

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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TELEPHONE: TUNBRIDGE WELLS (0892) 25202-4
TELEX: 95114

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EUROPEAN INTELLIGENCE

Editor: C. Bearne
News Editor: H. H. Hudson
Managing Director: V. H. P. Lynham, DSO, OBE

OPERA MUNDI EUROPE: 100 Avenue Raymond Poincare - Paris 16e
Telephone: KLE 54-12 34-21 -CCP Paris 3235-50

SWITZERLAND: 54 Rue Vermont, Geneva. Telephone: 33 7693

ITALY: Piazza S. Mario Beltrade, 2, 20123 Milan. Telephone: 872.485

BENELUX: 4 Boulevard Anspach, Brussels. Telephone: 18-01-93

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THE WEEK IN THE COMMUNITY

November 17 - November 23, 1969

THE COMMON MARKET

No Time for Vagueness

The European Community's long-awaited summit conference in The Hague on the outcome of which will depend much of West European development during the next five years, if not the next decade, opens at three in the afternoon on Monday, December 1. Twenty-one years ago last May, the Congress of Europe in The Hague debated Europe's future in a much more optimistic vein, though with perhaps less realism than that needed by the leaders of the Six if they really want to make any effective progress. The departure of General de Gaulle from the French political scene, and the arrival of the new German government, have conferred upon the Federal Republic as never before the commanding role in the Community. The leaders of the Six cannot afford to be vague during their discussions, and they must clearly show to all those who will be watching that they can in fact take concrete decisions for progress. This does not mean that they will be able to resolve all the many outstanding problems facing the Community, but they must show that the "political will and capability" to do so exists. By now the Common Market leaders are well aware that they are confronted with a great opportunity to provide a renewed impetus for European integration, and in particular this applies to France. A constructive and flexible attitude by President Pompidou and his new government would help to renew the gilt on French prestige in Europe, somewhat tarnished by the attitude of his autocratic predecessor.

That France is aware of the role she can play has been made increasingly clear during the past few weeks. Of course most of the statements made by those in responsible positions can be still interpreted along traditional lines, and this is no doubt intended for the hard-line Gaullist rump in and outside of the National Assembly. But the underlying message emanating from Paris is clear: if the Six agree to finalise the measures for financing the CAP once the definitive period of the EEC is under way, then France is willing to agree with her partners that negotiations should start with Britain, more or less parallel to discussions between the Six for the internal fulfilment of the Community. Speaking at Strasbourg over the weekend, M. Chaban-Delmas, the Prime Minister, said "nothing prevents our thinking that Britain and the other countries which have shown the desire to participate in the European task can join us in continuing to assert in the eyes of the world that Europe is united, alive and creative" but before this, he added, France wants an assurance that "the construction of Europe will develop in a truly European manner, in an independent manner". Earlier in the week, the Foreign Affairs Committee of the National Assembly presented a report stating that it was in France's interest that Britain should sign the Rome Treaty. This report cites five main reasons for British entry: 1) Britain's democratic and parliamentary traditions would help to stabilise and strengthen the Community's

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future development; 2) if Britain remains outside the Community its influence on internal developments could well be more difficult to contain than if Britain were allowed to join; 3) if Britain does not join, she is likely to come within the American sphere of influence, and the effect of her non-admission on existing members could be to weaken the Community; 4) Britain's technological, industrial and financial expertise would give a major boost to European progress and prosperity - an aspect increasingly stressed by the French press - and would help to balance the economic forces within the Community, especially from France's own point of view, when faced with "the continued and terribly rapid growth of the Federal Republic's economic potential"; 6) British entry would have considerable military and strategic implications for Europe, for the only way a European nuclear force can be established is on the basis of a Franco-British pact.

The French Foreign Minister, M. Schumann is in Rome as we go to press, to discuss the summit meeting with his Italian counterpart, Signor Moro, whose illness caused its postponement. The internal political situation in Italy must be reflected in the government's position, and it seems unlikely that it will be able to take any major initiative in The Hague.

The Foreign Minister of the host government at next week's summit, Dr Luns, was in London last week to speak at a lunch given by the European Luncheon Club, and also to see Mr Stewart. Dr Luns repeated that if the Six were unable to work out an approximate target date for the opening of negotiations with Britain, then in his opinion the summit would have failed. He agreed that there was no legal link between the French "completion, fulfilment and enlargement" but stressed that the political link was clear for all to see. He also pointed out that British entry might well help the cause of political unity, and in his view this might be along the lines envisaged by the Second Fouchet April Plan (April 1962). This was confirmed by Dr Luns on his return to the Netherlands, but as a result of alarm from pro-European quarters in the Netherlands, where it was felt the Foreign Minister seemed to be veering towards the Gaullist view of Europe, he stressed that this would have to lead towards increased supranational cooperation, and would be dependent on Britain joining the Community.

The Commission President, M. Jean Rey, speaking in Berne at the weekend, said it now seemed self-evident that enlargement negotiations would start fairly soon, and that somewhere around Easter 1970 was a likely time. Talks would probably start with Britain, and would then open with Denmark, Ireland and Norway. Mr Rey said that the Swiss government had expressed the hope that talks between the Community and the three EFTA neutral states, Switzerland, Austria and Sweden, would begin as soon as possible after the opening of negotiations with Britain.

The German Foreign Minister, Herr Scheel, in a radio interview said he was convinced that the Six would have worked out a common negotiating position by next spring so that talks with Britain should start during the first half of the year. Discussing the summit he said "The conference can be successful if we are able to give the European

communities new impetus. We must arrive at a common decision on a number of questions to overcome this present stagnation. This means first and foremost, extension of the Community. Britain and the other applicants have stood outside the door for years. We must succeed now in making a new start, particularly in view of a certain listlessness about Europe now threatening to spread to Britain". The outcome of the summit may also help to decide the date of Chancellor Brandt's visit to Britain, at present due to take place during the first half of 1970. In an interview at the weekend Herr Brandt said that France and the rest of the EEC states agreed that the agricultural system must be reformed to cope with the problem of the huge farm surpluses, although he accepted that the present French attitude was quite justified.

The likelihood that negotiations will start during the spring is also the view of the Belgian government, whose Foreign Minister M. Harmel has said that any decision taken at The Hague will have to be finalised afterwards by meetings of the EEC Foreign Ministers and then sent to the candidate countries. Belgium and Luxembourg would both welcome the enlargement of the Community, but given what might be described as their special relationship with France, the public stance adopted by both governments tends to be that of umpires between the rest of the Six.

The time has therefore come for plain speaking when the political leaders of the EEC states meet next week in The Hague. By now each country has had ample time to prepare its brief and decide what concessions it is willing to make in the cause of Europe, and what it must defend in the national interest. If the summit does not agree that talks with Britain should start by the spring, there will be strong grounds for calling the meeting a failure whatever else may be decided. The British government has been playing it cautiously for the last few weeks in the hope of making matters easier for its supporters within the Community. A successful summit would not only refurbish the idea of an integrated Europe at the start of the seventies, but it would provide a major psychological stimulus for practical achievements in the technological, monetary, agricultural, economic and social fields. Although a failure would be most unlikely to destroy the Community, the latter's significance would be decreased, and it might well become a loose customs union subject to even greater national pressures and whims than at present, and with far less political influence.

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AGRICULTURE

Duhamel Turns up Trumps

On Monday, November 24, it was the French Agricultural Minister, M. Jacques Duhamel, who came forward to save the day for the Six. A protracted and on the whole pointless Council meeting, dealing mainly with the question of the system of Community protection of the common fruit and vegetable markets, a field in which Italy was insisting on action, had dragged into the evening. It was only after Duhamel had buttonholed his colleagues and shepherded them back into conference in camera that a formula was finally

evolved. Had it not been for this move, into which the French minister had virtually to shame his counterparts, then the whole two-day meeting, and perhaps even next week's summit conference might have suffered as a result. Duhamel may well have made the most critical gesture in a long time, as far as the progress of the Community is concerned. It is certainly true that the next day's plenary Council meeting on the Commission's proposals for reducing farm surpluses, while achieving little concrete progress, was all sweetness and light by past standards. The French stand on the financial regulation, restructuring and British entry now really begins to emerge in a promising light. The Six have definitely agreed to extend existing agricultural financial arrangements up to the end of 1970, to allow time for the new arrangements, hopefully still to be agreed by December 31, of this year, to be ratified in national parliaments within that year. It is implicit in this understanding that talks with Britain will probably open in the meantime, and that agricultural discussions now will take due account not only of British entry, but also of the first moves in implementing the Mansholt Plan, which of course have a bearing on both the cost of the CAP and British entry, and on the transitional arrangements likely to be required. Britain's much-publicised subscription to the support bill might at least be lessened as a result.

On the debit side of this week's ministerial balance sheet comes their failure to get down to brass tacks over the Commission's very specific proposals for effecting real reductions in the Six's various infamous farm surplus stocks: butter, soft wheat and sugar in particular. Consensus was not expected on this occasion, a) because the ministers had had too little time to consider all the implications of the Commission's scheme, b) because they are probably now wanting to see the outcome of the Hague summit conference, and the implications for agriculture, and c) in all truth, because the appearance at the moment is that the adoption of the measures suggested would make too big a dent in farmers' income. In brief, what the Commission wants is:

- 1) Butter: dropping the price of butter (price guaranteed to producers) from \$ 173.5 per 100 kg to \$ 142.25 (- 18%), and to \$ 111 for the 400,000 tons still held in surplus storage (about 4/- a lb.). The overall reduction, it is calculated, set against increased support for skim milk powder production would occasion a drop in income for the dairy farmer of \$ 0.05 per kilo.
- 2) Wheat: To lower the guaranteed price from \$ 95.48 per ton to \$ 93.48, and to iron out abuses whereby cost differential taking account of transport charges tend to be abused by producers in deficit areas. There would be a single intervention price based on that obtained in Rouen.
- 3) Sugar: The quantity of Community-produced sugar enjoying full support would be lowered by 5%, while there would be an increase in the support contribution levied on producers of about \$ 1 per ton of beet, making the farmers more directly responsible for offsetting the cost of dealing with their own surpluses.

The Council's failure to get down to these arrangements in detail, while bringing in the fruit and vegetable provisions, although it means that Council harmony is that much more secure, in fact at practical level is only adding to the Community surplus

burden. The basis of the arrangements agreed on Monday is obligatory support buying by member states for fruit surpluses (apples, pears and peaches, specifically), and an import tax, to be applied when Community prices drop too low. Italy had been hoping also for allowance to be made for complete EEC blockage of fruit imports in this instance, but has had to rest content merely with the prospect of severe limitations at such times. France alone will be allowed to ban imports if the market gets out of hand (on a day-to-day basis), and only for three years. What is likely in particular to add to the bill, however, is the fact that the Council has now dropped the ceiling of \$ 60 million placed on fruit market support in 1966. Coupled with this is the fact that, in deference to German susceptibilities on the subject, the Six have now agreed to refrain from leaving surpluses to rot. They will all now step in and buy up such surpluses for conversion into either juice concentrates (distribution to children and the aged) or alcohol. The German way was to refrain from support so that the market would absorb these quantities: costly processing is the new alternative, coupled with the fact that low-grade fruit will no longer even be allowed on the market.

There are no estimates yet available of how far over the old \$ 60 million ceiling fruit support will now rise, but one can only hope that the positive value of the agreement as a gesture, and the contribution it may make to sensible action at future Council meetings (the next is scheduled for December 10), will prove it a small price to pay for the \$ 1,000 a year saving in support that the Commission's latest proposals, if they are adopted are estimated to achieve by 1975. The savings next year would be more like \$ 115 million. Another two weeks, and we should get a far clearer view of the arithmetic of the CAP in 1970.

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SOCIAL POLICY

Labour Summit for March

The Brussels meeting on Monday and Tuesday of the EEC ministers responsible for social policy decided that there should be an "employment summit next year. Due to take place in Brussels between March 16 and March 17, this will group the relevant ministers, representatives of the Commission, employers' federations and trade unions. In connection with the latter, an important first has been registered as the ministers decided that representatives of the two most important unions in France and Italy, the Communist unions, should also be invited to participate.

The ministers discussed a statement from the Commission for revamping and reinforcing the work of the Social Fund to give it a more effective role in coping with the problems which have evolved since it was first created. They also dealt with the question of adult vocational training, while on Monday they reached an agreement covering family benefits for workers from one Community country employed in a member state other than their own. Five of the Six will operate the system in use in the country of employment, while until 1973 France will continue to apply the system in force in the country where the family is in residence.

E.C.S.C.

Steel Production January - October 1969

Community steel production during the first ten months of the year rose by 9.6% compared with the same period last year, to stand at 89,420,000 tons (81,612,000 tons). Production of pig iron rose to 65,772,000 tons, compared with 52,552,000 tons.

<u>Crude Steel and Pig-Iron Production</u>				
(millions of metric tons)				
	Steel		Pig-Iron	
	1969	1968	1969	1968
Germany	37,736	34,335	28,061	25,164
Belgium	10,611	9,546	9,363	8,645
France	18,540	16,573	14,846	13,347
Italy	14,090	14,152	6,644	6,508
Luxembourg	4,598	4,005	4,041	3,563
Netherlands	3,845	3,001	2,817	2,325
Community Total	89,420	81,612	65,772	52,552

<u>Community Iron Ore Output (in 1,000 tons)</u>			
	September 1969	August 1969	September 1968
Germany	619	589	655
Belgium	9	9	7
France	5,025	2,935	5,038
Italy	117	88	108
Luxembourg	522	515	510
Community Total	6,292	4,136	6,318

ARBED Squares Ends after Ruhr Coal Overhaul

The leading Luxembourg steel group Arbed - Acieries Reunies de Burbach-Eich-Dudelange (see Euroflash, No 539) has formed a subsidiary named Steinkohlenbergwerk Westfalen AG in Rohlscheid, Aachen, to absorb the company of that name which it already controls, the parent company having acquired a 99.61% stake.

Neither subsidiary has been affected by the reshaping and rationalisation of the Ruhr coalmining industry under Ruhrkohle AG of Essen, and so Arbed has now taken a slightly larger stake in West German coal. Ruhrkohle itself is now moving on to the next stage of the sectoral overhaul, with capital raised from Dm 10 million to 516,820,000, by forming seven mine operating companies under the area headings of: Niederrhein, Oberhausen, Gelsenkirchen, Hern-Recklinghausen, Essen, Dortmund and Westfalen.

Ruhrkohle is also to take over administration of electrical power distribution in the area. It is to become the majority shareholder in STEAG - Steinkohlen Elektrizität AG of Essen (see Euroflash, No 356), which transmits electricity generated at pithead power stations in the Ruhr. The opportunity to take control, it having previously been a minority interest holder, comes to Ruhrkohle as the result of Steag doubling its capital to Dm 100 million. Ruhrkohle will then integrate into this framework the 37 power stations that it has inherited from the mining firms regrouped within it. Ruhrkohle came by its original shares in Steag when it gained near-outright control of Niederrheinische Bergwerks AG of Düsseldorf (see No 527).

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EURATOM

Belgians Pool Research Efforts

Eight of the leading Belgian companies operating in the nuclear and allied fields have formed a Bf 1 million company named Synatom SA in Brussels as the medium for pooling R & D in nuclear physics, and also for joint construction and operation of nuclear plant.

The eight firms involved are: EBES - Societes Reunies d'Energie du Bassin de l'Escaut, Brussels (see No 515); INTERCOM - Societe Intercommunale Belge de Gaz & d'Electricite, Brussels (each with 35.9% of the equity); Interbrabant - Union Intercommunale des Centrales Electriques du Brabant, Brussels (13%); U.C.E. - Linalux-Hainaut, Liege (10%); Esmalux - Societe d'Electricite de Sambre & Meuse, des Ardennes & du Luxembourg, Avelais (5%), and Traction & Electricite and Electrobél.

Meanwhile, representatives of the Belgian Government attended the talks in London on November 25 between Germany, Britain and the Netherlands, as to the next

moves to be made over the three-nation ultra-centrifuge enriched uranium extraction plant. Italian delegates also attended the meeting. Should Belgium in fact decide to participate in the venture in some direct way, then the new consortium may well be bidding for some of the contracts put out to tender. Again, if Belgium and Italy do put their full support into the ultra-centrifuge venture (see No 538 etc), this could invite rebuke from France. French reaction to developments in this multilateral venture may in fact be another gauge as to how real attitudes in Paris are changing. Moreover, backing from four Euratom members could well prove a useful level in obtaining the approval of the EEC Commission for the project, which must be secured before work goes ahead. Since France is now looking more towards the U.S.A., and planning to build Westinghouse reactors under licence, to be fuelled with purchases of enriched uranium from the United States, the Commission is unlikely to frown upon what could be a really viable commercial nuclear venture. The only quibble would be the continuing equivocation over whether Britain would in fact keep her share of output solely for peaceful uses.

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INDUSTRY

Aerospace: VFW-Fokker Merger on Agfa-Gevaert Lines-

It has been decided that the merger of V.F.W. - Vereinigte Flugtechnische Werke of Bremen with Koninklijke Nederlandsche Vliegtuigenfabriek Fokker of Amsterdam will take place within a similar framework to that established for the Agfa-Gevaert, German-Belgian photographic combine created in 1964 (see No 259, p.29). The principle here is that a joint holding company is set up in either country, or rather formed by the de-industrialisation of either partner in the scheme. Each of these then holds 50% precisely of the equity in two combined commercial companies, one in either country, which thus run the merged business of the two founders. Board directors are common to either operational company, and all subsidiaries are rationalised accordingly. With the photographic companies, the business became centred on Gevaert-Agfa in Mortsels, Belgium, and Agfa-Gevaert in Leverkusen (the German side of the venture is controlled by Bayer, which of course is based here).

In the aerospace combine, the two companies have now gone ahead with their agreement of last summer to form a joint Dm 100 million subsidiary. It was originally planned that this would be the framework of the merger, a holding company. It still takes the originally-designated title, Zentralgesellschaft V.F.W.-Fokker mbH, but its terms of reference now cover research and development, long-term planning and projections, investment, production coordination, personnel and finance. This new company covers the de-industrialisation operation that will allow the two founders to become straight holding companies, V.F.W. under the new name of V.F.W. - Verwaltungs GmbH. As with Agfa-Gevaert, however, the main bulk of the new combine's activities will be continued by the original companies, now operating as subsidiaries of Zentral-

gesellschaft VFW-Fokker, which is based in Düsseldorf. The Dutch one, in Amsterdam, will be called Fokker-VFW NV, and the German one in Bremen, Vereinigte Flugtechnische Werke - Fokker GmbH.

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TRADE

Healthy Expansion: January - June

During the first six months of 1969, EEC trade has grown in a spectacular manner, some 33%, compared with the same period last year. Exports to third countries rose by 12%, while imports increased by 17%. Total trade was valued at \$ 36,700 million (imports) and \$ 36,500 million (exports).

Intra-community trade was worth some \$ 17,600 million, while the overall increases achieved by member countries during the first half of the current year were well above the forecasts. French purchases rose by 46% and sales by 44%, while German purchases were also above the average with a rise of 35%. German sales, however, increased by only 27%, and in Italy imports increased, both exports and imports being near the Community average. In the Belgium and Luxembourg Economic Union - BLEU - the increase in exports was 29%, compared with 26% in the Netherlands, while imports stood at + 27% and + 21% respectively.

These results are reflected in the trade balances of the various Community states. France's deficit on trade with her partners rose from \$ 268 million to \$ 753 million, while Germany's surpluses fell by \$ 184 million. With an export surplus of \$ 286 million, West Germany ranked behind the BLEU with \$ 460 million, and just in front of the Italian figure of \$ 243 million. The Dutch import surplus fell by \$ 60 million to \$ 198 million.

Community imports from non-member countries during the first six months stood at \$ 19,000 million and exports at \$ 18,800 million, and in all member states - with the exception of the Netherlands - imports grew at a faster pace than in the same period in 1968. The overall Community trade balance for the first half of the current year emerged as a deficit of \$ 250 million, as against the surplus of more than \$ 500 million in the same months last year, due to the fall in the German position and a rise in the deficits of the other EEC states.

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Franco-Soviet Procedure under Attack

The five-year trade pact between France and the Soviet Union, authorised by the EEC Council earlier this year after a good deal of controversy, has once again come into the limelight following criticism by the Commission. This considers that France in fixing the quota lists for products to be imported during 1970 has infringed the procedural rules laid down when the ministers authorised the pact. The Commission accepts that it is unlikely that any of the imports in question will cause difficulties for other member states, and that there is no infringement of the aims of the common commercial policy. France did not however bother to consult with its EEC partners or the Commission before agreeing the 1970 quota list with the Soviet authorities, and nor did it seek their authorisation, but simply informed them of what had been decided during talks with the Russians.

The French action is at present being treated as a procedural infringement, but the Commission intends to work out a solution whereby France will fall into line with the relevant Community rules before the 1970 quota list is finalised, as the Commission is aware that to allow such a precedent could make life even more difficult in the future. If, however, no satisfactory solution is worked out, it is on the cards that the Commission will have to treat the French action as an infringement of the Treaty.

Recently the French Finance Minister, M. Giscard d'Estaing claimed that France had become the main Western supplier of the Soviet Union, as a result of governmental encouragement. Figures issued last week by the West German Federal Statistical Office would seem to prove that during the first seven months of this year West Germany continued to rank as the No 1 supplier of the Soviet Union with exports valued at Dm 912 million, compared with French exports during the same period equivalent to Dm 740 million.

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EEC ECONOMY

EEC 1968 GNP

The EEC statistical services have recently published figures relating to the position of each member state during 1968. Although these results preceded the recent parity changes, they help to provide a guide as to the relative strength of each country

1. Gross National Product in 1968		(% change compared with 1967)
West Germany	\$ 132,700 million	(+ 9.4)
France	\$ 126,600 "	(+ 9.2)
Italy	\$ 74,800 "	(+ 7.3)
Netherlands	\$ 25,200 "	(+10.1)
Belgium	\$ 20,900 "	(+ 6.6)
Luxembourg	\$ 800 "	(+ 7.1)
Total	\$ 381,000 "	(+ 8.8)

(NB. The US GNP in 1968 was \$ 867,700 million)

11. GNP per capita in 1968

France	\$ 2,540
Luxembourg	\$ 2,254
Germany	\$ 2,205
Belgium	\$ 2,171
Netherlands	\$ 1,982
Italy	\$ 1,421

(NB. The figure for the US is around \$ 4,225 and for Britain \$ 1,841)

Other statistics for 1967 show that with \$ 521 of tax per head of population France unenviably heads the EEC in this league, followed by Luxembourg with \$ 497 and Germany \$ 480. Next comes Belgium with \$ 471, the Netherlands \$ 444 and Italy brings up the rear with \$ 266. These figures should, however, be carefully interpreted according to the role played by the state in each of the Six. As regards the income tax as a source of revenue, the country holding top position is the Netherlands with 56%. Next comes Luxembourg (50%), Germany (43%), Belgium (38%), France (37%) and Italy (23%).

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REGIONAL POLICY

Mapping the Problems

The Commission has prepared a regional map of the Community which classifies three types of regions: industrialised, semi-industrialised and agricultural. According to this 16% of the area covered by the Community is industrialised, and for a region to fall into this category it must have a well developed infrastructure, an important services sector and less than 10% of the population engaged in agriculture. Approximately two-thirds of the Benelux countries and one-third of West Germany are covered by this definition, and in practice this often means more than 200 persons to the square kilometre. France and Italy only have 10% of their area classified as industrialised.

The imbalance between the north and east of the Community compared with the south and west is heightened when the semi-industrialised areas are considered. Around a third of the Community is thus included, with around 15% of the population engaged in farming, a little-developed services sector and only the beginnings of industrialisation. Some 20% of France falls into this category, a third of Italy and the Netherlands and two-thirds of West Germany. France and Italy remain the farming nations of the Community, with agricultural regions in which the services sector is virtually non-existent. There are few manufacturing activities and between 20% and 40% of the working population is engaged in farming. Altogether more than 50% of the Community's area is still classified as agricultural.

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E.I.B.

\$ 13.8 Million Loan for Dutch Gas Pipeline

The European Investment Bank has just concluded a loan agreement, worth Fl 50 million and having a term of twelve years at 7% per annum, with the Algemene Bank Nederland of Amsterdam, on behalf of the company which handles sales and distribution of Dutch natural gas, Nederlandse Gasunie.

The capital is to be used for a 94 kilometre pipeline linking Schijndel in Northern Brabant, with Sanderbout, near Geleen in South Limburg, and for two pumping stations, one with 120,000 h.p. compression power at Ommen in the Overijssel, and the other with 45,000 h.p. at Ravenstein in Northern Brabant. The pipeline will not only extend the domestic network into South Limburg, but will eventually be used for exporting natural gas to Belgium and other EEC countries.

This is a project of primary importance for the Netherlands, where year by year the natural gas industry expands dramatically. Output last year came to 14,000 million cu metres, 4,000 million of which were exported, while in 1969 production is expected to come to 21,000 million and next year to 28,000 million, which equates to over a quarter of national requirements, not counting the 10,000 million cu. m. that will go for export in 1970. The rise in output is expected to continue again up to at least 1975, when it should provide home sales alone of 30,000 million cu. m., or over a third of domestic consumption.

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VIEWPOINT

The Spread of Investment Trusts - II

by Ulrich Zinnow

Director of Hentsch & Cie, Geneva

It has been asserted that the sale of investment trust certificates is, in Switzerland, a bankers' monopoly, but it is surely more fair to look upon this as a technical function that quite rightly gets channelled through the offices of those best qualified to handle it. Savers can aspire to no better security than that offered by Swiss banks, with their highly developed network, their international recruiting and the deep sense of responsibility they demonstrate. After all, direct sales methods may have proved very successful in a number of countries, but this does not alter the fact that there is a very big flaw in the system. This quite simply is that canvassers look solely to commission as their income, and so must be forever selling if they want a steady inflow of cash, and indeed if they want to be sure of keeping their status within the organisation to which they are affiliated. Many of them look upon the investment fund as mere merchandise, as is reflected in the continual change going on within sales organisations, where staff turnover is all the time increasing. They are therefore not sufficiently removed from the investment trust. Such disinterest in fact comes naturally to a bank or other trustee: unlike canvassers, they have other ample sources of income, and this enables them conscientiously and competently to administer their clients' portfolios, and to supply them with all the other services that they have on tap. Again, the degree of liability is far higher with them, a feature that was consolidated by a decree issued by the Federal Tribunal on June 28, 1968.

Each financial community must, however, be studied in relation to the peculiarities of the country where it is based. Thus in the U.S.A. the banks have been given very specific terms of reference, to which they must adhere, according to their normal fields of activity. This means that the fund canvasser, whether working for a stockbroking firm or for a group of investment trusts, has an important role to perform. In a manner of speaking, he is the link-man between the financial community and the banks which, having no proper agents of their own, welcome this type of activity. In some areas, therefore, the banks operate primarily as deposit banks. If they do handle securities and fortunes, often as not one will find that this service is available only for capital over a certain sum, and the small saver would in these areas be hard put to place his investment. There are other countries in which bankers' familiarity with the sector, especially international finance, is for the present at least clearly inadequate. Here again the presence of competent certificate sales organisations, although it may not be entirely salutary, has at least made it possible for the public to go in for this type of investment. The same obviously goes for those parts where there have been no financial counselling concerns of any sort up till now.

What it all adds up to is that the banks in Switzerland must follow the lead of those elsewhere, especially in Germany, France and more recently still Spain, and pursue closer contacts with their customers, concentrating increasingly on acquiring their own competent advisors for investment trust dealings. They will have more and more to anticipate clients' needs by appointing specialist counsellors not only to advise but to assess the various trusts operating, and to keep in direct touch with the customer. This is the only way of meeting the challenge issued by the sales organisations: the first step was taken in Switzerland early last year, when investment plans were initiated, with the sponsorship of private banking groups and the major banks.

Like many other devices used in the mutual funds sector, investment plans were first launched in America and Britain. The object is long-term accumulation of a capital sum through regular monthly or quarterly in-payments, all of them invested in shares, or even fractions of shares in the chosen fund, and tied to an insurance clause covering that portion of the plan that is not yet paid up. This is a sound enough financial proposition, but it does not admit of easy assimilation into the Swiss system. Since 1967, various Swiss banking groups have tackled the problem, and there have appeared successively, in March 1968 the investment plan of the Societe Nominee of Geneva (which embraces four private Geneva banks, MM. Ferrier, Lullin & Cie, Hentsch & Cie, Lombard Odier & Cie and Pictet & Cie), in October 1968 that of the Union Bank of Switzerland, and in the spring of this year those of the Credit Swiss and the Societe de Banque Suisse and of the Banque Populaire Suisse.

These plans are a vital development for the future, not only for the spread of investment trusts in general, but also as a contribution to the emergence of true popular capitalism, as it is now for the first time possible, for an outlay of perhaps Sf 50 to 100 a month, steadily to build up a capital investment administered by experts, and at the same time provide oneself with life insurance cover. Such schemes have proved so successful in the United States and in other European countries, that one has every reason to suppose that the story will be repeated in Switzerland, once the general public is au fait, and once the more reactionary elements in the financial community have been won over. There is also an important difference: the system operated by the four groups mentioned in Switzerland differs considerably from the "front end load" found elsewhere: this entails the advance payment of purchasing commission, as percentage of the final total amount quoted in the plan. This was strictly in the interests of convassers, a way of milking the subscribers, who would often be lured into plans that eventually they would not be able to maintain. Investment plans are in fact the first step towards diversifying and extending the services offered by banks and insurance companies, and this development will be pursued much further in the future.

There is another trend attaching to the introduction of trusts into the capital market: the infringement, sometimes downright flouting of national legislation on the exporting of capital, by less scrupulous promoters. If we look at the map of Europe, in fact, investment trust selling (other than in strictly national funds) may be pursued with

complete freedom only in Switzerland, Germany and the Netherlands. Elsewhere, there are rules, sometimes very strict ones, to prevent the spread of foreign funds. But this does nothing to deter a growing number of "dealers" from transacting their business secretly but no less intensively, and as far as one can tell, profitably too.

This brings us back to the rules and regulations operating, and those that will have to be introduced to cover the spread of investment trusts. At the moment, legislation tends to be discreet, and to concentrate mainly on the structure and the operation of funds. Only in the United States do we find laws imposing specific strictures on dealers concerning the representations they may make to prospective clients, and compelling them, before making any direct contact with the customer, to present him with a full and detailed prospectus of the structure of the fund, its results, and even any legal proceedings that may have been taken against it: the Securities & Exchange Commission is empowered to demand the inclusion of all such matter in trust literature. Again, it is strictly forbidden, for promotional purposes, to adduce growth diagrams or figures of past profits. Nevertheless, such data is of course published by various specialist journals, often as not in diagrammatic form, and covering development over 10 or 15 years, and this tends to be a powerful sales lever. Recent examples show that certain trusts that have had exceptionally good returns over a short period, sometimes by juggling with their portfolios, have attracted vast numbers of new subscribers - at the very time when their actual performance was beginning to hit the downgrade.

Nevertheless, the regulations of the Securities & Exchange Commission concerning what might be put before enquirers in promotion leaflets, and that of the N.A.S.D. - National Association of Security Dealers - covering promoters' procedures, are fairly complete as far as the home market is concerned. As regards sales of foreign trust certificates in the United States, one can fairly safely say that the rules are so stringent and limiting as to exclude these almost entirely from the American market.

At the other extreme, there is as yet no control at all by the U.S. authorities over the distribution abroad of funds covered by American law. This in effect means the so-called "offshore funds", which are constituted under legislation other than that issued by Washington, but which for the most part are under American aegis. The activities of certain of these funds, and the way they promote their services, particularly the offshore funds, be they in South America or Europe, are beginning to create serious problems, and to attract counter measures from the authorities: measures in Germany and Belgium against offshore funds, and stricter legislation in Switzerland.

With these pressures, it is becoming increasingly important for fund managers to distribute their certificates abroad through first-rate local agencies, those that will act in accordance with the prevailing economic and financial conditions in their countries, and in conformity with local legislation. This seems in theory a simple enough way to proceed, but not in practice: the banks in any given country, and Switzerland is a good example, have in fact their own funds to sell, and are not eager to add to their burden; if not

that, others may be qualified and specialising in sales of foreign funds, and these too tend to be highly selective about which funds they will promote.

There is still in Switzerland no specific legislation about the promotion of mutual funds. The Federal law of July 1, 1966, which came into force on January 20, 1967 in fact dictates the various aspects of the running of these funds, the way they should be managed, controls and accounts etc, but says practically nothing about promotional methods. This no doubt is because such funds are sold exclusively through the banks, and are thus subject to twofold control by the Federal Banking Commission (control of credit houses, and control of investment funds). This seemed to provide close enough scrutiny to prevent abuses, the more so because Article 18 of the Law states that the depositing bank is a party to the investment contract, and is thus specifically liable. This double check seems at present to be operating very satisfactorily for Swiss trusts: a number of abuses that came to light recently were matters mainly of administration (especially in property trusts), and were there before the law was brought in.

The law being so complete in all other respects, it seems a pity that it could not have had a specific clause on promotion of trusts. Stangely enough, the situation is similar in Germany, where the annex to the Law of 1957 has just been adopted after much arduous work. True, this contained quite an exhaustive series of articles on foreign trust promotion, but again it stops short when it comes to national trust promotion, and legislation thereon, at demanding merely that a full prospectus be presented to the client, as is done in the U.S.A. Spanish law demands - and this is surely to be applauded - that all promotional literature and documentation be submitted in advance for the approval of the Finance Ministry. Belgian legislation is much more loose, but this too implies a considerable degree of control and vetting on the part of the Banking Commission. In France, the decree of March 23, 1968 prohibits all advertising carrying false declarations, or those of a nature to mislead the public.

For the most part, however, the lawmakers have not concerned themselves sufficiently with controlling promotional methods, presumably because it was felt that there were sufficient safeguards for national funds, and that foreign ones were not that important. It was only when the realisation dawned that foreign investment trusts were mushrooming around them that some countries brought in legislation to cope with the problem of promotional methods, since both practices and the level of competition were becoming vicious. It would of course have been preferable to lay down clear and concise rules for promotion at national level from the outset, by inviting all foreign trusts wishing to operate in the country to observe the regulations to the letter, and granting no authority to those that failed to conform. By introducing retrospective rules in this way - rules moreover that were approved and accepted by trusts of good standing and their agents - administrators have put themselves in a position where they could be accused of attempting to baulk foreign trusts only after realising how successful they were getting.

American tactics in legislating for foreign investment trusts are quite

simple, then; effectively to ban the same by swamping them with red tape, rules and regulations. Some countries in Europe remain almost as surely closed to foreign funds, such as France, Spain, Portugal, the Scandinavian countries (some of which have recently adopted restrictive measures in response to the abusive practices of certain large international selling organisations), and Britain. Italy too has just taken measures so discriminatory (the requirement to hold at least 50% of a portfolio in Italian securities) that the spread of foreign trusts might just as well be considered blocked. In Belgium, the Banking Commission keeps a very tight rein on the number of foreign funds allowed to operate, and very few have got through, although even the Belgian banks are somewhat uncertain about the practice. For the most part, these steps have been taken to prevent the flight of capital, or at least as a component of monetary policy in general.

There is an anomaly that should be mentioned here: although the Treaty of Rome specifically provides for the free circulation of capital throughout the Community in Article 67, it is implicit in this article, as shown in subsequent Council directives, that investment trust certificates are an exception to this rule. O.E.C.D. agreements, on the other hand (and the United States is a party to these), seem in their general definition to include fund certificates with other paper securities and thus susceptible of free circulation (which in fact is not accorded to them).

Only three countries, Germany, the Netherlands and Switzerland, operate what can really be called a liberal system.

For the time being, legislation governing foreign investment funds in Switzerland (including variable capital limited companies, the objectives of which are identical to those of mutual funds) remains straightforward: the January 20, 1967 implementation of the Federal law on investment trusts specifically enacts in Article 6 that:

- 1) Canvassing the public for foreign investment funds in Switzerland is subject to the approval of the supervisory body responsible, in this instance the Federal Banking Commission, Investment Trusts Department.
- 2) Authorisation will be granted only when the foreign management of the fund in question has delegated a bank having its head office or a branch in Switzerland to be its permanent representative.
- 3) Authorisation may be withdrawn if the conditions are not fulfilled or if the agent or representative has failed to meet his (foreign) legal or contractual commitments.
- 4) The nationality of the backers of foreign investment trusts be clearly indicated in approaches to the public, and in all material published by the fund operators or their representatives in Switzerland. If the operating board is not at its head office subject to state surveillance akin to that required in Switzerland, this fact must be declared on any application forms or accounts sent to subscribers.

Also, trusts must comply with such provisions as the payment of stamp duty and taxes deductible at source. Up to the present, some fifty foreign trusts have received permission to promote their services in Switzerland; some twenty of these perhaps are actually doing business. Existing legislation is still not quite adequate in fact, especially as authorisation is still all-too-easily acquired - it is impossible to refuse. Thus abuses continue to be found.

For instance, some funds that could not in fact be formed under Swiss law (investment trust holding companies whose investment companies are controlled by the manager; funds using borrowed capital, for bear transactions or drawing a handling fee proportional to the capital gain), can be promoted under existing legislation in Switzerland, which is clearly an abuse of Swiss law.

Again, there are instances where the role of the permanent agent is kept to a minimum; if he has not full and exclusive terms of reference, the lion's share of the business gets channelled elsewhere, and he becomes nothing more than a sort of "ghost agent".

Apart from all this, we have those foreign groups to whom authorisation to operate in Switzerland (indeed they themselves now talk of it merely as "registration", as if it were the merest piece of red tape) is first and foremost a legal springboard from which to launch wide-ranging promotion of their certificates in other countries, their main target being the foreign customers of Swiss banks.

This of course is the exception, not the rule: many top Swiss banks have for years, and long before the 1966 law, been distributing reputable foreign trust certificates, and in so doing complying strictly with national rules governing domestic trusts. This goes for the Fidelity group, Axe Houghton, Technology Fund, Affiliated Fund, Chemical Fund, Unifonds and many more, all of which have enjoyed success in Switzerland.

But this only brings us back to the fact that the need still exists to impose on foreign trust promotion in Switzerland stricter controls governing issuing and repurchase methods, and to ensure that only trusts conforming to criteria similar to those governing national ones should be admitted into the country. Short of this, any group wishing to twist the law to its own advantage would be free to set up its own foreign trust, and then to bring it into Switzerland.

The authorities are even now preparing additional legislation to cover foreign funds, and they may very well take another closer look at the new German provisions, even though the adoption of these was preceded, almost within the Bundestag itself, by a rain of abuse from certain foreign trusts and their agents.

This law, which came into force on November 1, 1969, makes the following main stipulations:

- 1) That foreign investment trusts must nominate an official representative and be established as a legal entity in West Germany.
- 2) A deposit bank must handle all payments received by canvassers.
- 3) If the selling operation covers investment plans also, only a proportion of the commission may be deducted from the first payments.
- 4) All literature relating to these funds must be available in German, as must the authentic version.
- 5) If clients are approached at home, they must be given at least two week's grace, during which period they may cancel their subscription or their investment plan, and demand repayment, free of charge.
- 6) One or more German banks must be nominated as the place of payment.
- 7) Administration provisions must contain basic stipulations akin to those governing German trusts, especially concerning bear transactions (banned). Trusts may not raise credit against assets, and this will compel a number of offshore funds to cease operations in Germany.
- 8) Holdings of "Fund of Funds" type investment trusts are now prohibited.
- 9) All promotional literature must first be scrutinised by the supervisory authority; this may outlaw various forms of advertising in order to prevent abuses.

It is early days yet to assess these new regulations, which should be taken together with concomitant fiscal measures governing hoarding; but we can be sure that a great many offers, both unwelcome and in manifest contravention of German legislation will now be withdrawn from the German market, or at least will be promoted under very different conditions of management and distribution.

The German lawmakers' thinking will doubtless be reflected in the action to be taken by other countries: mutual funds, relying on national distribution agencies, for the most part recognised and providing full guarantees of independence and of the fulfilment of the terms under which they are offered, will be allowed on to the market on condition that they never deviate in structure, administration or selling from the principles established for funds and trusts based on the country's home soil. Of course, it would be absurd for foreign groups, especially American ones, to fly to the refuge of countries with "easy" legislation in this field to set up investment trusts that would be illicit in their own countries, for the purpose of distributing certificates in other countries where the same funds would be equally outlawed. Even liberal economic administrators have to draw the line somewhere, once abuses start creeping in.

One should perhaps conclude with the observation that any form of legislation, however perfect, is not worth the paper it is written on if in the implementation it fails correctly and conscientiously to be applied. It falls to the authorities alone to strike the correct balance between the commercial objectives they are trying to attain, and the economic priorities of the country on behalf of which they go about their work.

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BUILDING & CIVIL ENGINEERING

** I.H.B. - INVESTITIONS & HANDELSBANK AG, Frankfurt (see No 537) has backed and taken a direct stake in the formation of an Austrian building materials systems company, MAPAG MATERIALPRUEFUNGS AG, Vienna. The new company has a capital of Sch 1 million and its president is Herr Peter Kisler, in association with Austrian interests represented by Herr Hubert Gregori. I.H.B. is the joint subsidiary of the West German trade union bank BfG - Bank für Gemeinwirtschaft AG, Frankfurt (see No 536), Braunschweigische Staatsbank, Brunswick, and Westdeutsche Landesbank Girozentrale, Münster and Düsseldorf.

** Herr Jürgen Ch. Brede, who heads the Bremen company manufacturing industrial floor coverings DEUTSCHE LATEXFALT GmbH (capital recently raised from Dm 200,000 to Dm 1 m), is also manager of the newly-formed Vienna company LATEXFALT INDUSTRIEFUSSBODEN GmbH (capital Sch 300,000). The "Latexfalt" industrial floor coverings are made from asphalt by-products with a rubber backing and in the Netherlands are produced by Latexfalt NV, Zoeterwoude (see No 498), which several months ago opened a London branch and itself belongs to the New York group Standard Oil Co of New Jersey (see No 539).

** As a result of the recent cooperation agreement between two Paris civil engineering groups SACER - SA POUR LA CONSTRUCTION & L'ENTRETIEN DES ROUTES and STE ROUTIERE COLAS SA (see No 393), the latter's parent company, CIE PARISIENNE RAVEAU-CARTIER SA, intends to take a shareholding in Sacer (see No 514).

** The Belgian company CIMENTS D'OBourg SA, Obourg, Mons (see No 515), a member of the Swiss group HOLDERBANK FINANCIERE GLARUS AG (see No 509), will strengthen its position as the second cement producer in Belgium after Cimenteries C.B.R. SA, Brussels (a member of the Ste Generale de Belgique SA group) by taking over two affiliates. These are ETS BREBART DAPSENS Sprl, Vaulx-lez-Tournai, and SA DES CARRIERES & CIMENTERIES DUTOIT SA, Chercq and Brussels, and as a result its own capital will be raised to Bf 1,150.24 million.

** The leading West German cement group with a 1968 production of more than 6.9 million tons (20.4% of the market) DYCKERHOFF ZEMENTWERKE AG, Wiesbaden (see No 396) has gained control of another firm in the same sector, PORTLAND ZEMENT- & KALKWERK "NORD" RUHR & CO KG, Beckum, and taken a lease on the plant operated in Beckum by E. RENFERT KG.

The Wiesbaden group (turnover Dm 451 m) includes amongst its shareholders the Dyckerhoff family (45%) and the Dresdner Bank AG, Frankfurt (see No 536). During 1968 it took charge on behalf of the Aktionsgemeinschaft Höxberg GmbH (capital Dm 10 m - formed earlier the same year with the backing of the Wiesbaden group to rationalise Westphalian cement production) of Fortuna Portland-Zementwerke GmbH, Geseke, which

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it now intends to integrate within the group. It also acquired a stake of nearly 50% in Portland-Zementwerke "Westfalen" Schonlau & Co KG, Geseke, whose production has been temporarily suspended.

** The Brussels property group C.D.P. SA (formerly CONSORTIUM DE PARKINGS SA - see No 523) has formed a 50% Paris subsidiary called UNION POUR L'EXPLOITATION DES PARCS DE STATIONNEMENT - UNIPARC SA (capital F 1 m) with M. Vincent Derolle as president. The remainder is shared between the building and civil engineering group HERSENT SA, Paris (40% - through the investment company SOPE - Ste de Participations d'Entreprises SA - see No 539) and the investment company SOFFO - STE FINANCIERE POUR LA FRANCE & LES PAYS D'OUTRE-MER SA (10% - see No 412).

CHEMICALS

** The Chicago STANDARD OIL CO OF INDIANA has linked with its Paris subsidiary OROGIL SA (50:50 with PROGIL SA - see No 535) to form a Frankfurt company to distribute oil additives called OROGIL-MINERALOEL-ADDITIVES VERTRIEBS GmbH & CO KG. The French subsidiary specialises in oil and alkylphenol additives.

** The West German B.A.S.F. - BADISCHE ANILIN- & SODA-FABRIK AG (see No 539) and ROYAL DUTCH SHELL, Rotterdam (see No 539) have linked to produce isocyanates and polyurethane. The production facilities will be built at a cost of around Bf 1,600 million on land belonging to BASF at Antwerp, whose subsidiary BASF ANTWERPEN NV is about to increase its capital from Bf 1,500 million to Bf 2,500 million. The joint operation will be run by a subsidiary which is now being formed.

The German group is also considering the construction at Ludwigshafen of a second urea production complex due to come into operation in 1971 with a 340,000 t.p.a. capacity. This will use a process developed by the Japanese company, MITSUI KOATSU INDUSTRIES LTD (part of the Tokyo MITSUI & CO LTD group - see No 536), which like NIPPON CARBIDE INDUSTRIES CO INC, Tokyo, is its licensee for the production of melamine from urea.

** UNIGEL SA, Brussels, set up to deal in chemical products, especially gelatines (see No 317) has been dissolved and Mr. Frank H. Curd has been appointed liquidator. The Brussels company was established as an equal interest of two London companies, P. LEINER & SONS LTD and CRODA BRITISH GLUES LTD (of the CRODA INTERNATIONAL LTD group).

** The Belgian SOLVAY & CIE SA group (see No 538) and I.C.I. - IMPERIAL CHEMICAL INDUSTRIES LTD (see No 533) have agreed that as from 1970, the "agricultural products and pesticides" division of the former's subsidiary SELCHIM - SELS & PRODUITS CHIMIQUES SA, Ixelles-Brussels (see No 533) should be taken over by I.C.I. BELGIUM SA, Brussels. These interests will operate as a separate department under M. Andre Paquot.

** The recent decision whereby the French LABORATOIRES R. DENIS SA, Vill d'Avray, Hauts-de-Seine, should take over STE DE FABRICATIONS CHIMIQUES & BIOCHIMIQUES GREVIS SA, Limay, Yvelines, a subsidiary of the American group WARNER-LAMBERT PHARMACEUTICAL CO, Morris Plains, New Jersey, has now been finalised (see No 514).

Laboratoires R. Denis has now been re-named STE CHIMIQUES DENIS GREVIS SA (capital raised to F 1.4m) with its head office moved to Limay, Yvelines. It manufactures chemical, biochemical and galenic products and the president is Mme G. Danckaert.

** LILJEHOLMENS STEARINGFABRIKS A/B, Stockholm (see No 345 - organic chemical products including candles, fats, amides) has linked 50/50 with OLEOCHIM SA, Brussels (see No 509) to manufacture as from 1970 in a factory at Oelegem, Antwerp, a range of fatty amides used for domestic and industrial water-softeners, emulsifiers, flotation agents, ethoxyl. This will be run by a joint subsidiary called LILACHIM SA (authorised capital Bf 20m).

The founder, which since 1968 has had a candle production subsidiary, Liljeholmen SA, Frameries, Hainaut, belongs to the Stockholm, Fostabolget A/B group (see No 537). Oleochim, a leading producer of industrial derivatives of fatty substances, is 50% controlled by the Belgian group Petrofina SA, through its subsidiary Palmafina SA, Brussels (see No 317) and the American, Ashland Oil Refining Co (see No 521). The latter has held its shareholding since 1967 following its purchase from the chemical division of the Archer Daniels Midland Co, Minneapolis, Minnesota.

** ROUSSELOT KUHLMANN BENELUX SA (see No 507) the Forest-Brussels subsidiary of the French CIE ROUSSELOT SA (affiliated to PRODUITS CHIMIQUES PECHINEY SAINT-GOBAIN SA, Neuilly-sur-Seine - see No 514) has gained outright control of the GELATINES DE HYON SA, Brussels, which has since been dissolved.

Rousselot Kuhlmann Benelux (capital Bf 180m) absorbed its affiliate Gelatines Hasselt & Vilvorde SA, Brussels in early 1969 (see No 489). This has since had its factory closed down, and production has been transferred to Rousselot Kuhlman's Ghent factory.

** The Rumanian chemical and pharmaceutical products external trade concern, CHIMIMPORT, Bucharest (see No 493) has signed an agreement in Milan with STA ITALIANA SpA for the distribution of chemical imports in Italy. A joint subsidiary will be formed in Milan called ROMITAL SpA.

CONSUMER GOODS

** MODENA-SCHIRM GmbH, has been formed in Vienna (capital Sch 100,000) with Herr Klaus Bechtold, Halver, as manager to act as the Austrian representative of the West German manufacturer of umbrellas, garden furniture and camping equipment MODENA-SCHIRM GmbH, Halver.

COSMETICS

** Avon Cosmetics GmbH, Neufahrn, Munich (capital Dm 6m), manufacturing subsidiary of the New York cosmetic and beauty products group AVON PRODUCTS INC, New York (see No 408), has undertaken the construction of a new despatching centre at Neunkirchen, Siegkreis which, costing some Dm 27 million, will start operations in early 1971 and employ 600 persons. Apart from supplying the West German market, it will also supply Italy (Avon Cosmetics SpA, Olgiate Cosmasco) and Belgium (Avon Cosmetics SA, Brussels). Last year the Munich firm had a gross turnover of Dm 161 million with some 2,700 employees.

The group has a French subsidiary, Avon Cosmetics SA, Paris (capital F 12.5m), and its British offshoot is Avon Cosmetics Ltd, Northampton.

DATA PROCESSING

** The German NIXDORF COMPUTER AG, Paderborn (see No 532) has finalised its plan to extend its interests to Austria (see No 501) by forming NIXDORF COMPUTER GmbH, Vienna (capital Sch 1m). With Herr Egon Kaiser as manager, this will also have sales offices in Klagenfurth, Linz, Innsbruck and Graz. The founder had a 1968 consolidated turnover of Dm 105 million, and has numerous foreign subsidiaries in France, Switzerland, Spain, Italy and Austria.

ELECTRICAL ENGINEERING

** LEROY-SOMER SA, Angouleme, Charente (see No 532), continuing its foreign expansion, has: 1) joined 80/20 with its local agent ELECTROMOTORENBEDRIJF ELMA NV, De Bilt in the Netherlands (see No 453) in forming a sales company in De Bilt named ELMA-LEROY SOMER NV, with Fl 250,000 authorised capital (40% paid up - director Mr Dieter Köllen); 2) formed a Swiss sales and manufacturing company, LEROY-SOMER (SUISSE) SA, Bienne (president M. Hubert Darfeuille - capital Sf 200,000). The group's last move was in Frankfurt at the beginning of this year (see No 506) when it formed the Dm 250,000 subsidiary Leroy-Somer Elektromotoren GmbH.

** FACO SA, a radio spares and accessories trading concern, member of the FLCIRAT group, mainly through Ste Nouvelle de l'Outillage R.B.V. SA, Paris (see No 290) and Ste Financiere Aigle-Azur SA, Paris (see No 451), has been wound up and its estimated gross assets of F 465,000 made over as follows: 20.4% to COMPTOIR DE VENTE ELECTRO-MENAGER-COVELEM Sarl, Paris, which thus raises its capital to F 496,000; 79.6% to COMPTOIR FRANCO-ITALIEN D'ELECTRONIQUE COFITEL Sarl, Paris, which changes its name to STE NOUVELLE FACO Sarl and raises its capital to F 400,000.

** The passing of legislation in Britain making the use of vehicle tachometers compulsory, which has already led to a cooperation and licensing agreement between the Frankfurt group VDO Tachometer Werke Adolf Schindling GmbH (see No 531) and the London Smiths Industries Ltd (see No 534), has now resulted in a link-up between two competitors of these groups, KIENZLE APPARATEBAU GmbH, Villingen (see No 509) and JOSEPH LUCAS INDUSTRIES LTD, Birmingham (see No 457). This has been backed by the formation of a manufacturing and sales company called LUCAS KIENZLE INSTRUMENTS LTD (capital £ 20,000) with Herr Herbert Kienzle as president.

Kienzle already has two London subsidiaries, Kienzle Data Systems Ltd and Kienzle Instruments Ltd (control and measuring instruments). With an annual turnover around Dm 180 million and some 4,000 employees, the group recently raised the capital of its subsidiary Kienzle Apparate-Vertriebs GmbH, Stuttgart, from Dm 200,000 to Dm 500,000, while its holding subsidiary Orgadata-Beteiligungs GmbH, Düsseldorf, has had its interests extended to include management of Matthiesen Kienzle Datensysteme KG. For its part Lucas recently acquired from General Electric & English Electric Cos Ltd, London (see No 539) its special products group which it intends to make over to its Rotax Ltd, London subsidiary. The Industrial Reorganisation Corp (I.R.C.) also took part in this move and has made Lucas a £ 3 million loan.

** L'ISOSTAT SA, Gentilly, Val-de-Marne (see No 445) plans to provide its Berlin subsidiary EBB ELEKTRONISCHE BAUELEMENTE BERLIN GmbH (capital Dm 500,000) with its own plant at a capital cost of almost Dm 4 million. The parent company has a payroll in its works at Bagnolet, Seine-St-Denis and Cuq, Pas-de-Calais of about 1,000 people and each year turns over around F 200 million. It has an 80% Milan subsidiary, Istalia SpA and subsidiaries or affiliates in London, Madrid, Tokyo and Hong Kong.

** The Dutch group R.S. STOKVIS & ZONEN NV, Rotterdam (see No 536) has agreed to make over to PHILIPS NEDERLAND NV, Eindhoven, sales subsidiary of the group PHILIPS GLOEILAMPENFABRIEKEN NV (see No 538) its "ERRES" trading division (see No 355). This operates in the fields of radio, T.V. and domestic appliances, and as from next year will be run by a company being formed under the name ERRES NEDERLAND NV.

** The Dutch NV PHILIPS' GLOEILAMPENFABRIEKEN, Eindhoven group (see No 538) intends to build two factories in Taiwan in the Chubei region. During 1970 these are expected to begin production of glass for television cathode ray tubes as well as the tubes themselves. Two subsidiaries have been formed for this purpose, ELECTRONIC GLASS INDUSTRIES TAIWAN LTD and PHILIPS ELECTRONIC INDUSTRIES TAIWAN LTD.

** The French CIE GENERALE DES VOITURES A PARIS SA group (see No 490) has gained control of COUPATAN-MINUTERIES - STE INDUSTRIELLE DE CONSTRUCTIONS ELECTRO-HORLOGERES SA, Grand Couronne, Seine-Maritime

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(capital F 900,000). The latter's manufacturing interests in the small electrical goods, industrial and domestic timing systems are complementary to those of another subsidiary in the group, STE NOUVELLE DES APPAREILS DE PRECISION & COMPTEURS, Paris, which manufactures, leases and maintains taximeters.

** STE DE PARIS & DU RHONE SA (automobile and aircraft electrical systems as well as domestic appliances) has negotiated the acquisition of a 71.5% controlling stake in FONDERIES & ATELIERS DU RHONE SA, Lyons (capital F 8 m). The latter manufactures cookers, radiators and stoves, and as a result of this move Paris Rhone will raise its own capital to F 20.9 million.

ELECTRONICS

** The American electronic components company MASTER SPECIALITIES CO, Costa Mesa, California, has opened a sales office in the Netherlands at Zaandam with responsibility for the European market. The founder's products are already distributed in the Benelux countries by Air-Parts International NV, Rijswijk, and are sold in West Germany, Switzerland and Austria by the German trading company Bodamer GmbH. The new office will be based on the premises of the German firm's Dutch branch.

** The latest move to be announced in the continuing implementation of the pact (see No 538) between the THOMSON-HOUSTON HOTCHKISS-BRANDT group (see Engineering) and C.G.E. - CIE GENERALE D'ELECTRICITE SA is the absorption by CIE GENERALE D'AUTOMATISME - C.G.A. SA, Paris (see No 518) of GESPA - CIE GENERALE DE SYSTEMES & DE PROJETS AVANCES SA. This is a 75.4% C.G.E. subsidiary through Cie Generale d'Electronique SA (see No 536) and through Cie Generale d'Entreprises Electriques - C.G.E.E. SA (see No 448). Its gross assets, estimated at F 12 million, will be assimilated in return for an F 5.5 million increase in its capital. C.G.A., which makes electronic automation equipment, is a 99% subsidiary of CITEC - Cie pour l'Information & les Techniques Electroniques de Controle SA, itself the joint holding company of C.G.E. and THOMSON C.S.F. SA (see No 536).

** The Milan MONTECATINI EDISON-MONTEDISON SpA group (see No 537) is to rationalise its electronics interests by making over to its Milan subsidiary MONTEDEL-MONTECATINI EDISON ELETTRONICA SpA (see No 505) the manufacturing facilities of its affiliates GREGORINI Srl, Rome, and C.E.A. PEREGO-COSTRUZIONI ELETTRONICHE AUTOMATISMI & TELECOMUNICAZIONI SpA, Milan (see No 359). Montedel-Montecatini Edison Elettronica, which was formerly Comelit - Cia Elettronica Italiana SpA, will thus raise its capital to Lire 1,200 million and transfer its head office to Pomezia, Rome.

** The New York RCA CORP group (formerly Radio Corp of America - see No 487) has decided to construct at Hauts-Sarts, Herstal-Liege in Belgium a plant making semi-conductors, integrated circuits, avionics and electronic equipment. This will start up late in 1970, employing about 600 people. The investment of some \$10.7 million is required, and a new subsidiary is being formed with Bf 120 million initial capital to run the venture.

RCA has numerous Common Market subsidiaries, and at the beginning of 1968 formed a sales offshoot in Amsterdam (see No 470) and another at Aprila, Italy, making colour TV tubes (see No 435). It recently linked 75/25 through its local subsidiary with the I.C.L. group - INTERNATIONAL COMPUTERS LTD - in forming a computer software concern named RCA MAGNETIC PRODUCTS LTD. This will go into production early next year with a factory being built at Bryn Mawr, South Wales.

** TERADYNE INC, Boston, Massachusetts (measuring and control equipment components - see No 386) has formed a Dm 20,000 company in Munich named TERADYNE GmbH as a further expansion of its European network. This is managed by MM. Hans-Peter Bette and Antony Patrick Wakeling, Paris. The latter is one of the directors of the Paris concern TERADYNE EUROPE SA (capital F 250,000), formed from what was originally a branch. The parent company is also established in London with Teradyne UK Ltd (capital £1,000).

ENGINEERING & METAL

** The Chicago ILLINOIS TOOL WORKS INC (trimming and cutting machinery, plastics machinery, printing process and electrical switch gear - see No 467) has formed a sales subsidiary in Turin, I.T.W. - FASTEX ITALIA SpA (capital Lire 3m - president Mr D. J. Bachner). The parent company has several European manufacturing subsidiaries, in particular I.T.W. Hentzen GmbH, Remscheid (see No 382) and I.T.W. Ltd, Slough, Bucks. It linked in 1967 (see No 394) with the Dutch group Thomassen & Drijver-Verblifa NV, Deventer (see No 491) in two 50/50 plastic packaging subsidiaries: Tedeco NV, Deventer (see No 402) and Tedeco-Verpackung GmbH, Harksheide, Hamburg.

** The Wiesbaden group LINDE AG (chemical engineering, refrigeration and welding processes, industrial gases and materials-handling etc - see No 524) has made a new licensing agreement in Austria with SCHIFFSWERFT LINZ AG, Linz, which will now produce not only its 2-ton forklift trucks but the 2- and 2.5-ton variants of these. Its other lines will continue to be imported into Austria. The German group has Dm 65 million capital and in 1968 turned over Dm 678 million with over 10,000 on its payroll.

** RICCAR EUROPA NAEHMASCHINEN GmbH (capital Dm 1.6m), a distribution, storage and maintenance subsidiary in Frankfurt for the Japanese RICCAR SEWING MACHINE CO LTD, Tokyo (see No 528), has opened an Austrian subsidiary in Vienna under Herr Tibor Sedlitzby. It recently opened its first foreign branch in Belgium at Laeken, Brussels, and this is headed by M. Jean de Donker.

The West German AUG. WINKHAUS KG, Telgte, Westphalia, which manufactures locks, metal goods for the building industry and key cutting equipment, has formed an Austrian holding company and sales subsidiary AUG. WINKHAUS GmbH, Salzburg (capital Sch 100,000). This has as its managers Herren H. P. Monreal, Klaus Sevcik and Wolfgang Winkhaus and the latter of these is a partner along with Herr Hans Winkhaus in the founder.

** Herr Max Bles, who owns the Aachen civil engineering company MAX BLEES BAUNTERNEHMUNG, is president of the newly-formed Zurich company, which will carry out book binding as well as manufacturing and selling book binding machinery. The new company is called INTER BINDING CORP and has a capital of Sf 500,000.

The German company (capital Dm 1.56m) has other interests in the building materials sector including Aachener Baustoff Grosshandels GmbH, Rheinkies-Baggerei GmbH and Kalk- & Dolomitwerke GmbH, all in Aachen, and the Belgian Chaux & Dolomites Sprl, Walhorn.

** Herr Rudolf Jost, who heads the Swiss postal machinery manufacturer RUDOLF JOST, Lauperswil, Berne ("Frama" franking machines) is the director along with Herren Ph. Habdonk and Werner Haug, Lauperswil, of the newly-formed Frankfurt company FRAMA-FRANKIERMASCHINEN GmbH (capital Dm 20,000). This will be managed by Herr H.G. Schlesier and will wholesale the Swiss company's products.

** The Swiss group SCHWEIZERISCHER ALUMINIUM AG, Zurich and Chippis (see No 533) has extended its Belgian business by forming the sales subsidiary ALUSUISSE BELGIQUE SA, Uccle-Brussels (capital Bf 350,000), a joint venture with two subsidiaries: ALUMINIUM BELGE-ALUBELGE SA, Chenee-Liege (see No 500) and ALUMINIUM WALZWERKE SINGEN GmbH, Singen-Hohentweil.

The group recently formed a Zurich subsidiary, Alusuisse Mining AG (capital Sf 100,000), producing minerals other than bauxite. It has also formed a subsidiary in Liege named Alubel SA (capital Bf 100m), to run an aluminium electrolysis plant of 84,000 tpa capacity to come into service at the end of 1971. The main customer for this plant will be the Brussels SIDAL SA company (holding 24%), an affiliate of the French group PECHINEY SA, Lyons (see No 497).

** The London group THOMAS TILLING LTD (see No 521) has signed an agreement with the Belgian MACHINERY & GEARS HANSEN SA, Edegem-lez-Anvers (formerly Ste Nouvelle La Mecanique Generale SA), which will give it 51% control at a cost of £300,000, a stake later to be increased to 67%. The Belgian company has some 350 employees and manufactures spare parts and gears. It was formerly controlled by MM David Hansen, Louis Enthoven, Joseph de Beukelaer and Pierre de Beukelaer.

Thomas Tilling acts as a holding company for a group controlling a large number of interests in the building, glass, electrical engineering, engineering and printing sectors. There is an existing Brussels affiliate, Mortiers Readimix SA (see No 288), which is controlled directly by the Yorkshire subsidiary Lime-Sand Mortar Ltd, Knaresborough.

** AIR LAB Sarl, Puteaux, Hauts-de-Seine (capital F 250,000) has been formed with Messrs Ledrand and Dordilly as managers to sell single speed transmission systems developed by the American engineering group Sundstrand Corp, Rockford, Illinois. One of the new company's founders, PRECISION MECANIQUE LABINAL SA (see No 475 - electrical engineering and electronic calculators) is the licensee of Sundstrand Corp, while the other founder, D.B.A. - BENDIX LOCKHEED - AIR EQUIPMENT SA (see No 495 - electronic and electro-mechanical hydraulic and pneumatic systems) is the affiliate of the American Bendix Corp group.

** The German fire fighting equipment concern SELBSTTÄTIGE FEUERLOESCHANLAGEN GmbH & CO KG, Bad Oldesloe (see No 502), wholly-owned subsidiary since last year of the Hanover mining and metal concern PREUSSAG AG, has taken 50% in the formation in Barcelona of a similar company named OPTIMAX SA. This has Pts 1 million capital and is a joint venture in association with local investors. The Preussag group itself is a 26% affiliate of the Berlin and Bonn group VEBA - VEREINIGTE ELEKTRIZITÄTS- & BERGWERKS AG (see No 538), through KOHLENSÄURE-INDUSTRIE AG, Düsseldorf.

Selbsttätige Feuerlöschanlagen has Dm 1,775,000 share capital and employs 250 people. It has a Vienna subsidiary, SFH - SELBSTTÄTIGUE FEUERLOESSCH-ANLAGEN GmbH, and a 50% stake in the Paris concern PROTEC-FUE Sarl. It cooperates closely with a similar company, MINIMAX AG, Urach, Württemberg, which was taken over by Preussag early this year, being a 29.91% affiliate of HANF UNION AG, Schöpfungheim, Baden, with which it is destined to merge. Minimax also has subsidiaries or affiliates in France, SOFRAMI - Ste Francaise de Materiel d'Incendie SA, Beauchamp, Val d'Oise, Austria, Oesterreichische Feuerschutz GmbH, Vienna, and Italy, Minimax Sas, Genoa (plant at Milan and Naples and branches at Sampierdarena, Genoa).

** As the result of recent negotiations in Paris (see No 52) between the water heaters and gas boilers concern SAUNIER-DUVAL SA, Paris and Nantes, which produced control and regulation equipment for oil refineries, petrochemical plant and chemical works, the former will eventually absorb the latter against receipt of gross assets of F 101.7 million, thus raising its capital to F 28.5 million.

This is a part of the rationalisation programme being carried out by the PONT-A-MOUSSON SA group, which has large shareholdings in either company and which plans to re-group a number of its interests within Saunier-Duval. In 1968, the latter in fact received from the group its controlling interest in Ets Collet & Cie SA, Paris (see No 484) and its 38.8% holding in Chaffoteau & Maury SA (see No 539). At the end of the present move it will, in association with Ste Financiere de Suez, control a 34% interest in Saunier-Duval.

** The Dutch building metal concern HUNTER DOUGLAS v.o.f., Rotterdam and Leek, member of the Montreal HUNTER DOUGLAS LTD group (see No 522), has gained control of the Hoogeveen metal moulds and industrial tooling concern N.G.F. - NEDERLANDSCHE GEREEDSCHAPPEN FABRIEK NV, which has a payroll of about 50.

** The "Ameise" materials-handling equipment concern H. JUNGHEINRICH & CO MASCHINENFABRIK GmbH & CO KG, Hamburg (see No 514), which is headed by JUNGHEINRICH UNTERNEHMENSVERWALTUNG KG, Hamburg, plans to extend its European network into Spain, with the formation of a sales subsidiary. The German group turned over Dm 125 million consolidated last year. Its main German subsidiaries are HUBERTUS REGAL HERSTELLUNGS- & VERTRIEBS GmbH (factory at Friedrichsgabe, Hamburg), AKKUTECHNIK LADEGERAETE GmbH & CO KG and JUNGHEINRICH KUNSTSTOFFTECHNIK KG (formed at the beginning of this year). Its foreign interests are administered from Switzerland by the Oberentfelden holding company JUNGHEINRICH INTERNATIONAL GmbH (capital Sf 2 m) and in this country it has three other subsidiaries: JUNGHEINRICH GmbH, Oberentfelden (formerly Veram GmbH), AMEISE GmbH and JUNGHEINRICH MASCHINENFABRIK GmbH. Its Austrian subsidiary JUNGHEINRICH MASCHINENFABRIK GmbH (Vienna - with plant at Atzgersdorf) is about to build a new plant at Brunn.

** The Paris engineering, air-conditioning and heating concern TUNZINI-AMELIORAIR SA (see No 530), affiliated to the groups PONT-A-MOUSSON SA (14.7%), CIE FINANCIERE DE SUEZ & DE L'UNION PARISIENNE SA (11.6%) and STE LYONNAISE DES EAUX & DE L'ECLAIRAGE SA (7.2%), is to streamline by absorbing its subsidiaries Schneider Poelman SA, Charenton, Val-de-Marne (gross assets valued at F 7 m) and Ste Mecanique Generale de Thann SA, Thann, Haut-Rhin (F 5.7 m). Tunzini-Ameliorair will also receive from Suez (see No 536) and Cie Francaise Thomson-Houston Hotchkiss Brandt SA (see No 538) their interests of 37.8% and 29% respectively in Ste Orleanaise de Protection - S.O.P. SA (capital F 360,000), which will give it complete control of this company. At the end of all these moves, it will be left with a capital of F 36.7 million.

** The Swedish farm machinery and lawn mowers concern A/B FLYMO, Malmö (see No 275) has formed a French subsidiary at Courbevoie, Hauts-de-Seine named FLYMO SA with F 100,000 capital and M. Rene Dumont as president. This is to distribute its gardening machinery and equipment. It has until now been represented in France by OREGON SA, Le Vesinet. The parent company is a member of the Stockholm ELECTROLUX A/B group (see No 522) and has several foreign sales subsidiaries, chiefly in Hamburg, Amsterdam, Zug (formerly Geneva) and Rickmansworth, Herts.

** The Luxembourg steel and metallurgical company MINIERE & METALLURGIQUE DE RODANGE SA, Rodange (see No 534) has formed an investment company named FINAMETA SA at its own head office with Lux F 125 million capital. Its own holding is 48%, the balance being shared between its own parent company (14.8%), the Belgian investment company COFININDUS SA (see No 536) and the Luxembourg holding company FINANCE & PORTEFEUILLE-FINPOR SA (capital Lux F 40 m), with 12% and 40% respectively. Miniere & Metallurgique de Rodange has M. Paul de Launoit as president. It produced nearly 510,000 tons of steel in 1968 and 417,000 tons of sheet products. It is affiliated to the tune of around 11% to BRUFINA - STE DE BRUXELLES POUR LA FINANCE & L'INDUSTRIE SA (see No 536).

** The French civil engineering plant and equipment group RICHIER SA, Paris, is negotiating technical and trade agreements in Italy and Britain similar to that which it forged recently (see No 538) with the German group DEMAG AG, Duisburg. The latter led to the formation of a joint Spanish subsidiary, Demag Richier Equipos de Obras SA, which at the beginning of next year will take over some of the business of either partner in that country.

** The German steel company KORF INDUSTRIE & HANDELS GmbH & Co KG, Kehl (see No 525 - headed by Herr Willy Korf) intends to submit for the approval of the Nigerian authorities its plans for a steel works of 100,000 tpa annual capacity, requiring the investment of £N 1.5 million. This is designed as a competitor to the 500,000 tpa plant proposed by the Soviet Union.

Korf already has major interests in this country: in 1960 it formed a steel products and ore subsidiary named West African Steel & Wire Ltd (WASCO), in which in 1963 interests of one-third each were taken (capital raised to £N 300,000) by the Cologne group Otto Wolff AG (see No 526) and the London Hall Engineering (Holdings) Ltd. These are also its equal partners in the trading company Wasco Trading Co Ltd. In 1966 it formed West African Metal & Chemicals Ltd (WAMAC), for pipes, tanks, buckets and welding electrodes (joint venture with Soudometal SA of Brussels - see No 379). In the same year was formed Wasco Products Ltd for enamelled household goods, plastic domestic and packaging products etc, and which is now going into petrol tank production, using know-how supplied by the Salzgitter AG group, as well as ceramics (Yugoslav licence) and cutlery (Austrian licence). Its affiliate Nigerian Commercial & Industrial Enterprises Ltd, trading in building materials and steel, will go into card production in 1970. At the end of the list comes Wasco-Ropes Ltd, which was formed recently with £N 15,000 capital in association with two British firms and the Otto Wolff group, to produce steel cables.

** The Danish farm machinery concern BRODENE TAUL A/S, Vejle, has wound up the sales subsidiary that it formed in West Germany in 1965 (see No 339) under the name DEUTSCHE TAUL GmbH, Bielefeld, with Dm 20,000 capital. It has placed the manager, Mr Niels A.M.A. Taul, in charge of the operation.

** The American ECOLOGICAL SCIENCE CORP, Atlanta, Georgia, has expanded in Italy (see No 524) by gaining 70% control of the Corsico, Milan precision castings concern SELLA-VALVOLAME PER INDUSTRIE SpA, which is controlled through its Swiss subsidiary ECOLOGICAL SCIENCE SA, Geneva (formerly at Fribourg). Sella-Valvolame per Industrie specialises in valves and fluid transmission systems for the oil and chemical industries, and has a turnover of around Lire 4,000 million. The American group recently took 60% control of a similar concern in Milan, Gallieni, Vigano & Marazza-Eco SpA (plant at Paderno Dugnano-Castellatto), and it is making a bid for a holding in Stabilimenti Meccanici Triestini SpA, a member of the Finmeccanica SpA group.

FINANCE

** The Frankfurt bank DEUTSCHE BANK AG (see No 539) intends to open an office in Teheran during the course of January 1970. It already has a 14% stake in FOREIGN TRADE BANK OF IRAN and a 1.2% interest in INDUSTRIAL & MINING DEVELOPMENT BANK OF IRAN, both of which are based in Teheran.

** The Brussels BANQUE BELGE POUR L'INDUSTRIE SA - B.B.I., which recently made an agreement (see No 534) with its 25% shareholder THE ROYAL BANK OF CANADA LTD, Montreal, to gain control of the Antwerp GEWESTELIJKE BANK NV - BANQUE REGIONALE "WESTBANK" SA (capital Bf 50m), is now about to absorb the latter. Before this takes place this will have been re-named STE BANCAIRE REGIONALE SA and as a result B.B.I.'s capital will be raised to Bf 250 million. The capital was raised to Bf 188 million during 1968 when the Canadian group became a shareholder (see No 499). It is an affiliate of the Empain group (see No 538) through the holding companies Electrorail SA, Brussels, and Ste Parisienne d'Etudes & de Participations SA, Paris.

** The London NATIONAL & GRINDLAYS BANK LTD (see No 531) has signed an agreement with the Amsterdam ALGEMENE BANK NEDERLAND NV (see No 536) whereby its subsidiary in Uganda, GRINDLAYS BANK (UGANDA) LTD, will control the Dutch bank's agency in Kampala.

National & Grindlays Bank has some 300 branches and agencies in Uganda, Zambia, Rhodesia, Kenya, Sudan, Somalia, Jordan, India, Pakistan, Ceylon, Aden and Cyprus. It is controlled 40/60 by First National City Bank of New York (see No 537) and National & Grindlays' Holding Ltd, London (itself a 41% affiliate of Lloyds Bank Ltd - see No 535).

** The Paris group BANQUE DE PARIS & DES PAYS BAS SA, has strengthened its Dutch interests by opening a branch in Maastricht under the "PARIBAS" name. This will be run by Mr A.P.M. Brans and is the direct responsibility of its Amsterdam subsidiary Banque de Paris & des Pays-Bas NV (see No 522). This already has branches in Rotterdam and The Hague, and intends to open another two in Heerlen and Vaals.

** The Luxembourg company FINIMTRUST SA (see No 538) has backed the formation on its premises of 1) the investment fund HARVARD SELECTION TRUST SA (authorised capital \$10m) and its re-purchase subsidiary HARVARD SELECTION TRUST REALISATION SA (capital \$10,000); 2) the management company KEYFUND ADVISORY CO SA (capital \$60,000). The latter, which was formed by the Bahamas investment company ISECO (controlled by American and Spanish capital) has itself formed the investment trust KEYFUND SA (authorised capital \$10m) with its re-purchase subsidiary KEYFUND REPURCHASE SA (capital \$10m).

** The Paris finance concern FINACOR SA (see No 475) has taken a minority shareholding in association with the Zurich bank JULIUS BAER & CIE (see No 440) to form a new Geneva bank called CIE DE BANQUE & D'INVESTISSEMENTS SA - C.B.I. (capital Sf 8 m), which will be under the control of Swiss interests. This new bank will form a finance subsidiary which will be controlled 50-50 with Finacor.

The latter will be represented on C.B.I.'s board (president M. Robert Turretti) by its president M. Pierre Schwed, and on the management board by its own managing partner M. Jacques Sides. Finacor already has several foreign subsidiaries, including Finacor Italiana SpA, Rome (see No 235); Interacor GmbH, Munich; Monecor Inc, New York (see No 273) and Exchange Link Ltd, London. Julius Baer & Cie will be represented on C.B.I.'s board by M. Nicolas Baer, and since 1968 it has been linked 51/49 through the holding company Fibena AG, Chir) to the London, United Dominions Trust Ltd group (through I.F.S. - International Finance & Services Ltd - see No 490) in the banking company Julius Baer International Ltd, whose chairman is Herr Hans J. Baer.

** The New York BANKERS TRUST CO (see No 535) is to extend its EEC interests by forming a subsidiary in Italy and gaining control of the Frankfurt DEUTSCHE UNIONBANK GmbH (see No 487) in which it already has a 25% stake along with Hessische Landesbank - Girozentrale, Frankfurt (24% - see No 538), and the Swedish group Svenska Tändsticks A/B (see No 533).

The American group, which also intends to form a subsidiary in Switzerland, has just gained control of the London merchant bank RODO INTERNATIONAL LTD (formerly P.P. Rodocanachi & Co, in which it acquired a 30% stake in 1967 - see No 476) and which has now been renamed BANKERS TRUST INTERNATIONAL LTD. It has also acquired an indirect shareholding in the Milan Banca Loria & Co SpA (see No 273) and this is controlled by Rodo International in association with Cofimil - Cia Finanziaria di Milano SpA, Milan.

** The negotiations which were recently begun in Milan by the CREDITO ITALIANO SpA, Genoa group (see No 537) for control of the savings investment and deposit bank BANCA MILANESE DE CREDITO SpA (over Lire 31,000 m deposits) have now been successfully concluded. With a capital of Lire 1,000 million, this was formerly a majority interest of the Bassetti family, which now has a minority shareholding.

** British interests represented by Mr. Christopher G.H. Clark, London, have backed the formation in Düsseldorf of a capital leasing company called CITICORP LEASING-DEUTSCHLAND GmbH. This has a capital of Dm 500,000 and the managers are Mr. Clark and Herr Heinz Riehl, Hüssel.

** The French group CHEGARRAY, which is rationalising (see No 537) has now had STE D'ETUDES FINANCIERES DE COMPAGNIES D'ASSURANCES SA (see No 489) absorb the Paris concern CIE DE REALISATIONS IMMOBILIERES & DE PARTICIPATIONS - CORIP SA (see No 493), and the former will thus raise its capital to F 18.5 million, having received estimated gross assets of F 5.8 million.

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** FIRST NATIONAL BANK OF CHICAGO (see No 509) is to extend its Common Market network by forming a subsidiary in Milan with a working capital of Lire 1, 500 million (around \$ 2.5 m).

The Chicago bank already has branches in Brussels (see No 504), Frankfurt and Düsseldorf, as well as a minority shareholding in the Rotterdam SLAVENBURG'S BANK NV (see No 503). It also has a stake in the London-based INTERNATIONAL COMMERCIAL BANK LTD (see No 501).

** The Los Angeles personal credit card company CARTE BLANCHE CORP (a subsidiary of HILTON HOTELS INC, Chicago, Illinois, and FIRST NATIONAL CITY BANK OF NEW YORK - majority shareholder - see this issue) has extended its Common Market interests which include a Milan branch (see No 537) by forming a wholly-owned Paris subsidiary called CARTE BLANCHE FRANCE Sarl. With M. J. Oechler as president, this has a capital of F 20, 000.

** The Brussels bank BANQUE LAMBERT Scs (see No 532) will be linked 50/50 with the Düsseldorf and Munster WESTDEUTSCHE LANDESBANK-GIROZENTRALE within a new banking concern being formed in Frankfurt called RICHARD DAUS & CO BANKIERS VORM HANS W. PETERSEN (share capital Dm 12 m).

The decision to form this concern was taken recently (see No 534) when the London merchant bank S.G. WARBURG & CO LTD decided to form on an equal basis with the shareholders of DEUTSCHE EFFECTEN & WECHSELBANK AG, EFFECTEN-BANK WARBURG AG (capital Dm 40 m). This will receive part of the banking assets of the previous company as well as part of the assets of S.G. Warburg & Co KG Vorm Hans W. Petersen, a Frankfurt affiliate of the London bank. S.G. Warburg & Co KG Vorm Hans W. Petersen's remaining interests (mainly foreign operations and share dealings) will be made over by the partners in it, Herren Otto Burkhardt, H. Petersen and Richard Daus, to the newly-formed Richard Daus, in which they will become managing partners. This will be run by Herr Uls Siebel.

** The BANCO DI ROMA SpA, 96% subsidiary of I.R.I. - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA, Rome, with authorised capital recently raised to Lire 40,000 million to boost expansion (see No 534), has made an agreement with the regional bank in Perugia, BANCO DI PERUGIA SpA (see No 421) with a view to taking it over. The latter is headed by Sig Virgilio Cocchi, has funds of Lire 10,000 million, and in 1967 absorbed the Marciano bank Banca Marcianese SpA. It has two subsidiaries at Gubbio and Marciano, as well as agencies in Castel del Piano, Castiglione della Valle, Collàzzone, Papiano and S. Valentino della Collina.

** The New York stockbroking concern BACHE & CO INC (see No 389) plans to open two new branches in Europe, one in Düsseldorf and the other in Zurich, thus bringing the number of its foreign agencies up to 25. In West Germany it has branches in Frankfurt, Hamburg and Munich, but also controls in Frankfurt the merchant bank BANK-HAUS BACHE & CO GmbH (capital Dm 5 m), though it may be making this over to German control. It also has a subsidiary in Geneva, Bache & Co Overseas SA.

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** A merger has been agreed between two Rotterdam groups, WM. H. MUELLER & CO NV (see No 529) and INTERNATIONALE CREDIET- & HANDELS-VEREENIGING "ROTTERDAM" - INTERNATIO NV (see No 523). This will result in the formation of a conglomerate operating mainly in the services sector with some 15,700 employees and an annual turnover of around Fl 1,750 million.

Müller has around 100 subsidiaries and affiliate companies in the Netherlands and elsewhere, and its main interests lie in the marine and river shipping sectors, cargo handling and storage (subsidiaries in Belgium, Britain, France, Italy and Brasil). It also has interests in the mineral transport, dispatch, trading and mining sectors with subsidiaries and affiliates in Spain (Sta Minera Cabarga - San Miguel SA; Sta Espanola de Explotaciones Mineras SA; Cia Fomentadora de Explotaciones Mineras SA), and in Brasil (Minas do Parapeba SA; Minas do Itacolony SA; Empresa Comercial Technica de Minerios SA and Servicios Technicos de Mineracao SA), as well as acting as a travel agency and insurance brokers.

For its part Internatio has a similar number of subsidiaries and affiliates since it gained control of Van Rietschoten & Houwens Technische Handelsmij NV and Mij Voor Industriële Ondernemingen Gebr Van Swaay NV. Its main interests lie in trading in technical goods, capital goods, chemical and pharmaceutical products, as well as raw materials (subsidiaries in Britain, West Germany and the United States). It is also involved in installing electrical and technical equipment and air conditioning, refrigeration and heating equipment, as well as manufacturing chemical, pharmaceutical and electro-technical products. Like Müller it also acts as an insurance broker as well as having further interests in the printing sector.

** The Brussels bank BANQUE IPPA SA, which was formed in June 1969 with M. Jacques Cogels as president (see No 521), has opened its first branch office in Liege under M. Georges Pastor, and it intends to open other branches in Ghent, Antwerp and Brussels.

Banque Ippa (capital Bf 100 m) is linked to the Hallet group (see No 504) and is 70% controlled by Ste Hypothecaire Belge & Caisse d'Epargne d'Ippa SA, Antwerp, which has main offices in Antwerp, Brussels, Liege, Ghent, Hasselt and Charleroi, Namur and Bruges, and more than 1,100 agencies. The remaining shares are held by Cie Financiere Ippa SA, Brussels (20%), Sobelti - Ste Belge de Gestion SA, Brussels (6%), SA Mutuelle Luxembourgeoise de Gestion SA, Brussels (see No 417), Transga - Transactions Generales SA, Brussels (see No 332), Ste Belge d'Investissements Immobiliers SA (see No 417) and SA Exploitations Rurales & Urbaines, Brussels.

FOOD & DRINK

** COMAFIN - COMMON MARKET FOOD INDUSTRY SA, Brussels, has been closed down and MM. Leteul and Corbiau have been put in charge of this operation. Comafin was the subsidiary of a number of Belgian companies including, SOCOVOM - STE AGRICOLE D'OUTRE-MER SA (see No 340), INTERTROPICAL COMFINA SA (see No 461), SAMECOM - STE AFRICAINE DE MESSAGERIES & DE COMMERCE SA, HUILCO - STE D'HUILERIES & DE RAFFINAGE SA and INDAGRI - STE D'INDUSTRIES AGRICOLES SA.

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** The newly-formed SCHWEPPEs GmbH, Bremen (capital Dm 20,000), whose manager is Herr Ulrich Quetz, has been established to distribute the soft drinks made by the British CADBURY SCHWEPPEs LTD group.

The latter was formed by the recent merger of the SCHWEPPEs LTD, London, and CADBURY GROUP LTD, Bournville, Birmingham groups and it recently re-organised its West German interests by having its subsidiary Cadbury-Fry GmbH, Bremen, take over Hanseatenschokoladen Werke GmbH. At the same time Cadbury-Fry reduced its capital to Dm 500,000 as it made over its manufacturing activities under a licence agreement to two German firms, XOX-BISCUIT-FABRIK, Kleve ("Picknick" and "Happen" chocolate products) and AUGUST STORCK GmbH, Halle, Westphalia (other products).

** The Hamburg company E. KAMPPFMEYER (trading in seeds, animal feeding stuffs, fertilizers and other agricultural products) has made into a majority stake its 25% shareholding it acquired in 1967 (see No 397) in the milling concern VEREINIGTE KUNSTMUEHLEN LANDSHUT-ROSENHEIM AG, Landshut (capital Dm 1.8 m). The former majority shareholder in the latter, Herr Karl Freiherr von Michel, will still have an interest of some 25%.

The Landshut company, which has an annual turnover exceeding Dm 70 million, also has a stake in the animal feeding stuffs concern Bayerische Kraftfutter GmbH, Landshut (capital Dm 453,000).

** The merger decided upon in July 1968 (see No 472) between two Hanover breweries LINDENER AKTIEN BRAUEREI and GILDE BRAUEREI HANNOVER-BROYHAN-BRAUEREI has now been finalised and the former re-named LINDNER GILDE-BRAEU AG, has raised its capital from Dm 6 to Dm 9.6 million. With an annual production of 1.1 million hl, this will be the leading brewery group in the Land of Lower Saxony. It is 84% controlled by BRAUER-GILDE, Hanover, and has numerous subsidiaries and affiliates: Lindener Getränke Vertrieb GmbH, Hanover (distribution of non-alcoholic drinks), Malzfabrik Langkopf GmbH, Peine (malting), A. Schilling AG, Celle; Getränkeindustrie Hannover GmbH & Co KG, Hannover-Henningen (drinks) and Brunnenverwaltungs Gisela-Quelle GmbH, Wildemann, Oberharz (mineral waters),

** The Munich BAYERISCHE HYPOTHEKEN- & WECHSELBANK (see No 538) has enlarged its interests in the brewery sector (see No 524) by gaining a majority stake in HOFER BIERBRAUEREI AG DEININGER-KRONENBRAEU, Hof, Saale. This has a capital of Dm 1.2 million and EXPORTBIERBRAUEREI LOEWENBRAEU HOF KARL MILITZER KG will remain a minority shareholder with a 25% stake held through BRAU-FINANZ AG LOEWENHOF, Hof. It may later be merged with other brewery interests of the Munich bank including Erste Kulmbacher Actien-Exportbier-Brauerei, Kulmbach (capital Dm 3.7 m), which recently took a majority stake in another brewery, Reichelbräu AG.

** The Dutch NV S. TEN KATE'S MARGARINEFABRIEK & VETSMELTERIJ, Musselkanaal, which makes margarine edible fats and products for the animal feeding stuffs industry, intends to open a subsidiary in West Germany in Haaren, Ems.

** The Duisburg milling concern DEUTSCHE MUEHLENVEREINIGUNG AG, a 50/50 subsidiary of the Frankfurt finance establishments LANDWIRTSCHAFTLICHE RENTENBANK and DEUTSCHE GENOSSENSCHAFTSKRASSE, has made its interest of more than 25% in a similar company, DUISBURGER MUEHLENWERKE AG (capital Dm 4.5m) into a controlling majority stake. Its own shareholders will each keep their stake of less than 25% in Duisburger Muehlenwerke.

Deutsche Muehlenvereinigung (capital Dm 9m) has numerous subsidiaries and affiliates: Frankfurter Muehlenwerke AG, Frankfurt; Kieseckamp Laberhaus AG, Muenster, Westphalia (storage facilities); Oeyenhausener Kraftfutterwerk Verwaltungs GmbH; Hefftsche Kunstmuehle AG, Worms; and Deutsche Silo GmbH, Duisburg.

** The American KENTUCKY FRIED CHICKEN CORP, Nashville, Tennessee, group has formed a Belgian subsidiary called KENTUCKY FRIED CHICKEN (BELGIUM) SA (capital Bf 1m) through its subsidiary K.F.G. OF EUROPE INC, Louisville Kentucky. Based in Uccle-Brussels, this will set up and run restaurants, snack bars, motels etc, and the first directors of the new company are Messrs Vannini, Joehnick and Motley. There is already a West German sister company, Kentucky Fried Chicken (Germany) GmbH, which was formed in 1968 with a capital of Dm 100,000.

** The leading French cheese group FROMAGERIES BEL, LA VACHE QUI RIT SA, Paris (see No 537) is negotiating control of the Italian firm in the same sector, SOC LUDOVICO, Piacenza. This will enable the group to strengthen its position in Italy, where it has been represented since November 1968 by a subsidiary, BEL -CASTELLI SpA, Reggia-Emilia (capital Lire 80m).

Bel is also about to set up further foreign manufacturing units in Algeria - to supply the North African market - and the United States where a further 7,000 tpa will be made either in Kentucky or Wisconsin to supplement the 15,000 tons of cheese already exported there. Talks are also being held with the aim of establishing production in Japan.

** The French purchasing group in the special breads sector LES MAITRES BISCOTTIERS REUNIS Sarl, Paris, established in 1960 to purchase packaging materials, supply chain stores and coordinate export sales, it to be absorbed by one of its founders GOASDOUE - LE MOAL SA, Nantes, which in return for assets valued at F 1.4 million (gross) will raise its capital to F 580,000.

The other founders were ETS BRUSSON-JEUNE SA, Villeneuve-sur-Tarn, Haute-Garonne; STE DE PANIFICATION & DE PRODUITS DE REGIME H. COSTE SA, Marseilles, GRANDE MINOTERIE JOSEPH MILLIAT Sarl, Lyons and ETS MIZOULE SA, Clermont-Ferrand, Puy-de-Dome.

** An affiliate of the London animal feeding stuffs group PAULS & WHITE LTD (see No 490), the West German hop concentrates concern HOPCON JOH BARTH & SOHN GmbH, Nuremberg, has formed a French affiliate, HOPVALOR SA - STE DE VALORISATION DE HOUBLON (capital F 750,000). With M. Etienne Lux as president and run by M. Eugene Schaeffer, this will manufacture at Bischwiller, Haut-Rhin hop-powder extracts.

** The French SOURCE PERRIER SA group (see No 537) has now absorbed SAPIEM - STE DE PARTICIPATIONS DANS L'INDUSTRIE ALIMENTAIRE SA, and as a result raised its capital to F 142.6 million. To facilitate this move the latter had recently become a holding company and had made over its manufacturing and sales interests to its subsidiary STE DES LAITS INDUSTRIELS SA, which has now been renamed PREVAL SA.

The latter recently made a takeover bid (see No 535) for a 40% stake in the Paris dairy group GENVRAIN SA. This shareholding will later be reduced to 25% to enable the Fromageries Bel, La Vache Qui Rit SA group (see this issue) to acquire a similar stake while Caisse Nationale de Credit Agricole SA will have a shareholding of some 15%. The subsequent reorganisation of Genvrain's structure will involve its cheese interests being taken over by Bel, while its fresh dairy products distribution interests will go to Perrier-Sapiem.

** The West German HEINR. AUER MUEHLENWERKE KGaA, Cologne-Deutz, has signed an agreement whereby its instant baby foods ("Aurora" brand name) will be manufactured and sold in Yugoslavia by PODRAVKA PREHRAMBENA INDUSTRIJA, Koprivnica. They will be sold under the "Aurora-Podravka" trade name.

Heinr. Auer Mühlenwerke is owned by Herren Clems and Hans-Heinrich Auer through Mühlenverwaltungs- & Lagerhausges. Clems Auer KG, Cologne-Deutz, and has a capital of Dm 6 million. With some 1,200 employees it has an annual turnover of around Dm 230 million, as well as a number of subsidiaries including Auer Kraftfutterwerke GmbH, Cologne-Neihl (animal feeding stuffs); Pfälzische Mühlenwerke, Mannheim; Rheinmühlen GmbH, Düsseldorf and Brilliantmühle GmbH, Neuss.

** The German spirits group H.W. SCHLICHTER KG, Steinhagen, Westphalia (see No 529) has extended its interests by gaining control of FR. WINKELMANN GmbH, Steinhagen and Hamburg.

Schlichte, which is owned by several members of the Schlichte family, has an annual turnover of around Dm 100 million. It has numerous subsidiaries, including H.W. Schlichte Vermögensverwaltung GmbH (management and investment); H. W. Schlichte Gutsverwaltung (a holding company); and Merkur Beteiligungs GmbH. The latter is the group's main holding company and directly controls - apart from the newly-acquired company - 1) Keuck Marken-Liköre GmbH, Steinhagen, which was recently formed to distribute the "Keuck" Turkish Mokka" liqueur made by Hermann Keuck & Söhne, Brunswick; 2) Norwin Spirituosen GmbH, Hamburg (formerly Norddeutsche Weibrennerei Schlichte KG); 3) Amberg Steinhäger- & Wacholder-Brennerei GmbH, which also supplies spirits to its sister companies Perus Spirituosen GmbH and Feldhof Spirituosen GmbH; and 4) Gross Destillerie Hans Bauer, Graz, Austria, which apart from its own products makes the group's various spirits under licence.

** The French animal feeding stuffs company ETS LECERF-GUIHEUX SA, Rennes, Ille-et-Vilaine, and the poultry breeding, slaughtering and packaging concern ETS ROBERT BERANGER SA, Crest, Drome, which were recently taken over by the Paris oil group GEORGES LESIEUR & FILS SA (see No 527) are to be absorbed by the latter's

subsidiary LESIEUR-SODEVA SA, which in return for gross assets valued at F25 million will raise its own capital to F 17.4 million. This will then have five animal feeding stuffs production factories in: Valenciennes, Nord; Le Neubourg, Eure; Feurs, Loire; Die, Drome; and Rennes (overall capacity 250,000 tpa); two poultry slaughtering plants in Crest and Feurs (under the Sidaf SA subsidiary) and two egg packing stations in Caen, Calvados and Die.

INSURANCE

** The Genoa insurance company LLOYD ITALICO & L'ANCORA SpA (headed by Sig Giuseppe Andrea Croce - capital Lire 300 m) has formed in the same town a subsidiary to operate in the life sector, called LLOYD ITALICO VITA-CIA D'ASSICURAZIONI & RIASSICURAZIONI SpA. With a capital of Lire 1 million this is headed by Sigs G. Croce, L. Croce, B. Vaccari, A. Ferrari and A. Puri.

** The Turin insurance group AUSONIA - STA GENERALE DI ASSICURAZIONI & RIASSICURAZIONI SpA (capital Lire 1,000m - see No 492) is to reorganise its interests by absorbing its Milan property subsidiary LOREDANA COSTRUZIONI SpA (capital Lire 250m). A similar move was carried out in 1968 which involved S.A.M. SpA (capital Lire 100m) and Sta Immobiliare Grand Hotel Regina SpA (capital Lire 160m), which in turn was preceded by another in late 1967 involving Grande Albergo Milano-Salsomaggiore SpA (capital Lire 1m).

** A further simplification of the interests of the German insurance group AACHENER & MUENCHENER FEUER-VERSICHERUNGS-GESELLSCHAFT (see No 534) has resulted in it absorbing its almost wholly-owned subsidiary OLDENBURGER VERSICHERUNGS-GESELLSCHAFT, Oldenburg (capital Dm 1m). The group recently carried out a similar move in connection with its 66.82% subsidiary Thuringia Versicherungs AG, Munich, which negotiated the acquisition of its own 48.47% affiliate Fortuna Rückversicherungs AG, Munich, in which the group itself has a stake of 38.18%.

MINING

** The mineral prospecting operations in Australia of the Paris group LE NICKEL SA (a member of the ROTHSCHILD SA group - see No 537) will now be carried out by a wholly-owned subsidiary called LE NICKEL AUSTRALIA EXPLORATION PTY LTD (capital A\$ 10m). This has already signed an agreement with the London-based holding company in the mining sector, CHARTERHALL FINANCE HOLDINGS LTD, covering joint prospecting (50/40) over 18,300 acres in Western Australia. This agreement covers the deposits in Carr Boy Rocks, Cashmers Downs, Johnson Rocks, and Marracoota.

A similar agreement was recently signed between Le Nickel and Union Miniere - Development & Mining Corp of Australia (Pty) Ltd, the subsidiary of the Brussels group Union Miniere SA (see No 518).

OIL, GAS & PETROCHEMICALS

** The Paris PRODUGAZ SA (capital F 5.6 m) is about to absorb two subsidiaries, STE INDUSTRIELLE DES GAZ LIQUEFIES - SIGL SA, Chambéry, Savoie (gross assets valued at F 20.5 m) and LAMPROGAZ SA, Toulouse (F 9.6 m). Produgaz is affiliated to the London fuel and oil merchants Wm Cory & Sons Ltd (see No 400) and its president is M. Mory of the Paris Mory SA group (see No 519).

** The West German ZELLER & GMELIN, MINERALOELRAFFINERIE & CHEMISCHE FABRIK, Eislingen, Fils (see No 295) has backed the formation of a Paris company trading in liquid fuels, lubricants, liquid gases. Called ZELLER & CIE (ZELLER & GMELIN FRANCE) Snc, this has Herr Helmut Hengede as manager and other partners in the new concern are Herr Alfred Zeller (manager of the German company) and Frau Gentner-Zeller. The founder has over 500 employees and handles petroleum products and colours for the printing industry, protective and anti-corrosion paints and maintenance products (waxes and glazing products).

** The Hamburg companies BP BENZIN & PETROLEUM AG (subsidiary of the London group THE BRITISH PETROLEUM CO LTD - see No 531) and ESSO AG (subsidiary of the New York group STANDARD OIL CO OF NEW JERSEY - see No 538) have agreed after a series of preliminary studies to form a joint subsidiary to carry out preliminary work on the construction of a pipeline between the Wilhelmshaven terminal (now accessible to tankers up to 200,000 tons) and their Hamburg refineries. The Esso refinery is being expanded at a cost of Dm 150 million so that by the spring of 1972 it will have a capacity of 5.5 million t.p.a. against 3.4 million t.p.a. today. B.P.'s refinery has at present a capacity of 4.3 million t.p.a., but the 340,000 t.p.a. refinery of the Oelwerke Julius Schindler GmbH subsidiary should also be included.

In the United States the British group has just received the approval of the Department of Justice for the merger of its subsidiary BP Oil Corp with The Standard Oil Co (Sohio), Cleveland, Ohio (see No 494) under an agreement signed in June of this year. Under this B.P. will raise its stake in the Cleveland company to a maximum of 54% by 1978 in return for supplying crude oil at up to 600,000 barrels a day from its new oil field at Prudhoe Bay. B.P. will, however, keep the 9,700 service stations and two refineries (at Marcus Hook, Pennsylvania, and Port Arthur, Texas) as well as various transport terminals of Atlantic Richfield Co, Philadelphia, Pennsylvania, for which it paid \$ 400 million when Atlantic Richfield merged with Sinclair Oil Corp, New York (see No 501), and all of these assets will be made over to its new subsidiary. The go-ahead for the merger will involve a number of the service stations in two states being sold.

** The Brussels PETROFINA SA group (see this issue) has taken a 50% stake - through its subsidiary FINA SA (see No 508) - in the industrial and domestic heating sales company S.E.N.E.C. SA (formerly Ste d'Entretien & d'Exploitation de Chauffage SA - see No 439), whose capital has been doubled to Bf 6 million.

The latter was established in 1962 and until now was controlled by the French group Union Industrielle Blanzky Ouest SA (see No 510) as well as being affiliated to Industrielles Louis Chaigne & Cie SA, Gentilly, Val-de-Marne, and both of the latter companies remain shareholders.

PAPER & PACKAGING

** The Swedish paper group STORA KOPPARBERGS BERGSLAGS A/B, Falun, has signed a sales agreement under which its German counterpart FELDMUEHLE AG (see No 537) will distribute its newsprint throughout West Germany

The Swedish group already has a German steel sales subsidiary, Stora Kopparberg Stahl GmbH, Düsseldorf, as well as another dealing in paper, Stora Kopparbergs Bergslags GmbH, Hamburg, Under a contract valid until the end of 1971 it is represented in the paper sector by the Hamburg G. Schürfeld & Co.

** One of the leading Swedish paper and cardboard concerns FISKEBY A/B, Noorköping (factory at Skärblacka) has formed a Milan sales subsidiary called FISKEBY (ITALIA) SpA (capital Lire 5 m), which is headed by Sig Gaetano D'Orta. Control is shared with its own Stockholm parent company KOOPERATIVA FORBUNDET - K.F., which has a minority stake.

The founder is itself a minority shareholder in the French company Sacheries d'Alsace SA (capital raised in 1968 to F 6 m - see No 423) along with Papeteries de la Seine SA and the La Rochette-Cenpa SA group, which made over to it its factory at Schweinhouse, Bas-Rhin.

PHARMACEUTICALS

** The British chemicals and pharmaceuticals company ASHE CHEMICAL LTD, Leatherhead, Surrey, has acquired through its subsidiary ASHE LABORATORIES LTD the trade names and pharmaceuticals factories of two groups based in Bonn, Bad Godesberg, and is about to form its own distribution subsidiary. The two German companies involved are GEDORA FABRIK CHEMISCH PHARMACEUTISCHER PRAEPARATE GEORG HOFELE and GRACONA GROSSMANN & CO NACHF.

** The American chemical and pharmaceuticals group SCHERING CORP, Bloomfield, New Jersey (see No 406) has extended its European interests by forming through its Lucerne holding company SCHERICO AG (see No 356) a subsidiary in Brussels called ESSEX (BELGIUM) SA (capital Bf 5 m). With Mr. J. Cleason - from Montclair, New Jersey - as president, this will market the pharmaceutical products made by companies in the group.

Schering's EEC interests include a number of subsidiaries: 1) in Italy, Essex (Italia) SpA and International Institute for Scientific Research - S.R.L. (50%) in Milan, as well as S.C.A. - Stabilimenti Chimici Dell'Ada SpA, Comazzo; 2) in France, Laboratoire Cetrane SA (see No 248), Unilabo SA, Paris, Sorba - Ste de Recherches

Biologiques - RIB SA, Asnieres, Hauts-de-Seine; 3) in West Germany, BYK Essex Pharmazeutische GmbH, Munich on a 50-50 basis with the German group, BYK Gulden Lomborg Chemische Fabrik GmbH, Konstanz (see Nos 333 and 516).

PLASTICS

** POLYCHEMIE AKU-GE NV, Arnhem (thermoplastic materials based on polyphenol oxides - see No 368), the 40/60 subsidiary of the Dutch AKZO NV group (see No 538) and the American GENERAL ELECTRIC CO (see No 539), has formed a Paris sales subsidiary. This is called AKU-GENERAL ELECTRIC FRANCE Sarl (capital F 20,000) with M. R. Rapalino as manager. Control is shared with the Arnhem investment company NV INDUSTRIEL BEZIT KERUHEIM, which has a minority stake.

PRINTING & PUBLISHING

** STE FRANCAISE DE PUBLICATIONS PERIODIQUES - SFPP Sarl, Rueil-Malmaison, Hauts-de-Seine (capital F 20,000) has just been formed with Mme Duverceau as manager to publish as "Le Canard a Poil" a French version of the Swedish partner's "Adam and Eve" magazine. The founders are M. Jacques Grancher, president of Editions de la Pensee Moderne SA, Paris, and M. Jean Vibert Meunier (with 20% each) and Swedish interests, whose 50% stake is held by AEHLEN-AEKERLUNDS FOERLAGS A/B, Stockholm, through its recently-formed holding company VERLAGSPRESSE ZURICH AG.

** The New York group I.T.T. - INTERNATIONAL TELEPHONE & TELEGRAPH CORP (see No 534) has diversified its West German interests by acquiring through its subsidiary ITT WORLD DIRECTORIES INC, New York (mainly printing work) control of the German printing concern SAM. LUCAS GmbH GRAPHISCHER GROSSBETREIB, Wuppertal-Eberfeld. Until now owned by Herr Wolfgang Lucas, this has some 300 employees and an annual turnover of Dm 10 million from the publication of calendars, telephone directories and railway timetables.

** The New York music publishers MUSIC CORP OF AMERICA (MCA) have extended their West German interests, which already include MCA MUSIC GmbH, Cologne (formerly MCA Germany GmbH, Munich), by acquiring the record publishers MILLER INTERNATIONAL SCHALLPLATTEN GmbH, Quickborn, Holst, and at the same time a sales subsidiary called MCA RECORDS GmbH, Quickborn, has been formed. Miller (capital Dm 400,000) has an annual turnover exceeding Dm 15 million from the sales of its "Europa" and "Somerset" records. Until now it was owned by the American businessman Mr. Dave Miller, who founded it along with Herren Erick Beurmann, Wilhelm Wille and Harald A. Kirsten. The latter, who will now manage Miller, will also occupy the same post in the new MCA Records, which will market the "Coral" and "MCA" records of its American founder.

** A merger between two Munich greeting card concerns belonging to Herr Joseph Lothar Steib will involve J. LO. STEIB GmbH taking over ALBRECHT & MEISTER AG (capital Dm 405,000), which has an annual turnover of Dm 5 million and BERLIN-NEURODER KUNSTANSTALTENAG, Munich (capital Dm 150m). Herr Joseph L. Steib is also head of the Munich firms Paul Fink GmbH and Fritz Schemm GmbH.

** The recently-formed Luxembourg holding company STE EUROPEENNE D'EDITION & DE DIFFUSION SA (capital \$70,000) has formed its first subsidiary in France, EUROPEAN BUSINESS SA, Paris (capital F 150,000). With M. Henri Dougier as president, this will publish and market economic, financial and management publications, as well as the quarterly "European Business". The latter publication is intended to strengthen the links between European business schools and leading European business companies.

The founders of the Luxembourg company are leading European business schools including INSEAD, Fontainebleau; IMDE, Lausanne; CEI, Geneva; the Manchester Business School; IESE, Barcelona; the Rotterdam Foundation; the Paris C.R.C.; the Ghent Centre de Perfectionnement and the Wuppertal Institute. The other founders include top European companies: Royal Dutch Shell, Rotterdam (see No 538); Alfa Laval A/B, Tumbo, Sweden (see No 481); Sandoz AG, Basle (see No 470); Ciba AG, Basle (see No 532); Bekaert SA, Zwegem (see No 535); Banca Nazionale del Lavoro, Rome (see No 534), KLM Kon. Luchtvaart Mij NV, The Hague (see No 535), I.C.I. - Imperial Chemical Industries Ltd, London (see No 533) and Cie de Pechiney SA, Paris and Lyons (see No 538).

** Herr Ferdinance Sieger is the director of the new Geneva company INFORMATION & DOCUMENTATION SCIENTIFIQUES SA (capital Sf 60,000). With Herr Peter Lotz as president, this will form, acquire and exploit companies engaged in printing, publishing and editing information publications in the chemical, medical and pharmaceuticals sectors.

Herr Sieger is already head of the Frankfurt publishing house S. FISCHER VERLAG GmbH (see No 532), which belongs to the HOLTBRINCK group.

** The various plans for privately-owned commercial television in West Germany - which recently resulted in the formation in Schleswig-Holstein of Fernseh- & Rundfunkversuchs GmbH, Kiel, under Herr Karl Richard Lesch - now include further proposals for a commercial radio and television station in the Saar, which FREIE RUNDFUNK AG, Saarbrücken, hopes to operate.

The publishing concerns SPIEGEL-VERLAG RUDOLF AUGSTEIN GmbH & CO KG DRUCK- & VERLAGSHAUS, Offenburg, Baden (see No 515); GRUNER & JAHR GmbH & CO KG and BURDA DRUCK & VERLAG GmbH (see No 521, - both from Hamburg) have linked 50/50 within a Munich company called ZEITSCHRIFTEN-FUNK-UNION GmbH & CO KG (capital Dm 720,000) - which is the direct responsibility of Zeitschriften-Funk-Union GmbH (capital Dm 21,000) - which is managed by Herren Detler Becker, Rüdiger Hurrle and Friedrich Landgraf. The new company intends to acquire an 18% shareholding in Freie Rundfunk, while PRESSE & RUNDFUNK AG, Saarbrücken (capital Dm 100,000 - see No 417) is also expected to acquire an 18% stake. Presse & Rundfunk represents a large number of

publishers including the head of the Axel Springer Verlag GmbH group, Axel Springer. A 12% stake will be taken in Freie Rundfunk by Allfunk AG, itself the joint subsidiary of six publishing concerns based in the Saar and the Rhineland, while 26% will be held by ARD-ARBEITSGEMEINSCHAFT DER RUNDFUNK-ANSTALTEN DEUTSCHLANDS, which represents the broadcasting stations for the 11 Länder in West Germany with 26% also held by EUROPE No 1 - IMAGES & SON SA, Monte-Carlo. The latter is the 32.25% affiliate of the state concern Sofirad - Ste Financiere de Radiodiffusion SA (see No 455), whose subsidiary Cie Europeenne de Radiodiffusion & de Television-Europe No 1 owns its transmitter at Felsberg in the Saar.

RUBBER

** The French tyre group CIE GENERALE DES ETS MICHELIN - MICHELIN & CIE Sca, Clermont-Ferrand (see No 519) has raised the capital of its West German subsidiary MICHELIN REIFENWERKE AG, Karlsruhe, from Dm 13.32 to Dm 100 million, with the aim of backing its future expansion. Part of this increase has been underwritten by making over credits drawn on CIE FINANCIERE MICHELIN SA, Basle.

In 1968 the Karlsruhe company, with factories in Karlsruhe and Bad Kreuznach, had net sales of Dm 252.6 million. It is at present building and considering the construction of three new factories (in Homburg, Saar; Hallstadt, Bamberg; and Trier);, which when they come in stream in 1971 will raise the number of persons employed in Germany from 3,000 to 9,000.

SERVICES

** The London P.A. MANAGEMENT CONSULTANTS (HOLDINGS) LTD (see No 467) has strengthened its Common Market network by opening three new branches, one in Rome, one in Düsseldorf and one in Stuttgart. In 1967 the London group formed a Paris subsidiary, P.A. Management Consultants Europe SA (see No 386) to control the activities of its subsidiaries in Paris, Frankfurt, Milan (both formed in 1962), in Brussels, Amsterdam, Copenhagen, Vienna, Stockholm, Oslo and Zurich.

** EURO-SURVEY SA, Brussels (management consultants and personnel selection) headed by M. Raoul Maes, has formed an Amsterdam subsidiary under its own name with a capital of Fl 50,000. This is headed by Mr R. Maes, H.J. Roeffoema, Amsterdam, M. Grunelius, Strasbourg, and Mr J. C. Lasante, Paris.

** The Brussels company BERNDTSON INTERNATIONAL SA (capital Bf 250,000) has opened a Geneva branch which will be run by M. Jacques Mosimann. The founder was established as a management selection company by Swedish interests - represented by Mme B. Nielson - during May 1966.

** Herr Albrecht Fischer, Munich, is the chief backer and manager of the Milan FISCHER MANAGEMENT CONSULTANTS - F.M.C. Srl (capital Lire 900,000). This will provide management consultancy, financial planning and personnel selection services.

** The Canadian market survey consultants CONTACT RESOURCE CONSULTANTS LTD, Edmonton, have opened a permanent office in Frankfurt.

TEXTILES

** The three German businessmen Herren Fritz and Otto Brustle and Herwig Zahn, who recently acquired the knitwear subsidiary SLENDOR GmbH STRICK- & WIRKWARENFABRIK, Detmold, of the textile concern NINO GmbH & CO KG, Nordhorn (see No 524), have now had the Detmold firm take over the company which they already controlled, MONDI TEXTIL GmbH, Aichach (pullovers). Nino is a licensee of the British Kirkpatrick Brothers Ltd (part of the Whitecroft Industrial Holdings Ltd, Manchester - see No 240) and it recently formed a textile, manufacturing and sales subsidiary called Maschenindustrie GmbH, Lathen (manager Herr Oskar Honegger - capital Dm 1 m).

** The British textile concern J. & P. COATS LTD, Glasgow (part of the COATS PATONS LTD group - see No 539) is to strengthen its Common Market interests by acquiring a 31.4% stake in FILATURES & FILTERIES REUNIES SA. In return for machinery and materials from J. & P. COATS this will raise its capital to Bf 287.5 million.

** The West German textile group GOETZ AG, Ravensburg (see No 526) has partially re-organised its Swiss interests by making over control of the holding company PAMIR HOLDING GmbH, St-Gall (capital Sf 1 m) from FINANZ AG, Balzers, Liechtenstein, to GALLTEX HOLDING AG, St-Gall (capital Sf 10 m).

** The French groups DOLLFUS-MIEG & CIE SA (see No 533) and PRICEL SA (itself part of the "GILLET", Lyons group - see No 536) are continuing to re-organise their interests (see No 521). Dollfus-Mieg is about to acquire from two of Pricel's subsidiaries, TEXUNION SA, Paris, and STE. COLORES SA, Glarus, Switzerland, their respective interests in STE D'ACHATS & DE TRANSFORMATIONS TEXTILES - SATT, Paris, and FLEXTEx HOLDING AG, which was recently formed in Glarus with a capital of Sf 13 million. In return Dollfus Mieg will re-organise some of its assets and thus strengthen the position of Satt, Intissel SA, Roubaix (a joint subsidiary of Leclercq Dupire SA, Roubaix, and Pricel) and Sopartis - Ste de Participation des Tissages DMC SA, Paris.

When these moves are completed, D.M.C., which is also negotiating the take-over of Ste F. Delesalle SA, Lomme-les-Lille, Nord (gross assets valued at F 3.1 m) will raise its capital to F 155.2 million.

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** The Dutch textile company JEURSEN NV, Voorschoten (blankets, towels, tea-cloths) has formed a West German sales subsidiary called Jeursen GmbH, Münster (capital Dm 25,000) with Rudolf Graf von Westphalen as manager.

TRADE

** Herr Hartmut Schwenn, who heads the leading European stamp dealers SCHWENN GmbH, Frankfurt, has backed the formation of a Zurich investment company called INTER-SCHWENN HOLDING AG (capital Sf 1 m).

The German company had a 1968 turnover of Dm 23 million with some 150 employees and it heads the stamp concerns Briefmarken-Grosshandlung H.C. Schwenn KG, Frankfurt, Heinrich Köhler, Briefmarkenversteigerungen, Wiesbaden, and the numismatics concern Mauritius Versand GmbH, Aschaffenburg. Since May 1966 it has controlled a Swiss subsidiary, Briefmarkenhandels- & Auktionshaus H.C. Schwenn AG, Glarus (capital Sf 100,000). In West Germany it has recently signed a cooperation agreement with a number of private banks under which these will sell prepared stamp collections as a form of investment.

** The leading international art auctioneers, the London-based SOTHEBY & CO (see No 462) have opened a Munich branch under Herr Valentin Abdy. With Mr. Peter Wilson as chairman, the British auctioneers had a consolidated turnover of £ 40.3 million for the 1968-1969 financial year, of which just less than one-third was accounted for by its New York subsidiary Parke-Bennet Galleries Inc. Backed by Sotheby Holdings (itself controlled jointly by the London companies N.M. Rothschild & Sons and Anglo-Israel Bank Ltd and the Bank Leumi - Le Israel B.M., Tel Aviv group), it has other branches in the United States, Australia, the Lebanon, and South Africa, as well as salerooms in Florence, Canada, Japan and Switzerland.

** The Paris company LABORATOIRES LABAZ SA, which was recently taken over by the chemical group PIERREFITTE - STE GENERALE D'ENGRAIS & DE PRODUITS CHIMIQUES SA, Paris (see No 534), is to make over industrial property based at Villeparisis, Seine-et-Marne, and valued at F 5.8 million to the infants goods concern MATERNA SA, Paris (see No 492). As a result this will raise its capital to F 21.6 million and Labaz will thus become a 10.4% shareholder.

Materna, which had a 1968 turnover of F 98.8 million, formed a subsidiary to wholesale toys in late 1968 called Bravo SA. With a capital of F 1 million, this deals mainly in model trains, boats and aircraft.

** The Marseilles group C.F.A.O. - CIE FRANCAISE DE L'AFRIQUE OCCIDENTALE SA (see No 511) has acquired from its associates ALLEN SA, Paris and PRENATAL SA, St-Denis, Seine-St-Denis, (see No 533) in the STE CENTRALE D'APPROVISIONNEMENT OMNISPORTS-CENTRASPORTS Sarl, Paris (capital F 300,000) their respective shareholdings of 30% and 15% in the latter, and it now has outright control. Formed in 1964, Centrasports deals in games, sports equipment and travel goods.

** The Paris department store, furnishings and food retailing group STE FRANCAISE DES NOUVELLES GALERIES REUNIES SA, Paris (see No 491) has made a technical cooperation agreement with the French mail order group 3 SUISSES FRANCE SA, Croix, Nord, which at present covers after-sales servicing. At a later date this may be extended to enable the Paris group to acquire a minority shareholding in the Croix group, which is still continuing the negotiations (see No 533) aimed at making the Luxembourg holding company GENERAL SHOPPING SA a new shareholder.

Nouvelles Galeries had a 1968 turnover of F 2,300 million and for the past year (see No 487) it has held a 38% stake in the department store concern Bazar de l'Hotel de Ville SA, Paris (see No 523), which it controls in association with the Boulot group. Its own main shareholders are Ets Devanlay & Reçoit Sarl, Troyes, Aube (see No 356), SA des Galeries Lafayette, Paris (through SA des Monoprix - see No 490) and a Swiss group headed by M. Jacques Maus, which holds a stake of around 42%.

** The STE IVOIRIENNE D'EXPANSION ECONOMIQUE-COMAFRIQUE, Abidjan, has formed a 55% Paris subsidiary called COMAFRIQUE Sarl (capital F 50,000) in association with the company trading with West Africa, ETS J.P. NOUVEAU & CIE Sarl, Paris (30%) and Swiss interests represented by M. Gaston Ramuz, Lausanne (15%).

** The Japanese trading company KINSHOMATAICHI CO LTD, Tokyo has opened a branch in Düsseldorf. The Japanese firm deals in non-ferrous metals, steels, alloys, fibres, textiles, fuels, colours, pigments, lacquers, chemical and pharmaceutical products.

** BUSINESS PROMOTION SA, Zug, has formed a subsidiary in Belgium called I.B.P. - INTERNATIONAL BUSINESS PROMOTION SA, Auderghem-Brussels (capital Bf 100,000). With Mr Harry Zeller as president from Rotterdam in the Netherlands - this will deal in luxury household, garden and pet supplies.

TRANSPORT

** The newly-formed Hamburg company BOLWIJK NASSBAGGEREI GmbH (capital Dm 680,000) will operate, lease and equip dredging and similar specialised vessels. It has been formed by a link-up of Swiss, Dutch and German interests represented by its managers Herr Antonius J. Kessel (Switzerland), Messrs Richard E. Erhardt, Rotterdam, Roelof Boltje Sen., Zwolle (Netherlands) and Herr Edmond Schröder, Hamburg.

** The Rotterdam company THOMSEN'S VERENIGDE BEDRIJVEN NV (see No 529 - a subsidiary of the transport group Wm. H. MUELLER & CO NV - see No 531) has acquired from the American management consultant Mr Sol Tanne, who is president of the New York SOL TANNE ASSOCIATES, his 50% stake in their joint distribution planning subsidiary TANNE-THOMSEN ASSOCIATES NV. This has a capital of F1 100,000.

** CALBERSON NEDERLAND NV, Rotterdam, which has operated since early 1967 (see No 401) as a subsidiary of the Paris road and rail international transport group STE NOUVELLE DES TRANSPORTS RAPIDES CALBERSON Sarl (see No 505), has now opened a Milan branch under M. C. Bourdoiseau.

The founder has been linked since late 1967 in Milan with the Antwerp group Plouvier & Co NV through Corbeel Mondia SA, Brussels-Laeken, which has since been taken over by Rijn Schelde Mondia NV, Antwerp (see No 512) in the transport and despatching company Scamo Srl.

** GENERALE DES TRANSPORTS DEPARTMENTAUX - S.G.T.D. SA, Paris, a 21.95% affiliate of TRANSPORTS AUTOMOBILES INDUSTRIELS & COMMERCIAUX (S.T.A.) SA, Paris, has negotiated the take over of CIE MEDITERRANEENNE DE TOURISME & TRANSPORT - C.O.M.E.T.T. SA, Marseilles, a subsidiary of CIE DE NAVIGATION MIXTE SA, Marseilles (member of the LA FORTUNE CIE D'ASSURANCES MARITIMES & TERRESTRES SA group - see No 537). This operation follows a financial tie-up between Navigation Mixte and Transports Automobiles Industriels & Commerciaux, and as a result S.G.T.D. has acquired gross assets valued at F 15.1 million and it will raise its own capital to F 37.5 million.

** STE MEDITERRANEENNE D'EXPLOITATIONS FRIGORIFIQUES SOMES SA, Marseilles (capital F 1m) has been formed by a link-up of four French refrigerated transport and storage companies. These are CIE DES ENTREPOTS & MAGASINS GENERAUX DE PARIS SA (see No 469), STE DES GLACIERES DE PARIS SA, STE FRANCAISE DE TRANSPORTS & ENTREPOTS FRIGORIFIQUES S.T.E.F. SA, Paris (see No 488) and STE ENTREPOTS FRIGORIFIQUES MASSILIA-FRIMA SA, Marseilles.

** Four French leather watch strap manufacturers have decided to make over the responsibility for managing their sales distribution network to a joint subsidiary called PROMOTION-DISTRIBUTION SA. The companies involved are CUIRMATIC SA ("Copa" trade name), EPIARD FRERES SA, Briancon, Doubs ("Curitex"), LE SELECTOR SA, St-Florentin, Yonne ("Selector") and PAGE & CIE SA, Lyons ("Supra").

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