however, and the permanent representatives and those preparing the ground for the critical debate, on the basis of the principles agreed at this meeting will be hard put to it to handle some of the propositions put forward by the ministers on this occasion. The problem is the Commission's proposals for steering the Community towards self-finance, with Brussels administering the farm fund, this being fed from all levies and revenue from the common external tariff (see Nos 522, 537). Even though the Six may agree on the principle of supporting agriculture as proposed, the Benelux countries and Italy feel the Commission's scheme is inequitable, and the Dutch at least would like to see payments related to GNP. The Italians are still trying to get the arrangement dependent upon the opening of talks with Britain, while Germany is sizing up for a confrontation with France over the question of allying farm finance with restructuring in the final package. Also, it is making threatening noises about imposing limits on the amount of finance member states should have to pour into the common fund. Time will tell how far member states are prepared to bend to forge agreement: at least the climate and the mood are now right, and this was borne out by the fact that, burning the midnight oil, Germany's partners finally agreed on Tuesday to help compensate German farmers for the losses incurred through devaluation.

AGRICULTURE

FEOGA to Cost Over $ 3,000 m.

In addition to the figures for the FEOGA budget contained in last week's issue dealing with the estimated cost of FEOGA support expenditure in various product sectors, we now include figures showing the cost of each different type of FEOGA operation, as well as estimates of contributions from the member states. The total FEOGA figure stands at some $ 3,010 million plus another $ 16 million on food aid.

1. FEOGA budget proposals 1970 (in $ US)

Guarantee	2,241,450	Two half year advances covering 85% of expenditure for 1969/70 taking into account a saving of $ 107 million following the devaluation of the franc
	111,385,000	Additional advance for 1967/68
	109,590,000	Final settlement for 1966/67
	2,462,425,000	
Guidance	285,000,000	Allocation for 1969/70
	192,439,000	Carry forward from earlier years
	477,439,000	
Special section	69,250,000	Third portion of grain price equalisation
Total	3,009,114,222	(last year: $ 2,549,467,524)
plus special heading	16,443,000	Food aid 1968/69
	3,025,557,222	

2. Member state contributions 1970 estimates (in $ US million)

	Guarantee	Guidance	Special section	Total	percentage
Belgium	202.8	38.7	5.5	246.9	8.2
West Germany	732.2	140	19.4	900.5	29.9
France	602.6	152.8	19.4	774.8	25.7
Italy	625.9	96.9	19.4	742.2	24.7
Luxembourg	4.1	0.9	0.1	5.2	0.2
Netherlands	294.8	39.1	5.5	339.4	11.3
Total	2,462.4	477.4	69.2	3,009.1	100

The allocations for FEOGA, of which about 66% is for the financing of marketing and structural policy in 1969/70, must be treated with a certain amount of reserve as the ordinance for the financing of the CAP expires on December 31, 1969. In view of the complexity of reaching a final decision incorporating all the member states' wishes no settlement is expected before the end of the year. Under pressure from the French the Council of Ministers could agree on the basic principles and extend the present system dating from 1962 by at least six months. The uneven distribution of the burden is due to the fact that the contributions were based on the relative share of levies. This key was originally based on the assumption that the levies would be sufficient to finance the agricultural policy. Meanwhile expenditure for the stabilisation of markets has far exceeded returns from levies on imports from third countries.

As will be seen, West Germany contributes 30% of the cost of the Common Agricultural Policy (excluding food aid). The revaluation of the mark, which has improved the ratio of the DM: unit of account by 9.3%, will mean a certain saving for West Germany while the devaluation of the franc has meant a depreciation in the ratio of the Fr: unit of account. It should not be forgotten that France, the principal agricultural surplus country of the Six, receives for every franc spent on intervention and export refunds about the same amount from the deficit countries, West Germany, Belgium and Italy. At the recent Council meeting when the other EEC countries were insisting on West Germany bearing the cost of compensating her farmers for losses arising from devaluation herself, Professor Schiller declared that if each country which altered its parity rate, were to pay for it alone the German delegation would in future insist that the cost of disposing of surpluses should fall upon the country causing them.

*

German Protests Against Revaluation Measures

Over the past two weeks considerable objections have been expressed in West Germany regarding the proposals for compensating West German farmers for losses resulting from the revaluation of the mark.

Chancellor Brandt declared his support for the demand for a permanent frontier equalisation system and drew attention to the contrast between the advanced state of integration in the agricultural sector and the absence of coordination in economic and currency policies among the Six. The ministers of agriculture and economics, Herr Ertl and Professor Schiller, have questioned the linking of EEC agricultural prices to the unit of account. It therefore seems unlikely that the West German delegation at the Council meeting being held this Monday will agree to the replacement of the present interim import taxes and export subsidies by direct income subsidies. (for report of Council meeting see page 3).

The West German farmers' union, the DBV, which favoured the "isolation" of the German market, has expressed considerable misgivings regarding the outline measures agreed at the Council of Ministers. The compensation scheme was to apply for only three years. Meanwhile they feared that the Common Agricultural Policy would adopt price reduction as a means of curbing overproduction, which would mean further reduction in German agricultural incomes while German production was not excessive. Upward trends in wages and prices would increase agricultural production costs. The farmers should have the right to recoup this increase in their selling price. The alignment to the common level was more or less equivalent to a "blockage". They did not wish to be government dependents. A system of deficiency payments in West Germany only would severely disrupt the solidarity of EEC farming. The DBV considers the final German attitude at the Luxembourg meeting was due to pressure from industrial circles anxious to preserve the Common Market at all costs. It referred particularly to a call by Herr Otto Wolff von Amerongen, a leading industrialist, that the government should give priority to the CAP and the Common Market and accept the cost. In view of the Luxembourg decisions West German farmers are somewhat surprised by Chancellor Brandt's statement.

The Commission has now published detailed proposals as to how West German farmers should be compensated for their losses estimated at Dm 1,700 million per annum. Despite opposition from West German farmers the Commission is confident its proposals will be adopted by the ministers at their meeting on Monday. It is proposed that the German government grants direct subsidies to its farmers. The subsidies will be only of a temporary nature and on a sliding scale, namely a maximum of Dm 1,590 million for the 1970/71 season, Dm 1,480 million for the 1971/72 season and Dm 1,370 million the following season with FEOGA's contribution falling from $ 90 million in 1971 to $ 60 million in 1972 and $ 30 million in 1973. At the end of the four years the West German government will have to introduce structural and social measures. These compensatory payments are to be linked to the size of farms, farmers' total income and sales rather than to prices, individual products or production. This it is hoped will not encourage production of certain commodities.

* * *

EURATOM

Dutch Form Company to Produce Ultra-Centrifuges

The Dutch Government has sponsored - and taken a 56% share in the capital of - a new company named Ultra-Centrifuge Nederland NV, based in Almelo, and designed to become the Dutch section of what it is hoped will be a Europe-wide industrial organisation exploiting the ultra-centrifuge nuclear fuel enrichment process (see Nos 514, 520). The new company, in which various private Dutch firms have taken an interest, is conceived in the first instance as the framework for Dutch production of ultra-centrifuges (in enriching uranium, a large number would be used in the isotopic separation process, the first stage of the sequence which provides enriched reactor fuel, the main rival to which is the gaseous diffusion system). U.C.N. will also administer a research and development centre, the chief purpose of which will be to evaluate the company's own centrifuges, the system not yet being fully proven.

The commercial undertakings involved in the new venture are: the Dutch State Mines - Nederlandse Staatsmijnen NV of Heerlen (see No 537); the Philips company of Hengelo (537); Royal Dutch-Shell of Rotterdam (532); V.M.F. - Verenigde Machinefabrieken of The Hague; Rijn-Schelde Machinefabrieken & Scheepswerven of Rotterdam (497) and the Foundation, Reactor Centrum Nederland of The Hague, which also recently became a 9.6% equity holder in Ste de Fluoration de l'Uranium of Woluwe-St-Pierre, Brussels (537).

Meanwhile, at the time of going to press, British, Dutch and West German officials are meeting in The Hague to agree the terms on which to proceed with their joint venture in ultra-centrifuge technology. The main point at issue will probably be the relative stake of each country in the project, the proposed share being one-third each. Having made the first breakthrough towards commercial exploitation, the Dutch may seek a larger stake, but at the same time it is Britain, in all probability that will have to foot most of the bill when full-scale production is achieved. The pilot plant that the new Dutch consortium is now to build was at first estimated to cost some $ 12 million, for capacity of 25 t.p.a. of enriched uranium, whereas the 300 t.p.a. plant that should begin construction in the United Kingdom in about three years time will demand the investment of about $75 million. In resolving the financial structure of the venture, of course, a complicating factor is the position of Germany. All parties are agreed in the principle that the enriched fuel should not be produced on German soil, but this means that participation is likely to be a more attractive proposition for the Federal Republic than for the other two countries, as engineering contracts will be involved.The British side of the issue is coloured by two main factors: a) the fact that much capital and effort has already been invested in development of the gaseous diffusion method, and b) the fact that Britain is the most advanced West European state in the field of uranium hexafluoride production, this being the vital second half of the enrichment process used when uranium is prepared by gas centrifuge.

Should the three nations come to an understanding as to the manner in which they will proceed on a commercial footing, the next move in the centrifuge story may well be made by the Community. Despite the atrophied state of Euratom at present, the Commission still keeps an eagle eye on developments in fields that will - or would - be covered by its pluri-annual programme, and it may feel compelled to make a close examination of the implications to the Atomic Community of any move made by the Netherlands and Germany with a non-member state at this crucial juncture.

* * *

E.C.S.C.

Coking Aid Approved

The Commission's proposals for aid for coking coal and coke used by the steel industry were approved during a meeting of the ECSC Consultative Committee last week in Luxembourg. Although the Consultative Committee unanimously approved in principle the Commission's proposals (see No 534, P.9), further suggestions were made with the aim of making a number of improvements, and in particular the majority of those present were against the aid being gradually phased out, and they also opposed a fixed ceiling for the amount of aid involved. In reply to the view expressed by the Committee, Herr Haferkamp said that the Commission could only operate in accordance with the ECSC Treaty and this did not authorise subsidies excepting those which were intended to be phased out, within a limited period. The Committee also stated that it favoured the continuation of the present coking coal aid system - which is due to expire on December 31 - until the time when the new proposals could come into effect. This suggestion was based on the need to avoid the difficulty which would be caused by a cessation, even temporary, of subsidies.

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Commission Warns France

The preferential credit rates for French steel exporters, which have been in operation since the summer of last year, have again come under attack from the Commission. These were originally introduced with the aim of helping the French steel industry over the difficult situation created by the economic unrest caused by the events of May 1968. At that time, the Commission agreed to allow this special treatment for the French steel industry provided the special rates did not veer more than 1.5% from the average rate and on the understanding that this privilege would be withdrawn by January 31, 1969.

Since France has not withdrawn the aid, which at 5% still gives steel exporters a 2% advantage compared with the normal rate, the Commission has now asked Paris to take the necessary steps to comply with the Community rulings within three weeks. If it fails to do so, the Commission will invoke the decision of the Court of Justice of the Communities. Judging from a statement made recently by the Advocate-General of the Court, Herr Karl Roemer, the finding would be against France. Roemer in fact was defending the right of the Commission to limit the French preferential rediscount rate. This is tantamount to repudiating the French case, which is that under the E.C.S.C. Treaty, the Commission would be exceeding its terms of reference to attempt to limit export aids on steel in this way.

* * *

METAL

Commission Action Over Nickel

With the likelihood of the strikes in the Canadian nickel sector remaining unresolved, the Commission has sent a recommendation to the governments of the Six suggesting that they introduce a system of export licences for crude nickel, scrap, waste and anodes This would enable sales to third countries to be restricted, and within the Community the destination of nickel and its derivatives sold would be checked by the use of certification.

France has already a licence system covering crude nickel and anodes, while similar measures have been taken by both Britain and the United States, where nickel from governments stocks is due to be released. As a result of the prolonged strike, which has lasted since July 10, the price of nickel has soared to around £6,500 - £7,250 a ton, and greater efforts are now likely to reduce industrial dependence on nickel.

Japan is already making a major effort in this direction, by increasing her smelting capacity, and the Ministry of International Trade and Industry has announced that Japanese imports of nickel ingots are not expected to exceed 5,000 tons in 1969 compared with previous figures of 6,000 and 7,000 tons. Furthermore, Japanese nickel smelters expect to double their production from this year's amount of 10,000 to 20,000 tons by 1970.

*

The EEC Aluminium Market

A recent study shows that during 1968 the six countries of the Community used 1,240,000 tons of aluminium, approximately 18% of the free world's consumption. In the same year first stage smelting within the Community produced 978,000 tons or 15% of the free world's production, while second stage smelting accounted for 410,000 tons (25%). Community consumption of the former rose by an average of 9.3% annually during the last decade. Although the present tension on the aluminium market is expected to continue into 1970, by 1971 the situation is likely to have improved. Furthermore, if Britain and Norway become members of the Community during 1972 and taking into account the various smelter projects which have been announced, the Community may have a surplus of between 50,000 and 200,000 tons between 1972 and 1975.

*

OECD Lead and Zinc Production

According to the figures released last week by the OECD, production of refined lead in European member states of the OECD rose to 86, 301 metric tons (provisional) in September, compared with 64, 532 tons in August.

Total stocks of refined lead held by producers stood at 45, 739 tons (again provisional) at the end of December as against 46, 768 tons (provisional) at the end of August.

Zinc production by some OECD countries was provisionally estimated at 108, 564 tons during September, compared with 107, 853 tons in August. Zinc stocks held by producers amounted to 72, 018 tons at the end of September, compared with 73, 793 tons at the end of the previous month.

* * *

LABOUR

Strikes 1958 - 67

Days lost through industrial disputes per 1, 000 workers (salaried employees and wage-earners)*

	1965	1966	1967	average 1958-67
Belgium	25	188	58	117
France	68	173	286	151
Germany	2	1	19	13
Italy	577	1, 207	699	891
Netherlands	13	3	2	21
U.K.	126	103	122	144
U.S.A.	382	390	642	486

* The figures give only a rough comparison as definitions used for collecting statistics vary from country to country.

Source: ILO and EEC.

FISCAL HARMONISATION

Italians Compromise over TVA Delay

Last Week, Herr Hans von der Groeben, Commissioner responsible for fiscal and regional policy, was in Rome to discuss aspects of these with the Italian government. A major topic was the Italian decision to delay until January 1, 1972 the application of the TVA tax system, instead of complying with Community rules and introducing it on January 1, 1970. The Italian decision has been strongly criticised in other EEC countries and no doubt as a result of outside pressure it seems that the date may well be advanced to July 1, 1971. This is in itself an improvement on an earlier suggestion of November 1, 1971. Furthermore the European Parliament at a meeting in October had suggested that July 1, 1971 should be taken as the new starting date for the generalised application of the TVA system throughout the Six.

The Commission, which was also faced with the Belgian decision to delay its application of the TVA until January 1, 1971 on economic grounds, had suggested this date as the time for the generalised use of the TVA, but this hardly met with Italian approval. The situation was then complicated by the persistent rumours that Luxembourg, closely linked with Belgium within the BLEU - Belgium-Luxembourg Economic Union - would decide to follow the decision taken by the Brussels government. An announcement by the Luxembourg Prime Minister, M. Pierre Werner, last Friday seems to have squashed these rumours for good. He stated that the TVA would be introduced in the Grand Duchy on January 1, 1970 as originally planned, but that in order to keep the prices of basic necessities and consumer goods down the rate levied on these - which in any case would have been the lowest in the Community - would be reduced still further. This reduction will not however last beyond January 1, 1971 at the latest, and the estimated loss of Lux.F 100 million to the government will be covered by savings in governmental expenditure and increased revenue from other sources.

* * *

CARTELS

Quinine Cartel: Companies Take their Medicine

One of the French members of the "quinine cartel", Societe Nogentaise de Produits Chimiques, which was fined $12,500 earlier this summer by the Commission, has now paid its fine. Other French firms who were also fined at the same time are said to have agreed to pay, although some of the main concerns involved have appealed to the European Court of Justice. The other French firms were Pointet-Girad and the Pharmacie Centrale de France (fines of $12,500 and $10,000 respectively), while the larger members of the illicit cartel were the Dutch Nedchem ($210,000) and the German Boehringer ($190,000) and Buchler ($65,000). The Court of Justice of the Communities has yet to deal with the appeals lodged by the latter (see No 523, p.8).

CUSTOMS & TARIFFS

Public Procurement without Privelege

The Commission last week adopted a draft directive concerning those national regulations and practices, in existence prior to the foundation of the Community, whereby in public supply contracts preference tends to be given to home-based companies. These practices are both a distorting and limiting factor in intra-Community trade, and are therefore scheduled for elimination under the Treaty's provisions for "the elimination of quantitative restrictions as between member states (Articles 31 - 37). The public procurement sector is, of course, an important section in the overall composition of consumption, and this directive therefore covers a vital field of legislation.

One of the aims of this Directive is to eliminate laws or regulations which reserve procurement of products intended to meet the needs of the state, regional and local authorities and other public agencies partly or entirely to producers of the same state. The Directive also covers the regulations which partly or completely exclude imports from other member countries as a way of fulfilling such procurement contracts or make the supply of imported products more difficult or more expensive than the supply of national products.

In other words, the elimination under the Directive of these measures is designed to introduce parity of treatment for imported products as compared with home-produced products when bought by public agencies. Under this Directive, all producers in the Community are awarded equal access to public competition from other Community countries.

* * *

ASSOCIATION

Ministers Sanction Yugoslav and Japanese Talks

At their meeting this week, the foreign ministers of the Six (see Common Market) gave the EEC Commission the go-ahead to resume its trade negotiations with Yugoslavia (which broke down about a year ago - see No 492) and to embark on exploratory talks with Japan, as to the feasibility of a unilateral trade pact between the Community and tha country (see No 537, p.9).

The resumption of talks with Yugoslavia is in fact a palpable entry on the credit side for the Community, and indeed for France, to whom everyone is now looking for greater flexibility in the re-launching and enlarging of the Community. Talks broke down last year when the French clamped down on imports of beef from Yugoslavia. They refused to give the Commission a mandate to negotiate in this sector, and this being the vital interest of Belgrade, there was no point in pursuing the talks at that stage. France has now relented, and after due discussion, it was agreed that the Commission could now offer Yugoslavia a 25% per annum reduction in import levies on beef over three years. This will mean a commensurate increase in EEC purchases of Yugoslav "baby beef", the key agricultural product in question, and so it is understood that safeguard stand-by measures will be designed to go with the arrangement, to be brought in if Yugoslav beef imports rise by more than 15% per year, or more than 22% in any month (for percentage changes in these imports, see No 527, p.12). These safeguards would in fact be the re-imposition of the normal levy. Also on the agenda for the resumed talks will be the acceleration of Kennedy Round tariff cuts on some 20 items, and preferential trading terms for a series of products, including glass, fish and leatherwear.

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Austria

It was announced last week after a cabinet meeting in Vienna that the Austrian government had decided to ask the Six for a rapid re-opening of negotiations with Austria with the aim of arriving at an "arrangement" with the Community. The Austrian ambassadors in the capitals of the Six as well as the head of the country's delegation to the Community have been instructed to raise afresh the question of Austrian links with the Community with their counterparts.

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Spain

In an interview given to the Spanish paper "Ya", the new Minister of Commerce, Senor Enrique Fontana Codina declared that he thought the question of Spain's association with the Common Market could be rapidly resolved. He thought that it would only take a few months and that the agreement could be rapidly finalised since it would be based on a preferential treaty and preferential treaties do not require ratification by the national parliaments of the Six. Furthermore, the signature of a preferential treaty was only a first step towards joining the Common Market.

* * *

E.I.B.

Loan for Ivory Coast Fruit Processing

The European Investment Bank has just concluded a loan agreement worth $527,000 (Central African francs 145 million) with the recently-formed Consortium des Agrumes & Plantes a Parfums de Cote d'Ivoire - CONSORTIUM C.I. SA, of Sassandra in the Ivory Coast. The loan is to finance a citrus fruit processing plant and a 1,250 acre plantation. Planned production is 170 tons per annum of essential oils; 1,260 tpa of fruit juice concentrates, and 2,150 tpa of orange distillate. The total cost of the project is estimated at cfa f 570 million.

Consortium CI (capital F cfa 130m) has M. Aka Anghui as president and was formed by Ste Nationale de Financement, Abidjan, Ivory Coast (see No 323) with a 49.6% stake and a group of French companies headed by Grands Moulins de Paris SA, Paris (see No 517), which has a direct 1.5% interest, as well as a 15% stake through Ste Industrielle & Agricole du Niari SA (see No 501). The other companies include Naranjina - Cie Francaise de Produits Orangina Marseilles (mineral waters), Pierre Chauvet Usines de Seillans SA, Seillans, Var (cosmetics), Mero & Boyveau J. (Benard & Honnorat SA), Grasse, Alpes-Maritimes (cosmetics), Unipectine SA, Redon, Ille-et-Vilaine (fruit and vegetable processing - all with 5% each). Cofimer - Cie Financiere pour l'Outremer SA, Paris (see No 501) with 4%, and with 2.3% Shell d'Afrique Occidentale SA, Dakar, Senegal (a member of the Royal Dutch Shell group - see No 526). And a stake of 1.5% is held by Sopad - Ste de Produits Alimentaires & Dietetiques SA, Courbevoie, Hauts-de-Seine, a subsidiary of the Nestle Alimentana SA group (see this issue and No 512).

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Bank Makes $25 Million Bond Issue on Eurodollar Market

On November 1, the European Investment Bank announced the issue of bonds worth $25 million, quoted on the Luxembourg Bourse. The bonds have a maturity of fifteen years, carry interest at 7½%, and were offered at the price of 98½%.

The issue has been underwritten by the Banca Commerciale Italiana, Credit Suisse (Bahamas) Ltd, the Banque Internationale a Luxembourg SA, and Kuhn, Leob & Co of New York. The bonds will also be quoted on the Milan and New York stock exchanges. The latter was one of the founders in 1967 of "Bond-Trade" (see No 494), formed for dealings in the secondary market for international dollar bonds. This also embraces the Commerzbank of Dusseldorf, Amsterdam-Rotterdam Bank, Societe Generale de Banque (Brussels), Privatbank & Verwaltungsgesellschaft (Zurich), Credit Lyonnais and the Societe Generale of Paris. It has just been announced, moreover, that Bond-Trade is to merge with Eurotrading, which is based in London. This will bring N.M. Rothschild & Sons, Pierson, Hendring & Pierson of Amsterdam and Banque Lambert of Brussels into the Bond-Trade consortium, as from January 1, 1970. This will then be by far the largest trader in the secondary market for international bond issues. All these banks, with the exception of the Swiss, are included in the underwriting syndicate for this issue.

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$2 .33 Million Loan to Gabon

On November 3, the E.I.B. concluded its first loan agreement with the Republic of Gabon, one of the eighteen Associated African States. This was for a sum of $2 .33 million (CFA f 647 million app.). The loan has a term of 16 years, the rate of interest charged in 7½%, and there is a rebate of 3% appended.

* * *

E.D.F.

$2½ Million Soft Loan to Gabon

Announced at the same time as the first EIB loan to the Gabon last week was a "soft" loan worth $2 .5 million, from the European Development Fund. This has a term of 25 years, with a 10-year period of grace, and carries minimal interest of 1% per annum.

The project concerned is the extension of the Libreville-Ayem-Mikongo road axis along the Basse Obiga-Wagny River, in the so-called "Bees" area. It is part of the road investment programme undertaken by the Government of Gabon for the development of the second forest zone which is rich in gaboon wood. Owing to the gradual exhaustion of the first forest zone this project, once completed, will help maintain the rate of wood exports from Gabon by making possible the development of an area whose potential in gaboon wood alone is estimated at 815,000 tons. From the economic angle, the project seems to be very positive in terms of added value and foreign-exchange returns.

The total cost of the project, which will be carried out under the guidance of the Gabon Ministry for Public Works, amounts to $6,077,000 (about 1,688 million CFA f), towards which Gabon is contributing the equivalent of $1,247,000.

EUROFLASH - HEADLINES

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CONTENTS

ADVERTISING

** INSTITUT FRANCAISE D'ETUDE DES PRODUITS ALIMENTAIRES - AFEA SA, Courbevoie, Hauts-de-Seine (see No 511, a member of the Swiss group NESTLE ALIMENTANA SA, Vevey and Cham (see No 534), has linked with the Paris cosmetics group L'OREAL SA (see No 529) and CENTRE D'ETUDES DE LA CONSOMMATION DE LA DISTRIBUTION - CECODIS SA, Chambourcy, Yvelines (a 17% affiliate of the previous company - see No 283) to form STE D'ETUDES DE LA CONSOMMATION DISTRIBUTION & PUBLICITE - SECODIP SA, Chambourcy (capital F 100,000). The president, M. Marcel Rives, and the managing director, M. Albert Lanceau, of the new company held the same position in Cecodis, and it will carry out all types of market service and motivational research.

** A.G. & M. PUBBLICITA & MARKETING, Milan (see No 535) has made reciprocal cooperation agreements with similar agencies in New York; DOREMUS & CO (financial advertising) and SAPAN, PLYERS, LEBMAN INC ADVERTISING (marketing and advertising for consumer goods). The Italian agency, headed by Sigs A. Audagna, R. Benedetto and G.A. Roggero, recently made a similar agreement with the Swiss Gerstner, Gredinger & Kutter - G.G.K., Basle (see No 414), and with the latter's Düsseldorf subsidiary.

AEROSPACE

** RHEIN-FLUGZEUGBAU GmbH, Mönchengladbach, has raised to 50% the holding it acquired in June of this year (see No 517), in the light aircraft concern SPORTAVIA PUETZER GmbH, Bonn (factory at Schmidtheim, Eifel).

Rhein Flugzeugbau, which has just raised its capital from Dm 3.5 to 4 million, is a 65% subsidiary of the Bremen aeronautics concern V.F.W. - VEREINIGTE FLUGTECHNISCHE WERKE GmbH (see No 535), which is currently merging with the Rotterdam group NV Kon Ned Vliegtuigenfabriek Fokker, the rest of its equity being held by the Bentheim mining company C. Deilmann GmbH, which until last year had outright control.

AUTOMOBILES

** VOLKSWAGENWERK AG, Wolfsburg (see No 527) has initiated feasibility studies on three European expansion projects:

1) In Yugoslavia, where annual sales come to 6,000 vehicles, it is to delegate assembly to PRETIS PRODUZECE TITO SARAJEVO, Sarajevo (see No 474), which is already linked with it indirectly through assembly contracts covering the "Prinz", which it concluded early this year with AUDI N.S.U. AUTO-UNION AG, Neckarsulm, 59.5% subsidiary of Volkswagen. At the same time, it is to terminate the exclusive distribution agreements that it has retained for fourteen years with INTEREXPORT, Belgrade.

2) In Denmark, it plans to build an assembly plant at Esbjerd, which should create anything from 5,000 to 10,000 new jobs.
3) In Finland (1968 sales of 9,000 vehicles), it has joined with its general agent the Helsinki group WIHURI-YHTYMAE OY, in a series of pilot studies at Heinola, with a view to installing a plant there for partial or even total assembly of its vehicles.

BUILDING & CIVIL ENGINEERING

** The London civil engineering group TAYLOR WOODROW LTD (see No 496) has expanded its interests in Belgium, where it recently formed a property company TAYLOR WOODROW (ARTS-LOI) SA, Brussels, by establishing a new firm called TAYLOR WOODROW (PARKING 200) SA, Brussels (capital Bf 50,000). This will operate parking facilities, and has been formed through the subsidiary TAYLOR WOODROW PROPERTY CO LTD.

** The West German building materials firm REUL GRANIT AG, Niederlamitz, has linked with the Belgian, HANSEZ & CIE Sprl, Etterbeek and MARBRERIE JACQUEMART Sarl, Luxembourg, to form EURIMEX SA, Luxembourg (capital Lux f 1.5 m). With M. R.M. Hansez as president, this deals in building materials, aggregates, glass etc.

** The French company CIMENTS LAMBERT-LAFARGE SA (see No 520), the joint subsidiary of the French cement group LAMBERT FRERES & CIE Scs, Cormeilles-en-Parisis, Val d'Oise (see No 531) and CIMENTS LAFARGE SA, Paris (see No 533), is to have made over to it by the STE D'APPROVISIONNEMENT DU BATIMENT & DES TRAVAUX PUBLICS SA - SABTP, Vitry, Val-de-Marne, various assets including its ready-to-use cement manufacturing and distribution interests, as well as its bulk cement distribution business (valued at F 77.313 m). As a result Ciments Lambert Lafarge will raise its capital to F 255.23 million, and it will enable two new shareholders to take an interest in the company, while the founders will keep an identical interest. The new shareholders, who will each have a minority interest, are BETON SERVICE DE FRANCE SA (of the TEXAS INDUSTRIES INC group) and the ROTHSCHILD SA group (see No 523).

When the move is completed, SABTP will be renamed SAK-MIX SA and with its capital reduced from F 17.3 million to F 1 million, it will move its offices to Paris.

CHEMICALS

** SIBEC - STE INDUSTRIELLE DE BLANCS ENDUITS & COLLES SA, Paris, which operates in the paint, varnishes and adhesives sector, will raise its capital to F 1.2 million when it takes over another firm in the same sector COLLES & BLANCS SA, Montreuil-sous-Bois, Seine-St-Denis (capital F 0.6 m) and acquires gross assets valued at F 3 million.

** The West German company RHENOFLEX GmbH FABRIK CHEM. TECHN. ERZEUGNISSE, Ludwigshafen (supplies for the footwear industry) has closed down the French company FLEXOTEX FRANCE Sarl, Faucogney, Haute-Savoie (capital F 20,000), which it helped to form during 1968. A 70% interest in the French company was held by its manager, M. Rene Deyer, who has been responsible for finalising the company's closure, and this dealt in thermo-plastic goods similar to those sold by its West German sister company, Flexotex GmbH, Ludwigshafen.

Rhenoflex is closely linked to Gebr. Giulini GmbH, Ludwigshafen (see No 412), which specialises in aluminium-based products, chemical and pharmaceutical products, as well as technical goods for the leather, paper and textile industries. Gebr. Giulini has an annual turnover exceeding Dm 200 million and some 2,000 employees. Its main shareholders are the Liechtenstein company Stehg Anstalt, Vaduz (41.7%) and members of the von Salmuth (totalling 36.5%) and Giulini (totalling 11.8%) families.

** AQUITAINE CHEMICALS INC, which was recently formed as a sales company in the United States by the French company AQUITAINE-ORGANICO SA, Courbevoie, Hauts-de-Seine (see No 504), itself an 89.5% subsidiary of S.N.P.A. - STE NATIONALE DES PETROLES D'AQUITAINE SA, is to build a "Rilsan" production complex in Pennsylvania using a method developed by its parent company. S.N.P.A. is in turn a member of the French State group E.R.A.P. (see No 521).

The complex will cost some F 30 million and is due to come on stream in early 1971 with an initial capacity of some 4,500 t.p.a. It will be supplied with monomers from the Mont and Marseilles plants belonging to Aquitaine Organico. The design and construction of the new plant is the responsibility of Technip - Ste Francaise d'Etudes & de Construction SA, Rueil-Malmaison, Hauts-de-Seine, in which S.N.P.A. has a 12% stake along with Institut Francais du Petrole, C.F.P. and Seichime (see No 528).

** The Brussels group U.C.B. - UNION CHIMIQUE SA (see No 533) has raised to Bf 300 million the capital of its new subsidiary U.C.B. - FTAL SA (see No 523) in order to provide the financial backing for the completion of a phthalic anhydride and phthalates (for surface coating resins etc) plant at Zandvoorde in Western Flanders. UCB-Ftal was formed in August of this year as a 69/31 concern in association with S.N.I. - Ste Nationale d'Investissement SA, Brussels (see No 537) and it has already taken over the plant operated by its parent company in this sector at Schoonaarde.

U.C.B. is about to put into production a thioglycolic acid plant at Wondelgem in Ghent (used as a base material in organostannous stabilisers, industrial catalysts and cosmetic products). The Brussels group is also linked to the Paris group Rhone-Poulenc SA through the investment companies Ste Generale de la Viscose SA and Fabrique de Soie Artificielle d'Obourg SA, Brussels (see No 504). The Belgian Janssen family (which also holds a large stake in the Solvay & Cie SA group) has a considerable interest in U.C.B., as well as management control, and in April 1969 this led to the "Fabelta" division being made over to the Dutch group Aku (recently changed to AZKO NV - see No 537) in return for a minority shareholding in the latter and various assets being made over to the Belgian group's "Sidac" division.

** The West German chemical and pharmaceuticals group FARBWERKE HOECHST AG (see No 536) is holding talks with the New York group CELANESE CORP (see No 532) with the possible aim of acquiring the latter's 29.4% stake in the British paints, varnishes and lacquer group BERGER, JENSON & NICHOLSON LTD, London ("Brolac" and "Magicote" paints - see No 533).

The American group acquired its stake in April of this year when it made over BRITISH PAINTS (HOLDINGS) LTD, Newcastle-upon-Tyne to BJN. At the same time, however, it agreed to inform the BJN board before selling its holding, in addition to stating that it would not knowingly sell more than 15% without the approval of BJN's board.

** The West German firm GEWERKSCHAFT HERMANN, Hanover, has sold its 25% stake in the carbon black company CHEMISCHE WERKE BROCKHUES AG, Niederwallruf, Rheinland (capital Dm 1.19 m) to GEWERKSCHAFT ELWERATH, Hanover (see No 511). The Frankfurt bank B. Metzler Seel Sohn & Co KG remains the other main shareholder with a 25% stake.

Gewerkschaft Elwerath, which like its sister company Gewerkschaft Brigitta, Hanover, was formerly a direct 50-50 subsidiary of the New York group Standard Oil Co of New Jersey (through Esso AG, Hamburg - see No 526) and the Rotterdam group Royal Dutch Shell (through Deutsche Shell AG, Hamburg - see No 535), recently passed under the direct control of Gewerkschaften Brigitta & Elwerath Betriebsführungs GmbH. This was formed by the two groups to control their interests more closely.

CONSUMER GOODS

** The Austrian ski manufacturer JOSEF FISCHER SPORTARTIKELERZEUGUNG oHG, Ried, Innkreis (570,000 pairs in 1968-69 - see No 523), has formed a branch at Simbach in West Germany, to operate under the title FISCHER EUROPA VERTRIEB.

The parent company recently acquired a holding in the rival firm of VORARLBERGERER ANTON KAESTLE oHG, Hohenems, Vorarlberg, and is linked with this in the French Fischer-Kästle France Sarl, Cluses, Hauts-Savoie (capital F 20,000), which also represents the Austrian Komperdell (ski-sticks); Humanic - Heinisch & Mayeriekh KG, Graz (ski- and climbing-boots) and the German Hannes Marker Sicherheits-Skibindungen KG, Garmisch-Partenkirchen (see No 498), which specialises in ski-clamps.

** The child products holding company BEBE-CONFORT SA, Villemomble, Seine-St-Denis (see No 494) has acquired a 51% interest in the import company S.A.A.P.E. - STE D'APPROVISIONNEMENT D'ARTICLES DE PUERICULTURE POUR ENFANTS Sarl, Toulouse (capital F 20,000), and in return has received M. Raymond Leclerc, manager of the latter, on to the Bebe-Confort board.

COSMETICS

** The Hanover steel and mining group PREUSSAG AG (see No 529), a 26% affiliate of the Berlin and Bonn group VEBA - VEREINIGTE ELEKTRIZITAETS &

BERGWERKS AG (see No 527) has widened its interests in the toiletries sector by gaining control of the toothbrush and dental products concern DR. BEST GmbH, Cologne (see No 361). With a capital of Dm 400,000, this has an annual turnover of Dm 13 million with some 80 employees. Apart from a subsidiary in West Germany, Dr. Best GmbH & Co KG, Fernthal, it has numerous foreign interests including Dr. Best Holding AG, Basle, and Dr. Best SA, Lugano in Switzerland and Dr. Best GmbH, Adnet, Hallein in Austria. It has been linked for a number of years with the American pharmaceutical and cosmetics group Chemway Corp, Wayne, New Jersey, through a technical and sales agreement.

Preussag's existing interests in this sector through Kohlensäure-Industrie AG, Düsseldorf, include a wholly-owned cosmetics and pharmaceutical products subsidiary, Lingner Werke GmbH, Düsseldorf ("Odol" trade mark - see No 510), which heads a number of foreign companies dealing in "Odol" products, in Belgium, the Netherlands, Switzerland and Austria. Since April 1969 it has also controlled the chemicals, cosmetic and pharmaceutical products concern Deutsche Milchwerke Dr. A. Sauer KG, Zwingenberg, Bergstrasse (main trade makr "Fissau").

** The London "BATS" group - BRITISH AMERICAN TOBACCO CO LTD (see No 508) is to rationalise its EEC interests in the perfumes, cosmetics and toiletries sectors. In Germany, it is to shut down the Mainz factory of the subsidiary PARFUMS LENTHERIC GmbH (see No 314), and transfer production to France, where another affiliate, YARDLEY & CIE SA, Courbevoie, Hauts-de-Seine (see No 453) already supplies the German market with "Yardley" products. This will culminate in the merger of the Mainz subsidiary with its sister firm YARDLEY OF LONDON (DEUTSCHLAND) GmbH, Sulzbach, Taunus.

Bats has also decided to put its indirect French subsidiary GERMAINE MONTEIL SA, Levallois, Hauts-de-Seine (through Powhattan Investment Co Ltd) in charge of all the European operations of its "Monteil" division. This was previously the New York company Germaine Monteil Cosmetics, which came under its control late last year (see No 496), and which has subsidiaries in Fribourg, Vienna, Munich etc.

DATA PROCESSING

** A group of ten Belgian financial and banking houses, including the CAISSE COMMUNE "LA BELGIQUE INDUSTRIELLE" with a 30% interest, GESBANQUE SA, Liege, with a 15% interest, and the BANQUE BORSU SA, Huy (see No 488), the BANQUE COMMERCIALE DE LIEGE, and the bank NAGELMACKERS FILS & CIE Scs, Liege (see No 522) each with 10% have linked to form a Liege-based subsidiary, STE COOPERATIVE D'INFORMATIQUE - S.C.I. (minimum capital Bf 1 m) to run joint data-processing services.

** The Paris firm CABINET DE MODELISATION PAR CALCULATEUR - C.M.C. Sarl, which provides all types of data processing services, has opened a Lausanne branch under M. Daniel Taillens. The founder (capital F 50,000) is managed by M. Jean-Francois Canguilhem and other shareholders include members of the Canguilhem family (totalling 73.2%) and SUD-ASPHALTE SA, Bourg-les-Valence, Drome.

** The Frankfurt company TELEPRINT GES. FUER DATENERFASSUNG & DATENUEBERTRAGUNG mbH (formed in 1968 - capital Dm 50,000 - see No 463), established to modify, assemble, distribute and maintain teleprinting data processing equipment made by the British company DATA DYNAMICS LTD, Uxbridge, Middlesex, intends to open an after sales service office in the Netherlands. The founders of the Frankfurt company were the Uxbridge firm and Herr Paul Egerer, Vienna, who heads the Liechtenstein Teleprint GmbH, Vaduz.

ELECTRICAL ENGINEERING

** The French companies MERLIN-GERIN SA, Grenoble (see No 499) and JEUMONT-SCHNEIDER SA, Paris (see No 534) have agreed to merge their Moroccan interests within a joint subsidiary called STE MAROCAINE D'EQUIPEMENT ELECTRIQUE - SOMATEL (capital Dh 950,000). At present the Grenoble company has a subsidiary, Ste Marocaine d'Equipements Electromecaniques - S.M.E.E., Casablanca, while Jeumont-Schneider operates through a network of agencies and branch offices.

Both are affiliated to the Empain group (see this issue) and will be involved when the New York group, Westinghouse Electric Co (see No 532) carries out in its European rationalisation programme, at present awaiting clearance from the French government.

** The newly-formed Frankfurt company VERTRIEBS-GESELLSCHAFT FUER B.P.T. & OERRE PRODUKTE mbH (capital Dm 30,000), whose managers are Sigs Lisio Plozner and Elido de Paoli, has been established to market the electrical goods made by two Italian companies, B.P.T. SA, Cinto Caomaggiore, Venezia (automatic control systems, electrical plant accessories, switchboards and internal phones) and OERRE Snc, Milan (domestic appliances, especially vacuums). The latter concern is managed by Sig Riccardo di Paoli.

** The British electrical goods retailing concern ADA (HALIFAX) LTD, London (see No 532) a member of the Dutch PHILIPS group (see No 536) through its holding company PHILIPS ELECTRONICS & ASSOCIATED INDUSTRIES LTD, has strengthened its sales and technical links with the Manchester television retailer LOYDS RETAILERS LTD (see No 467). In return for making over six specialised subsidiaries to the latter, which will thus increase its sales outlets from 90 to 360, Ada will have a 47% stake to be later raised to 69%.

** FABRICOM - SA POUR LE COMMERCE & LES FABRICATIONS INDUSTRIELLES SA, St Gilles, Brussels - a member of the Empain group (see No 529) - making industrial electrical goods has sold its Spanish subsidiary FABRICOMES SA to the Madrid TALLERES FLUMA SA in return for a 33% stake in the latter.

Fabricom is controlled by the holding companies ELECTRAFINA SA, Antwerp (see No 469) and Ste Financiere de la Basse-Meuse - Fimeuse SA (formerly Ste d'Electricite de la Basse Meuse SA - see No 403). It also has another foreign subsidiary, Fabricom NV, Krimpen aan den Ijssel, as well as interests in Applicom NV, Antwerp and Ets Bracke-Monin NV, Ghent.

** In a further move aimed at rationalising their interests (see No 511) the CIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT SA and the C.G.E. - CIE GENERALE D'ELECTRICITE SA (see No 537) have agreed that the latter will acquire a controlling stake of over 50% (and not 40% as originally forecast) in ALSTHOM SA (the joint subsidiary of T-H H-B and the holding company ALSPI SA - see No 533). In return C.G.E. will make over its shareholdings in Unelec SA, Paris (50%) in Delle-Alsthom SA, Villeurbanne, Rhone (79%) and Alsthom Savoisienne SA, St-Ouen, Seine-St-Denis (49%) to Alsthom, which will then begin talks with the aim of absorbing them.

** The Turin investment company FINANZIARIA REGIONALE PIEMONTESE SpA (capital shortly to be raised to Lire 10,000 m - see No 510) has negotiated the acquisition of a minority shareholding in TECHNION ITALIANA SpA, Cameri, Novara (formerly C.I.E.L.M. - Costruzioni Impianti Elettrici Milano SpA, Milan), which makes electrical equipment and instruments.

The latter works in close cooperation with another electrical concern based in Cameri, Pan Electric SpA - they recently gained a Lire 3,000 million contract from the Bulgarian state organisation Techno-Import, Sofia - in which Finanziaria Regionale Piemontese has held a stake since 1967 (see No 411).

** KABELSCHLEPP GmbH (electric cables and goods - see No 470), the subsidiary in Siegen of the machine tool concern H.A. WALDRICH GmbH (see No 505), has made its British branch at Hale, Cheshire into a subsidiary called KABELSCHLEEP LTD (capital £ 1,000).

** The Dutch manufacturer of electro-technical equipment NV TECHNISCH BUREAU MARYNEN, The Hague, has formed an Antwerp subsidiary called MARYNEN SA (capital Bf 20,000), in which its subsidiaries MARYNEN KOELINDUSTRIE NV and N.K.B. MOL'S-KOELMEUBELEN-BETIMMERINGEN NV, both based in The Hague, have taken shareholdings. Technisch Bureau Marynen has some 200 employees and manufactures refrigeration equipment in its factory at Culemborg.

The new subsidiary, whose board includes Messrs Weitmann, van der Heijden and Verstelle, will manufacture and install refrigeration equipment and fitments, air-conditioning equipment and shop fitments.

** The Paris group THOMSON-HOUSTON HOTCHKISS-BRANDT SA (see No 537), which in September 1968 acquired control of three companies belonging to the Claret group (see No 487), has now raised their capital in order to finance their future expansion. These are the holding company SEPLEC - STE D'EXPLOITATION DES PROCEDES LELAND & CLARET SA, Nanterre, Hauts-de-Seine (capital raised to F 8.1 m), C.M.E.P. - CIE MOBILIERE D'ETUDES & DE PARTICIPATIONS SA, Paris (capital raised to F 13 m) and UNITE HERMETIQUE SA, Nanterre (capital raised to F 18 m).

The Claret group, which makes domestic appliances, refrigerator motors and sealed refrigeration systems, also controls Ets. A. & L. Claret Sarl, Paris (formerly at Colombes - see No 497), Moteurs de Fourmies SA, Nanterre, and Moteurs Electriques Segal & Cie SA, St-Denis .

** VIF-VITALONI Sas, Beinasco, Turin (electrical vehicle equipment) has signed a sales and manufacturing agreement with the Japanese YAZAKI KOGYO K.K., Tokyo. Under this the Italian firm will distribute the latter's electrical and electronic goods, and if the demand is large enough will also undertake their production.

The Japanese firm specialises in industrial electrical and electronic goods, and since 1967 it has been linked to the Swiss group WERKZEUGMASCHINENFABRIK OERLIKON-BUERLE & CO - through its Zurich subsidiary EUKLID AG (see No 405) - in a joint Zurich subsidiary YAZAKI-OERLIKON CORP (capital Sf 300,000) under president Mr Sadami Yazaki.

** OLTRONIX VERTRIEB ELEKTRONISCHER GERAETE GmbH has just been formed in Hamburg with a capital of Dm 20,000 to distribute the electro-technical goods made by the Swedish company OLTRONIX A/B, Stockholm. Managers of the new concern are Mr Olaf Westerfors, Stockholm, and Herr Joachim Sievers, Hamburg.

These goods have been sold in the Netherlands since late 1964 by Oltronix Nederland NV, Hoogezand (see No 285), which was formed by Mr Carl Olaf Olsson, and in Britain since June 1968 by a branch based in Hitchin, Herts.

ELECTRONICS

** NATIONAL SEMICONDUCTOR VERTRIEBS GmbH FUER ELEKTRONISCHE ERZEUGNISSE, Harthausen, Mietraching, has been formed with Herr Hans Dieter Wüster as manager and a capital of Dm 20,000 to market in West Germany the products of the American company NATIONAL SEMICONDUCTOR CORP, Danbury, Connecticut. Until now this was carried out by the Munich company CONTROLS & INSTRUMENTS OVERSEAS DEUTSCHLAND GmbH.

The American company is represented in London by National Semiconductors (UK) Ltd, and in Paris by Electronique M.S. Sarl. It has a Spanish manufacturing subsidiary, Piher Semiconductores SA, Badalona, Barcelona (silica transistors), owned 50-50 with the electrical concern Piher SA, Badalona.

** The Stuttgart electrical and electronics group ROBERT BOSCH GmbH (see No 537) has signed an R & D agreement covering electronic gear-boxes for commercial vehicles with the engineering group ZAHNRADFABRIK FRIEDRICHSHAFEN AG (see No 531).

The latter has some 18,000 employees and a turnover of Dm 750 million. It recently linked with the American BORG-WARNER CORP, Chicago in an agreement in principle to build a jointly operated factory in West Germany making some 300,000 automatic gear-boxes a year. Borg-Warner is at present negotiating a Dm 100 million loan on the Euro-currency market through its subsidiary Borg Warner Capital Corp, Wilmington, Delaware.

Bosch is reorganising its structure so that as from January 1, 1970 it will be known as ROBERT BOSCH ELEKTRONIK GmbH, operating in the telecommunications, medical equipment and aerials sectors. Its photographic interests, "Bauer" cameras, electronic flash-guns, slide projectors and cinema equipment will be run by a new concern, ROBERT BOSCH PHOTOKINO GmbH.

ENGINEERING AND METAL

** The British manufacturer of bicycles and motorcycles, RALEIGH INDUSTRIES LTD, a member of the TUBE INVESTMENTS LTD, Birmingham group (see No 536), which in September of this year acquired its former Dutch distributor E.R.I. - ENGELSE RIJWIEL IMPORT NV (see No 529), has formed an Amsterdam management, manufacturing and sales subsidiary, ENGELSE RIJWIEL IMPORT NV (capital Fl 1m), which is run by Messrs C.M.N. Doornik, Th. E. Barnsley and R.A.L. Roberts.

E.R.I., which employs some 65 persons, has distributed "Raleigh" and "B.S.A." bicycles as well as assembling them for several years now. Since 1966 it has had a West German sales branch in Opladen.

** A merger within the Paris BENQUET-BOYOVAL & CIE SA group will strengthen the position of the cutting and metal shaping company AUBRY & CIE SA, Paris. This acquired control of LABBE SA, St-Florent-sur-Cher, Cher (see No 389) during 1968, and it will now absorb the latter. In return for acquiring fresh assets valued at F 9 million (gross) it will raise its own capital to F 3 million.

Aubry, which has directly run the St-Florent factory for the past year, has extended the product range from stainless steeel drums for washing machines to include a "domestic appliances department" (electrical drying cupboards) and by an aerospace department, making runway marking equipment and parts of the Mirage III. The latter is built by Ste des Avions Marcel Dassault Sarl, St-Cloud, Hauts-de-Seine (see No 536).

** The Paris CIE DES ATELIERS & FORGES DE LA LOIRE SA (see No 534) - through its "Materiels de Travaux Publics Pinguely" division - has signed a technical and sales cooperation agreement covering mobile cranes and handling equipment with the Marseilles company M. GRIFFET Sarl (capital F 2.5m). This will enable both companies to strengthen their position as their production is complementary.

** The Belgian wire drawing group BEKAERT SA, Zwevegam (see No 535) is continuing to expand its foreign interests and it has signed two manufacturing agreements - in Spain and Japan - for the construction of plant to produce steel cord, used to strengthen car, lorry and tractor tyres. The Belgian group in another recent move decided that its American subsidiary BEKAERT STEEL WIRE CORP should operate the planned capacity of its plant at Rome, Georgia, as yet uncompleted (see No 512).

The agreement in Spain is with the Bilbao group ECHEVARRIA SA (see No 483) and a joint subsidiary called INDUSTRIAS DEL UBIERNA SA - UBISA, Villalonque, Burgos, will be formed. This will start production in early 1971 and employ 125 persons. The other agreement is with the leading Japanese tyre manufacturer, BRIDGESTONE TYRE CO LTD, Tokyo (factories at head office and Kurume and a Swiss distribution subsidiary, Bridgestone Distribution SA, Bienne). This will begin production in early 1971 and the factory situated on the outskirts of Tokyo will initially employ 200 people.

** The Swiss group GEBR. SULZER AG, Winterthur (see No 516) has increased its minority interest in the German circular looms manufacturer FRANZ MORAT GmbH, Stuttgart-Vahingen, into a controlling interest and the latter has raised its capital to Dm 10 million (see No 374).

The German firm (turnover Dm 40 m) is headed by Herr Franz Morat and it has 2 sister companies, Franz Morat GmbH & Co KG, Eisenbach, West Germany, and Franz Morat GmbH, Kaiseraugst, Aargau.

** The British civil engineering and building plant manufacturers RICHARD SIZER LTD, Wilmington, Hull, Yorks, a member of the London HAWTIN INDUSTRIES LTD group (see No 534), has formed an almost wholly-owned Dutch manufacturing subsidiary RICHARD SIZER NV, Amerongen (authorised capital Fl 1 m). Control is shared with the Amsterdam investment company NV TRUSTMIJ. ROKIN (see No 481) and the new concern is run by Messrs W.E. van der Lee, Doorn and E. Williams-Raahauge, Hessel, Yorks.

** Two Common Market heavy engineering groups DEMAG AG, Duisburg (see No 536) and RICHIER SA, Paris (see No 536) have agreed to cooperate in Spain in the manufacture of civil engineering equipment. A joint subsidiary called DEMAG RICHIER EQUIPOS DE OBRAS SA will take over as from the start of 1970 a number of their separate interests in Spain.

The German group has a 66% subsidiary (through Demag-Beteiligungen AG, Zurich), Demag Equipos Industriales SA, with the remainder held by Deutsche Ges. für Wirtschaftliche Zusammenarbeit (Entwicklungsgesellschaft) mbH, Cologne (see No 396).

For its part the French group has a subsidiary, Oleomat Iberica SA, shared with the Paris Oleomat SA (which it has recently taken over) and its Spanish representative Luis Grasset SA, Madrid (which will keep its present role). The new company will cooperate with the latter and Mecanica de la Pena SA, Bilbao, in the manufacture of a wide range of civil engineering equipment.

** Two Belgian non-ferrous metal companies, in which the STE GENERALE DE BELGIQUE SA group has large holdings (see No 533), are holding talks with the aim of merging. The first is CIE DES METAUX D'OVERPELT-LOMMEL & DE CORPHALIE SA, Overpelt (see No 494), in which Generale de Belgique has a direct and indirect interest of 23% and it specialises in processing and refining pure zinc under the "Overcor" trade name, as well as in the manufacture of lead alloys, chemical products (mainly sulphuric acid) and plastics.

The other company involved, METALLURGIE HOBOKEN SA, Brussels (see No 536) also has a 3.07% interest in Overpelt-Lommel, while Generale de Belgique holds a 15.87% interest and the Brussels group Union Miniere SA, Brussels, a stake of more than 47.6% (see No 522). This also specialises in refining zinc, lead and copper in the manufacture of chemical products derived from rare metals (germanium), refractory materials, cobalt and semiconductors. With M. Marcel De Meere as president (the director of Generale de Belgique), the company strengthened its links with Overpelt-Lommel in early 1968 when they decided to set up joint research and development facilities for lead and zinc products and processes.

** The Paris TREFIMETAUX GP SA (see No 529), a member of the Lyons group CIE DE PECHINEY SA (see No 533), has made a takeover bid with the aim of raising to at least 51% its stake in STE METALLURGIQUE DE LA BONNEVILLE SA, Paris. With a capital of F 6 million, this has a factory at Bonneville, Eure, which with some 350 employees had a 1968 production of 6,000 tons of machine wire and copper drawn wire for a turnover of some F 63 million. Another company belonging to the group Cegedur GP SA, Paris (see No 527) recently acquired from Ste Hugonet SA, Bois-Colombes, Hauts-de-Seine, which has been in the hands of the receiver since 1967, manufacturing and sales interests covering venetian blinds and false ceilings. These interests are being made over to a new company now being formed in Paris, Venetia SA (capital F 300,000).

** M. Hubert Faure is the president of the newly-formed Paris holding company OTIS EUROPE SA (capital F 140 m), which has now been formally established by the New York engineering group OTIS ELEVATOR CO (mainly lifts), which is the majority 65% shareholder in the new company. This has been established to head the American group's Common Market interests (see No 529). The new company is an 11.8% affiliate of the French companies REVILLON FRERES SA (see No 531) and ETS BAUDET DONON & ROUSSEL SA in return for their interests of 19.64% each in ASCINTER OTIS SA, Paris (capital F 36.47 m) and it also holds a 10% stake in the West German group DEMAG AG, Duisburg (see No 532). From its American founder it has received its majority interests in the lifts and escalator manufacturers controlled by the former in Paris, Berlin, Milan, Brussels and Amsterdam.

** The Paris company ENGRENAGES & REDUCTEURS SA, formed from the 1962 merger of STE DES ENGRENAGES CITROEN and ETS R. MESSIAN and a member of the CITROEN SA group (see No 531), is to build a factory in Spain to make gears and transmission systems. This will be run by a company formed for this purpose, ENGRANAJES CITROEN-CAMPADABEL SA, Barcelona.

** The re-grouping of some of the engineering interests of the West German DEUTSCHE BABCOCK & WILCOX AG group (affiliated to the London group Babcock & Wilcox Ltd for more than 25% and for more than 10% to BERLINER HANDELSGESELLSCHAFT, Berlin and Frankfurt) with those of the DEGUSSA company - DEUTSCHE GOLD- & SILBER-SCHEIDEANSTALT VORM. ROESSLER AG, Frankfurt (see No 532) will strengthen the position of an 84.5% subsidiary of Deutsche Babcock & Wilcox, BUETTNER-WERKE AG, Krefeld-Uerdingen. This will be re-named BUETTNER-SCHILDE-HAAS AG, Krefeld-Uerdingen, and with an authorised capital of Dm 21 million will raise the issued capital to Dm 14.8 million, after taking over a 51.02% subsidiary of the Frankfurt group Schilde AG, Bad Hersfeld - in which Deutsche Babcock & Wilcox was a shareholder - as well as its own wholly-owned subsidiary, Maschinenfabrik Friedrich Haas GmbH & Co KG, Remscheidt.

The new group, which may be used as the basis for further rationalisation moves, will be under the majority control of the Oberhausen group with Degussa's stake standing at around 25%. It will have an annual turnover of some Dm 150 million and rank amongst the leading European groups in the air-conditioning and industrial drying equipment sectors.

** The West German company INDEX-WERKE KG HAHN & TESSKY, Esslingen (textile machinery - 1,500 employees) has acquired a large shareholding in the machine tool manufacturer AUGUST STEINHAEUSER KG, Stuttgart-Feuerbach.

Index-Werke, whose main subsidiary is the sales company Index-Verkaufs GmbH, Esslingen (capital Dm 5 m), thus becomes indirectly linked with Protorna Drehautomaten GmbH Vereinigung von Drehautomatenherstellern, Stuttgart. August Steinhäuser (which will continue to be managed by Herr Robert Schmid) formed Protorna Drehautomaten in 1967 along with the Swiss company Fabrique de Machines Tarex SA, Geneva (a member of the SA des Cableries & Trefileries de Cossonay, Cossonay, Vaud group) and the German companies Hermann Traub Maschinenfabrik KG, Reichenbach, Fils, and Alfred H. Schütte KG, Cologne, Deutz.

** The West German machine tools manufacturer MASCHINENFABRIK DIEDESHEIM GmbH, Diedesheim, Neckarelz (see No 382) has gained control of the Spanish lathe manufacturer CUMBRE SA, Barcelona, which has more than 200 employees.

The German company is owned by Herren Georg Willi Reinhard (76.7%), Fritz Bidlingmaier (13.3%) and August Hofmann (10%). It has a capital of Dm 3 million and with a consolidated annual turnover of Dm 50 million has 1,400 employees. It cooperates closely with its counterpart J.G. WEISSER SOEHNE KG WERKZEUGMASCHINENFABRIK, St-Georgen, Schwarzwald, in the production of "Frontor" equipment, which it sells itself although its other goods are sold through Maschinen-Vertriebsgesellschaft Diedesheim mbH, owned by the Boehringer family through Bekoma Boehringer KG, Göppingen. Apart from Herbert Lindner GmbH, Berlin (acquired in 1964), whose product range it expanded during 1966 by making over to it the grinding machines division acquired from Maschinenfabrik Spandau Geh & Co KG, Berlin, its other main subsidiaries are Maschinenfabrik Seckach GmbH, Seckach, Baden, and Vermögensverwaltung Diedesheim GmbH, Diedesheim.

** The New York group GENERAL CABLE CO (copper and zinc wire drawing and cable production for the electrical industry), which is headed by Mr. Donald N. Frey, has taken a 50% stake in the Turin manufacturer of sheet steel and wire reinforcements for tyres, RIVA & CO SpA. This is headed by Sig Ettore Echaniz.

Since 1965 General Cable has been linked with the Turin rubber group Ceat SpA - through its subsidiary Ceat International SA, Lausanne (see No 457) - in ELECTRO-FINANCE LTD, Nassau, Bahamas, which coordinates its foreign activities. Since 1961 it has shared control with the Turin group of Ceat General Electrocables de Colombia SA, Cali, Colombia (see No 259).

** The New York company IBEC - INTERNATIONAL BASIC ECONOMY CORP (see No 533), the holding company for the ROCKEFELLER group, has opened an indirect branch in Berlin trading under the BELLOWS-VALVAIR DEUTSCHLAND name on the premises of its subsidiary bearing its own name. This follows the decision to close down its Berlin engineering subsidiary Bellows-Valvair Kämper GmbH (capital Dm 4 m), which it controlled through Ibec SA, Geneva. In West Germany Ibec still has a subsidiary handling hydraulic and pneumatic equipment, Bellows-Valvair Deutschland GmbH, Frankfurt, as well as a poultry breeding concern Arbor Acres Farm Deutschland GmbH, Celle.

FINANCE

** The New York finance company STANDARD & POOR'S INTERCAPITAL INC, a member of the publishing group McGRAW HILL INC, New York (see No 530), has formed a Luxembourg administration company, STANDARD & POOR'S INTERNATIONAL ADVISORY CO SA (capital $12,000). This has immediately linked on a 40/59 basis with CREDIT GENERALE DU LUXEMBOURG-CREGELUX SA (see No 524) to set up the investment fund STANDARD & POOR'S INTERNATIONAL FUND SA (authorised capital $25m).

** The Paris brokers BOUCHET PLANCHON & CIE Scs have negotiated the takeover of a Marseilles broker, EMILE MEESCHAERT Scs, formed by the recent merger in Roubaix of EMILE MEESCHAERT Scs and the portfolio management company EMILE MEESCHAERT - STE D'ETUDES & DE GESTIONS FINANCIERES SA. Re-named MEESCHAERT BOUCHET PLANCHON & CIE Scs, it has raised its capital to F 2 million.

The Meeschaert family holds a 50% stake in the Belgian accountancy company Emile Meeschaert International SA, Tournai, with the remainder held by the Belgian family De Maertelaere.

** The leading Japanese merchant bank, THE BANK OF TOKYO LTD (see No 494) has added a Frankfurt agency to its existing offices in Hamburg and Dusseldorf. Elsewhere in Europe it has agencies in Brussels and London, as well as representatives in Amsterdam, Milan and Zurich. It also controls Luxembourg investment company, the Bank of Tokyo Holding SA, and a Paris subsidiary, The Bank of Tokyo Ltd, under Mr Keizaburo Ebe.

** NV TRUST CORP CASINO FUND INTERNATIONAL NV REPRAESENTANZ DEUTSCHLAND GmbH has just been formed in Munich with Dm 50,000 capital and Herr Karl Barth as manager, for the distribution in West Germany of certificates (mainly shares in European casinos) issued by the CASINO FUND INTERNATIONAL NV of Curacao, Netherlands Antilles, which has Fl 12 million authorised capital. The move was made through the West Indian concern's Curacao sales subsidiary NV Trust Corp Casino Fund International. Casino Fund itself, as from next March, will be under the chairmanship of the former Austrian chancellor, Alfons Gorbach. Its German deposit bank is Dippe-Bestehorn Von Moller & Co GmbH, Frankfurt.

** The French bank CREDIT LYONNAIS SA, Lyons and Paris (see No 534), which is expanding its interests in Australia where it is already represented in Queensland, is negotiating a 50-50 link-up with the Chicago CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO (see No 520) within a merchant bank now being formed in Perth called WESTRALIAN INTERNATIONAL LTD. This will have a capital of A$ 5 million.

With Mr John Anderson as president, its main founder will be the Perth bank THE RURAL & INDUSTRIAL BANK OF WESTERN AUSTRALIA LTD.

** The West German mail-order group NECKERMANN VERSAND KGaA (see No 518), through its Luxembourg investment fund management subsidiary INVESTMENT PARTNERS AG, has formed two new Luxembourg investment fund management and sales concerns each with a capital of Lux F 5 million. These are called AMERICAN DYNAMICS FUND VERWALTUNGSGESELLSCHAFT and NIPPON DYNAMICS FUND VERWALTUNGS-GESELLSCHAFT. American Dynamics Fund Verwaltungsgesellschaft, on whose board sits Messrs Peter Neckermann; P. Cross; A. Weismann; L.H. Hodges; Research Triangle Park, North Carolina; S. Dickson and F. Ladley, Charlotte, both from North Carolina, will manage the North American securities fund AMERICAN DYNAMICS FUND, whose bank is Berliner Handelsgesellschaft, Berlin and Frankfurt (see No 532). For its part Nippon Dynamics Fund Verwaltungsgesellschaft, one of whose directors is Mr. Ralph Vickers, the managing partner in the London brokers Vickers, Da Costa & Co (see No 318), will manage a fund dealing mainly with Japanese securities, Nippon Dynamics Fund, which also banks with Berliner Handelsgesellschaft.

Until now Neckermann marketed in West Germany the American Funds Fidelity Growth Fund and Dreyfus Fund and the German Unifonds through its Frankfurt subsidiary Neckermann Anlagen Beratung Gesellschaft Zut Vermittlung von Kapitalanlagen mbH. Its Luxembourg interests apart from Investment Partners already included the investment fund management and sales concern Neckermann-Fonds Verwaltungsgesellschaft (capital Lux F 5 m).

** The West German COMMERZBANK bank (see No 535) has opened its second Brazilian branch at Sao Paulo under Mr. Peter C. Queitsch. Its previous branch in Rio-de-Janeiro was opened in 1952 and is headed by Herr Günther Eberhard.

The Düsseldorf bank, whose capital was recently raised to Dm 350 million, has ten foreign offices: in Buenos Aires, under M. Joachim N. Soszna (which covers the Argentine, Paraguay and Uruguay) and in Caracas, Beirut, New York, Johannesburg, Windhoek in South West Africa, Tokyo and Madrid.

** The Luxembourg company FINIMTRUST SA has backed the formation of the investment fund PREFERRED AMERICAN REALTY/SECURITY FUND - THE PAR FUND SA, Luxembourg (authorised capital $ 20 m). The American interests headed by Messrs Lawrence C. Phipps, James Farley and Robert B. Anderson are behind the new concern, which has immediately formed a subsidiary, PAR REPURCHASES SA (capital $ 10,000).

FOOD & DRINK

** RIZERIES INDOCHINOISES SA, which was already forming closer links (see No 521) with STE COMMERCIALE FRANCAISE DE L'INDOCHINE SA, is now to take it over and absorb it, against receipt of assets valued gross at F 9.3 million. This will bring its capital up to F 3.9 million. Furthermore, under the concentration (see No 521) planned with RIVOIRE-CARRET-LUSTUCRU SA (see No 532), Rizeries Indochinoises is to make over its Paris-based rice, dried vegetables and spices division to a company now being formed under the name Francaise de Rizerie-Sofrariz SA.

** The Dutch distillery group COEBERGH'S VERENIGDE DISTILLEERDERIJNEN NV, Schiedam headed by Messrs J.P. Coebergh and H. Coebergh, has gained control of the neighbouring liqueurs, gin and vodka concern J.J. MEDER & ZOON NV, which employs some 30 people. Coebergh shares control of the distillery Scheidamse Molen NV, Schiedam, with two other liqueurs companies, Hoppe's Distilleerderij NV, Schiedam, and Hulstkamp's Distilleerderij NV, Rotterdam (see No 504).

** The two Epernay, Marne, champagne companies MAISON MOET & CHANDON SA and CHAMPAGNE MERCIER SA (see No 517) are in the course of combining. Once concentrated, the two will have formed a group with production of over 15 million bottles a year, or F 200 million turnover.

Champagne Mercier is controlled by the Mercier family, and recently became 10% affiliated (see No 523) to the French food group GENERALE ALIMENTAIRE SA (see No 535) and also to the BANQUE DE L'UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA (see No 536). The Paris spirits group RICARD SA has also acquired a new holding in it by purchase of shares on the open market.

** The French sugar and chocolate concern SIAMNA SA, Villenoy, Seine-et-Marne (president M. J. Petit) is about to raise its holdings in MOULIN AGRICOLE DE MEAUX SA, Villenoy, and STE H. & P. CHASLES, MOULINS DE VERNEUIL L'ETANG Sarl, Verneuil l'Etang, Seine-et-Marne (M. Petit being chairman and manager respectively) to 95% and 97%. Siamna, which will thus raise its capital to F 19.6 million, in 1968 turned over F 69.5 million.

** The Dutch KON ZOUT ORGANON NV (salts and chemicals) which has recently become part of the AKZO NV group, Arnhem (formerly AKU NV - see No 537) has now rationalised its interests in the potato crisps sector. It has sold its 50% stake in GOLDEN WONDER (HOLLAND) NV (see No 392) to the British partner in this company, GOLDEN WONDER CRISP CO LTD, Edinburgh and Corby, Northants. This now has complete control and is itself a member of the Imperial Tobacco Co Ltd (see No 458).

** The Amsterdam distillery NV AMSTERDAMSCHE LIKEURSTOKERIJ "T' LOOTSJE" DER ERVEN LUCAS BOLS (see No 501) has taken over the trading interests (wholesale and retail) of the alcoholic drinks sales company WIJNHANDEL GALL & GALL NV, Amsterdam (see No 457). This move also covers the latter's Amsterdam subsidiaries AMAGER NV and SCHAEFERS WUERDEMANN NV.

** The Dutch interests of the leading Belgian brewery group BRASSERIE ARTOIS SA, Louvain (capital Bf 2,000m - capacity 3m hl. p. a. - see No 468) have been strengthened with the takeover of BIERBROUWERIJ DE SCHAAPSKOOI NV, near Tilburg (capacity 120,000 hl. p. a. as well as non-alcoholic drinks). This is headed by Messrs J. van Dijk and W. Martens. Brasserie Artois (see No 525) which controls some 30% of the Belgian market through its "Stella" beer, gained control of the NV Dommelsche Bierbrouwerij v/h W.C. Snieders, Dommelen-Valkenswaard brewery in the southern Netherlands during 1968. This has a production capacity equivalent to that of Schaapskooi.

** The French company ROCHER FRERES Sarl (fruit liqueurs, eaux de vie and Armagnac - see No 514) has appointed the West German J.B. STURM MARKENIMPORT GmbH as the sales agent for seven of its main product lines.

The latter imports a wide range of spirits including whiskies, gins, calvados, cherry brandy, ports and champagne, including those sold by CHAMPAGNE TAITTINGER - CIE COMMERCIALE & VINICOLE CHAMPENOISE SA, Rheims, and it has annual sales of some Dm 20 million.

Sturm Markenimport is a subsidiary of the distillery ASBACH & CO KG, Rüdesheim, Rheinland (annual turnover Dm 140 m), whose other main subsidiary is Weinbrennerei vorm. Gebr. Macholl. It has a stake in the French cognac firm Chillot SA, Segonzac, Charente, and a 50% interest in the Vienna sales company Asbach-Doornkaat Import GmbH (capital Sch 499,000) where the rest is held by the Norden distillery Doornkaat AG. The latter is linked with the Paris company Cusenier - SA de la Grande Distillerei E. Cusenier Fils Aine & Cie (see No 472) within Euromark Markengetränke GmbH, Neuenburg, Baden. Asbach is owned by the Asbach, Sturm and Boltendahl families and is thus (but through different sized shareholdings) a sister company to Weinbrennerei Scharlachberg, Sturm & Cie KG, Bingen, which has annual consolidated sales of Dm 160 million from its own spirits ("Scharlachberg Meisterbrand" and "Cabinet") and cognacs (made by J.G. Monnet & Cie SA, Cognac, Charente), "Queen Anne" whisky, gin, port and the products of its subsidiaries and affiliates Hasse KG, Steinhagen, and Wed. A.P. Boonekamp GmbH, Neuenhain, Taunus (see No 420), which are run by Herr Walter Asbach and Sig Guido Sassoli, Bianchi, Bolonga respectively.

** The merger which has been organised since June of this year (see No 518) between REGLISSE ZAN, ANC. ETS TEISSONNIERE & KREITMANN Sarl, Marseilles, and S.A. DE RICQLES, St-Ouen, Seine-St-Denis, has now resulted in the latter being renamed RICQLES-ZAN SA with its capital raised to F 10.35 million in return for acquiring fresh assets valued at F 16.7 million (gross).

** The French group ALBRA - ALSACIENNE DE BRASSERIE SA, Colmar, Haut-Rhin (see No 528), formed by the merger of four breweries, has signed an agreement with the West German mineral waters and fruit juices concern FLORIDA INTERNATIONALE FRUCHSAFTGETRAENKE GmbH, Frankfurt. Under this the Frankfurt company will supply the French group with concentrates enabling it to market its "Florida Boy Orange" in France.

The German company (capital Dm 500,000) had a 1968-69 turnover of Dm 25 million and is a wholly-owned subsidiary of the Frankfurt brewery HENNIGER BRAEU KGaA (see No 463). The latter is affiliated to the Hamburg tobacco and cigarette group H.F. & Ph. F. Reemtsma GmbH & Co KG (25% - see No 536), which recently made its subsidiary Cigarettenfabrik Carlton GmbH, Hamburg, into a holding company in the brewery sector, Gerebra-Ges. für Reemtsma-Brauereibeteiligungen mbH. It is also a 25% affiliate of Treuhand-West GmbH, Frankfurt, the subsidiary of the Zurich holding company Induwag AG für Industriewerte and another shareholder is Herr Bruno H. Schubert.

** The Rotterdam chemical and foods group UNILEVER NV (see No 536) and the Swiss foods group NESTLE ALIMENTANA SA, Vevey, Vaud and Cham, Zug (see No 534) have agreed to pool their respective interests (under 5% of the former's assets) in the frozen food sector in three European countries, Italy, Austria and West Germany, where their 75/25 subsidiaries will manage their interests. In all three, frozen food still accounts for less than 20% of total food consumption, or some 426,000 tons p.a.

This move will be of considerable importance in West Germany where their respective subsidiaries, LANGNESE IGLO GmbH, Hamburg ("Iglo" frozen foods and "Langnese" ice creams - capital Dm 30 m) and FINDUS-JOPA GmbH, Frankfurt ("Findus" frozen foods and "Jopa" ice creams - capital Dm 50 m) cover 50% of the German frozen food products market, 20% of the frozen poultry market and around 40% of the ice cream market. In the first two sectors the new grouping will be the main competitor of the Hamburg cooperative concern GEG - GROSSEINKAUGS-GESELLSCHAFT DEUTSCHER KONSUMGENOSSENSCHAFTEN mbH, Hamburg, a 25.4% affiliate of the trade union bank BfG - BANK FUER GEMEINWIRTSCHAFT AG, Frankfurt, which has some 10% of the market under "Tiko", as well as the Hamburg group Rudolf A. Oetker (see No 537 - "Verve"). Its main competitor in the ice cream market will be the Nuremberg company Schoeller, which has a stake of 25% appx.

** The Munich BAYERISCHE HYPOTHEKEN- & WECHSELBANK (see No 537) has increased its stake of more than 25% in the brewery PAULANER-SALVATOR-THOMASBRAEU AG, Munich (see No 534) into a majority interest. The brewery, with a capital of Dm 8.96 million, is the second largest in Munich and had a 1968-69 turnover of Dm 72.5 million for a production of 831,000 hl. of beer and 103,000 hl. of non-alcoholic drinks.

** The third largest brewery group in Britain, WHITBREAD & CO LTD, London, which has over 10,000 sales outlets (see No 503), has signed a reciprocal representation and distribution agreement with the French STE EUROPEENNE DE BRASSERIES SA, Champigneulles, Meurthe-et-Moselle group (see No 533). The latter is the leading Common Market brewery and controls some 30% of the French market. With its "Meuse" and "Champigneulles" beers it is an affiliate of the Luxembourg Entreprises Quilmes SA (see No 534) and the Amsterdam Heineken's Bierbrouwerij Mij. NV. The latter is itself already linked through manufacturing and sales agreements with Whitbread. The British group, which since 1964 has had a branch in France, whose office was recently moved from Amiens, Somme to Paris, already operates some 14 pubs in Paris and Northern France.

INSURANCE

** The Italian insurance brokers CASAGRANDE, Milan (headed by Sig Giuseppe Casagrande) have become the sixth member of the Brussels cooperative company INSURANCE BROKERS INTERNATIONAL - I.B.I. SC (see No 534). This was recently formed with M. Hans Millaard, Baarn, as president and M. Emile Thilly as manager, who is also the president of another founder, the Brussels insurance brokers Thilly & Ritteweger.

Other companies in I.B.I. are Langeveldt, De Vos, De Waal, Amsterdam (see No 527), Georg Wildegans & Co KG, Hamburg (see No 390), Moulin & Langeveldt SA, Paris, and Nespa SA, Madrid.

OIL, GAS & PETROCHEMICALS

** CIE GENERALE DES GAZ LIQUEFIES - COGEGAL SA (capital F 10.5 m), which recently came under the control of C.F.R. - CIE FRANCAISE DE RAFFINAGE SA, member of the C.F.P. group CIE FRANCAISE DES PETROLES SA (see No 534) is to be absorbed by another group subsidiary STE FRANCAISE DES GAZ LIQUEFIES - S.F.G.L. SA (see No 389) against receipt of assets valued at F 64.36 million. This will raise its capital to F 28.36 million, and it will now distribute under the "TOTALGAZ" trade mark almost 200,000 t.p.a. of cylinder and bulk gas.

** Further to the agreement made (see No 533) between GETTY OIL CO, Wilmington, Delaware, and SAROM - STA AZ. RAFFINAZIONE OLII MINERALI SpA, Milan (headed by Sig Attilio Monti), the Rome subsidiary of the former, GETTY OIL ITALIANA SpA (refinery at Gaeta) has come under the control of the Italian company. This has changed its name to Gaeta Industrie Petroli SpA, which will remain under the chairmanship of Sig Giorgio Schanzer, while Sig Bruno Riffeser will become its managing director.

OPTICAL & PHOTOGRAPHIC

** The State bank of Lower Saxony BRAUNSCHWEIGISCHE STAATSBANK, Brunswick (see No 536) has sold half of its 60% shareholding - acquired in late 1966 (see No 494) and held through its holding company Braunschweig GmbH - in ROLLEI-WERKE FRANKE & HEIDECKE GmbH & CO KG, Brunswick, to the insurance group ALLIANZ VERSICHERUNGS AG, Berlin and Munich (see No 535).

Rollei makes a wide range of photographic and camera equipment ("Rolleiflex" trade name) and during 1968 it had a turnover of Dm 50 million. Its minority shareholders remain Herr Horst Franke (31.66%), Frau Ella Franke (5%) and Herr Heinrich Peesel (3.33%). It intends to raise its capital from Dm 12 to Dm 18 million during the course of 1970.

PAPER & PACKAGING

** The Paris tubular furniture manufacturer GROUPE U.B. SA (formerly AMCO - AMEUBLEMENT METALLIQUE CORREZIEN) with facilities at St. Priest-de-Gimel, Correze; Bourganeuf, Creuse; and Biars-sur-Cere, Lot, has negotiated the takeover of the packaging papers firm EMILE AVOT FILS & CIE SA, Lumbres, Pas-de-Calais. As a result of acquiring fresh assets valued at F 8.9 million (gross) it has raised its own capital to F 3.3 million.

** The British TEXTILE PAPER TUBE CO LTD, Romiley, Stockport, Cheshire, 35.4% affiliate of the American group SONOCO PRODUCTS CO, Hartsville, South Carolina, has made an offer for the stock held by minority shareholders in the Dutch VAN KATWIJK'S INDUSTRIEEN NV, Aalten, with a view to strengthening the 63% controlling interest it purchased last year (see No 460). Van Katwijk now controls the German subsidiary TPT Papierfabriek (Deutschland) GmbH that was formed by the British company at Noordhorn in 1966. It specialises in cardboard spools and packaging, in particular for the textiles industry.

** The Swedish cellulose, wood and paper pulp concern A/B IGGESUNDS BRIK, Njutanger (see No 485) has opened a Brussels sales branch under M. Jonas L. Wahlström. It is already established in the EEC with subsidiaries in Paris and Hamburg (see No 448), and last August it formed a London subsidiary, Iggesund (UK) Ltd.

** As a result of the negotiations which began some months ago (see No 523), the French paper group AUSSEDAT-PONT-DE-CLAIX SA, La Plaine-St-Denis, Seine-St-Denis, has acquired a 56.5% majority interest in the chemical group SA PRODUITS CHIMIQUES & CELLULOSE REY, Velizy, Yvelines, and further raised its own capital to F 38.45 million. Produits Chimiques & Cellulose was until now controlled by its president M. Albert Rey and it is affiliated to Cie Financiere de Paris & des Pays-Bas SA (see No 534), Ste Financiere Auxiliaire SA, Paris, and Ste Forestiere du Sud-Ouest SA, Bordeaux (a member of the La Cellulose du Pin group - see No 533). It also holds interests in Cellorex Sarl (see No 475), Soreplast SA (see No 291), Procelpa Sarl, Imrey Sarl (all at Velizy), Tanin International SA (see No 471), Serrey SA (see No 356), Comptoir de la Cellulose de Chataigner SA, and Chataigner France Sarl (all based in Paris), Dicomap - Diffusion Commerciale de Matieres Plastiques SA, Levallois Perret, Hauts-de-Seine (see No 288), Comptior de Brive pour l'Achat de Bois, and Le Resineaux du Centre.

** The Italian plastics concern MAZZUCCHELLO CELLULOIDE SpA, Castiglione Olona (see No 523), a 29.3% affiliate of the Turin investment company I.F.I. - ISTITUTO FINANZIARIO INDUSTRIALE SpA (see No 536) has diversified by taking over the Milan photo-copying papers and films concern TENSI SpA, which is headed by Sig Luigi Carlini.

PHARMACEUTICALS

** CIE CHIMIQUE MERCK SHARP & DOHME SA, Paris subsidiary (see No 493) of the American chemicals and pharmaceuticals group MERCK & CO INC, Rahway, New Jersey (see No 537) has raised to 90% its holding in LABORATOIRES CHIBRET SA, Clermont-Ferrand.

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PLASTICS

** ALKOR-WERK KARL LISSMANN KG, Munich (see No 342), one of the leading West German plastics processing concerns (PVC sheeting, adhesive sheeting, etc), has formed a Vienna sales subsidiary called ALKOR KUNSTSTOFFVERKAUFS GmbH.

The founder (headed by Herr Dieter Lissmann) has an annual consolidated turnover of Dm 100 million and employs more than 1,600 persons at head office and Thansau, Rosenheim. Its main subsidiaries are ALKOR-GRIESHEIM GmbH & CO KG, Frankfurt (now an inoperative company) as well as Alkor Vulcan, Alkor GmbH, both in Munich and Alkor Italiana Srl, Milan. It also has a 51% controlling stake in Alkor-Oerlikon Plastic GmbH, Wasserburg, Inn (capital Dm 2.12 m) in association with Radel Holding AG, Zurich (30%), Oerlikon Plastik International AG, Stans, Unterwald-le-Bas (13%), the subsidiary of the Zurich group Oerlikon-Bührle Holding AG (see No 526) and its manager is Herr Heinrich Everhartz (6%).

** The recent merger agreement (see No 523) between the French groups CIE DE PONT-A-MOUSSON SA, Nancy (see No 533) and CIE DE SAINT-GOBAIN SA, Neuilly-sur-Seine (see Chemicals) has led to a merger between two of their Paris subsidiaries. EVERITUBE SA (see No 376) will take over STE DES PLASTIQUES S.G.V. SA (see No 416).

Everitube is a 50.44% interest of Pont-a-Mousson (+21.8% indirectly) and with a capital of F 35.72 million it had a 1968 turnover of 153.4 million. In its four production units it manufactures each year more than 300,000 tons of asbestos cements, sheets, pipes, and mouldings (90% of its activity), as well as concrete pipes and translucent PVC sheeting. For its part Plastiques S.G.V. (capital F 3.2 m), in which Saint-Gobain is an 84% subsidiary, manufactures reinforced PVC sheeting and linings at Maromme, Seine-Maritime (trade names "Coupolux", "Balith" and "Fifolux"). The manufacture of these products accounts for only 4% of Everitube's output.

SERVICES

** MASSAGE-BOY GmbH has just been formed in Munich with Dm 21,000 capital and Frau Ingrid Loewy-Stürmer as manager to promote and install muscle relaxation machines and equipment. It will extend the business launched by Massage Bou France SA, Paris; NV Apparatenexploitatiemij "Feel Fit Massage Boy", Amsterdam (see No 532) and similarly named companies in Belgium, Italy, Switzerland, Britain, Portugal etc.

** The Dutch temporary staff bureay NV RANDSTAD UITZENBUREAU, Amsterdam (see No 534) has provided its Düsseldorf subsidiary Randstad Uitzenbureau GmbH (capital Dm 50,000) with a new branch in Essen. The parent company has several other European subsidiaries, in Belgium (Elsene, Brussels and St-Josse-ten-Noode) and Britain (London with branches in London and Ilford).

** The American company ST CLAIR FIELD INC, Mountain View, California, has established an almost wholly-owned subsidiary in Belgium called ST CLAIR FIELD INTERNATIONAL SA (capital Bf 100,000). Based in St-Josse-ten-Noode this will promote the founder's raw material and material mixing techniques.

TEXTILES

** The Munich lingerie and foundation garments concern TRIUMPH INTERNATIONAL AG (see No 525) has made a three-year technical and trading agreement with the Yugoslav making-up concern TVORNICA TRICOTAZE POUNSE, Kostajnica (mainly lingerie and childrens' wear), which will take on an extra two hundred workers to do Triumph garment making-up work on sub-contract. At the beginning of this year, the Munich group made a similar agreement with the Italian making-up concern Textillux Sas, Gorla Minore, Varese.

** A merger between three family-owned West German companies will lead: to a new company with around 1,000 employees engaged in the manufacture of suitings with an annual turnover of some Dm 85 millions.

The three companies are SCHWARTZ & KLEIN GmbH, Mönchengladbach (capital Dm 3m) under Herr Hermann Schwartz; SCHWARTZ & KLEIN SPINNEREI & WEBEREI GmbH, Jüchen, Rheydt (capital Dm 5m) under Herren Heinrich Klein and Ludwig Schwartz, which leases a textile factory from Schwartz & Klein KG; and GEBR. SCHWARTZ oHG, Bocholt, whose manager is Herr Walter Schwartz.

** The Frankfurt chemicals and pharmaceuticals group FARBWERKE HOECHST AG (see Chemicals) is negotiating with the leading Yugoslav oil concern INA - INDUSTRIA NAFTE, Zagreb (refineries at Fiume, Sisak and Rijeka - see No 530) over a manufacturing and financial agreement expected to lead to the production of "Trevira" polyester fibre in Yugoslavia.

If the agreement is finalised the production facilities with an initial capacity of 8,000 tpa will be built in the port area of Rijeka near the refinery belonging to INA. It will cost some Dm 35 million, and be run by a subsidiary under a Yugoslav general manager. The subsidiary will be controlled by Yugoslav interests (55%) shared between INA and YUGOHEMIJA, Belgrade, with Hoechst and the Frankfurt bank HESSICHE LANDESBANK GIROZENTRALE (see No 524) sharing a 45% stake.

** The Dutch subsidiary JUCOTEX NV, Waalwijk (see No 482) of the Belgian textiles company DACCA NV, Tamise, has taken a 20% stake in the formation of BOW INTERNATIONAL NEDERLAND NV (authorised capital Fl 100,000 - 60% issued). The remaining 80% is held by the Ghent company NV DE BOOG-SALES DEPARTMENT SA, and the new company will act as a wholesaler for textiles, furnishings and leather goods.

** The French furnishings concern ETS LINDER Sarl, Violay, Loire (see No 534) has gained control of ETS CHATELARD PERE & FILS SA, Tarare, Rhone (capital F 1.2 m). M. Andre Linder, manager of the former, has now taken over presidency of the Tarare firm from M. Jean Ramel.

TRADE

** The West German METRO-SB-GROSSMAERKTE GmbH & CO KG (see No 469), which is affiliated to the steel group HANIEL (see No 536) and runs wholesaling cash and carry centres with nine outlets in West Germany and an annual turnover exceeding Dm 1,000 million, is holding talks with a view to establishing similar centres in Britain. If this takes place it will be in association with three British minority shareholders all operating in the wholesaling sector, Watson & Philip, A.B. Gibson and Harvey Bradfield & Toyer, who are expected to form a joint subsidiary. The first centre will be opened in Birmingham, followed by Glasgow and other towns.

In July 1968 the German group took a minority shareholding in association with the Dutch group S.H.V. - Steenkolen-Handelsvereeniging NV, Utrecht (see No 538) in the construction of a 10,000m2 cash and carry centre in Amsterdam, which is run by Makro Selfbedieningsgroothandel NV (capital Sch 100,000), whose manager is Herr Otto Beisheim, one of its own directors.

** The American company J. & H. INTERNATIONAL CORP, Chicago, Illinois, has formed in Brussels - through its subsidiary J. & H. INTERNATIONAL (OVERSEAS) INC - a subsidiary called J. & H. INTERNATIONAL (EUROPE) SA. The first directors of the latter are Messrs James C. Mills, Jerry E. Poncher and Robert E. Marsh. With a capital of Bf 500,000 the new concern will be involved in the sales promotion of all types of products.

** The recent decision under which the STE LAITIERE MODERNE SA, Lyons - affiliated to DOCKS LYONNAIS SA and ETS FERRAND & RENAUD SA (see No 512) - was to take over the multiple grocer L'ECONOMIQUE SA, Calliure, Rhone - affiliated to the PARIDOC purchasing group - has been finalised. As a result of acquiring fresh assets valued at F 100.6 million, Laitiere Moderne has now raised its own capital to F 25 million.

** The Swiss roller-blinds manufacturer GRIESSER AG, Aador, Thurgau, has doubled its capital to Sf 4 million to cover the assets it has acquired from ROTAFLEX AG, Horn, Thurgau. This has made over shareholdings in its sister companies, GRIESSER ITALIANA SpA, Camerlate, Como, and GRIESSER SA, Carros, Alpes-Maritimes, The latter employs some 200 persons in its factory at Carros.

** The recent technical and sales agreement in the leather sector between TANNERIES DE FRANCE SA, Paris and SILVERTON TANNERY LTD, Johannesburg and Pretoria - headed by Mr J. Hepker - will result in the formation of a 50-50 Johannesburg subsidiary. Called FRANCO-SILVERTON TANNERY, this will use the know-how supplied by the French firm, and draw on the South African founder's sales facilities.

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