

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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November 24 - November 30, 1969

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Opera Mundi EUROPE

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THE WEEK IN THE COMMUNITY

November 24 - November 30, 1969

The Summit Communique

1. On the initiative of the Government of the French Republic and at the invitation of the Netherlands Government, the heads of state or government and the Ministers for Foreign Affairs of the member states of the European communities met at The Hague on December 1 and 2, 1969. The Commission of the European communities was invited to participate in the work of the conference on the second day.

2. Now that the Common Market is about to enter upon its final stage, they considered that it was the duty of those who bear the highest political responsibility in each of the member states to draw up a balance-sheet of the work already accomplished, to show their determination to continue it and to define the broad lines for the future.

3. Looking back on the road that has been traversed, and finding that never before have independent states pushed their cooperation further, they were unanimous in their opinion that by reason of the progress made, the Community has now arrived at a turning point in its history. Over and above the technical and legal sides of the problems involved, the expiry of the transitional period at the end of the year has, therefore, acquired major political significance. Entry upon the final stage of the Common Market not only means confirming the irreversible nature of the work accomplished by the communities, but also means paving the way for a united Europe capable of assuming its responsibilities in the world of tomorrow and of making a contribution commensurate with its traditions and its mission.

4. The heads of state or government therefore wish to reaffirm their belief in the political objectives which give the community its meaning and purport, their determination to carry their undertaking through to the end, and their confidence in the final success of their efforts. Indeed, they have a common conviction that a Europe composed of states which, in spite of their different national characteristics, are united in their essential interests, assured of its internal cohesion, true to its friendly relations with outside countries, conscious of the role it has to play in promoting the relaxation of international tension and the rapprochement among all peoples, and first and foremost among those of the entire European continent, is indispensable if a mainspring of development, progress and culture, world equilibrium and peace is to be preserved.

The European communities remain the original nucleus from which European unity has been developed and intensified. The entry of other countries of this continent to the Communities - in accordance with the provisions of the Treaties of Rome - would undoubtedly help the Communities to grow to dimensions more in conformity with the present state of world economy and technology.

The creation of a special relationship with other European states which have expressed a desire to that effect would also contribute to this end. A development such as this would enable Europe to remain faithful to its traditions of being open to the world and increase its efforts on behalf of developing countries.

5. As regards the completion of the Communities, the heads of state or government reaffirmed the will of their Governments to pass from the transitional period to the final stage of the European Community and, accordingly, to lay down a definitive financial arrangement for the common agricultural policy by the end of 1969.

They agreed progressively to replace, within the framework of this financial arrangement, the contributions of member countries by their own resources, taking into account all the interests concerned, with the object of achieving in due course the integral financing of the Communities' budgets in accordance with the procedure provided for in Article 201 of the Treaty establishing the EEC and of strengthening the budgetary powers of the European Parliament. The problem of the method of direct elections is still being studied by the Council of Ministers.

6. They asked the Governments to continue without delay, within the Council, the efforts already made to ensure a better control of the market by a policy of agricultural production making it possible to limit budgetary charges.

7. The acceptance of a financial arrangement for the final stage does not exclude its adaptation by unanimous vote, in particular in the light of an enlarged Community and on condition that the principles of this arrangement are not infringed.

8. They reaffirmed their readiness to further the more rapid progress of the later development needed to strengthen the Community and promote its development into an economic union. They are of the opinion that the integration process should result in a Community of stability and growth. To this end they agreed that within the Council, on the basis of the memorandum presented by the Commission on February 12, 1969, and in close collaboration with the latter, a plan in stages should be worked out during 1970 with a view to the creation of an economic and monetary union. The development of monetary cooperation should depend on the harmonization of economic policies.

They agreed to arrange for the investigation of the possibility of setting up a European Reserve Fund in which a joint economic and monetary policy would have to result.

9. As regards the technological activity of the Community, they reaffirmed their readiness to continue more intensively the activities of the Community with a view to coordinating and promoting industrial research and development in the principal sectors concerned, in particular by means of common programmes, and to supply the financial means for the purpose.

10. They further agreed on the necessity of making fresh efforts to work out in the near future a research programme for the European Atomic Energy Community designed in accordance with the exigencies of modern industrial management, and making it possible to ensure the most effective use of the common research centre .

11. They reaffirmed their interest in the establishment of a European university .

12. The heads of state or government acknowledge the desirability of reforming the social fund, within the framework of a closely concerted social policy .

13. They reaffirmed their agreement on the principle of the enlargement of the Community, as provided by Article 237 of the Treaty of Rome .

In so far as the applicant states accept the treaties and their political finality, the decisions taken since the entry into force of the treaties and the options made in the sphere of development, the heads of state or government have indicated their agreement to the opening of negotiations between the Community on the one hand and the applicant states on the other .

They agreed that the essential preparatory work could be undertaken as soon as practically and conveniently possible . By common consent, the preparations would take place in a most positive spirit .

14. As soon as negotiations with the applicant countries have been opened, discussion will be started with such other European Free Trade Association members as may request them on their position in relation to the EEC .

15. They agreed to instruct the Ministers for Foreign Affairs to study the best way of achieving progress in the matter of political unification, within the context of enlargement . The Ministers would be expected to report before the end of July 1970 .

16. All the creative activities and the actions conducive to European growth decided upon here will be assured of a better future if the younger generation is closely associated with them . The Governments are resolved to endorse this and the Communities will make provision for it .

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HAGUE SUMMIT

A Few Well-Chosen Words . . .

It is too soon yet to hazard a guess as to the chain of events that could follow this week's Common Market Summit in The Hague, which ended on Tuesday night after an extended session over the precise wording of the final communique, the full text of which is given above. It is perhaps significant that almost the first half of the document is given to a resume of the "articles of faith" of the Six: the authors have clearly striven to produce a concise and updated *raison d'etre* for the Community, and to include within it all the safe ideological points on which the Six are patently agreed. This they have in common, this is what binds them, and this forms the solid basis on which they can continue to build. First and foremost, perhaps, it was to secure this vital consensus - and in the right spirit of cordiality - that President Pompidou suggested the summit originally. To this extent certainly the meeting was a success - in Paris some are even hailing it as a "spectacular" success, although as Pompidou's initiative, it might have been expected to be interpreted in this way. Nevertheless, M. Pompidou does seem to have won his European spurs by his performance on Tuesday, after a somewhat shaky and uninspiring speech the day before, when Chancellor Brandt stole the scene with a series of really concrete proposals for boosting the Community into the seventies.

The details of what was agreed at the Summit - essentially, Articles 5 - 16 in the communique, plus several other points agreed verbally, will now have to be elucidated by lesser officials in the coming months, though at all events a vital duty for all involved will be to move into the New Year in the right spirit, that it is maintained has now been created.

The "meat" of the communique, of course, and as was expected, begins with just compliance with France's main pre-condition to any move: agreement to fixing the rules for financing the common agricultural policy by the end of the year. Also, it is now specifically agreed in writing by all of the Six that, by unanimous vote, the financial arrangement is susceptible of adaptation to the conditions created in an enlarged Community. Hence the basic "farm bargain" has been struck. France's interests are safe, but the Five have secured their undertaking on enlargement. Again the problem of surpluses is specifically cited, as indeed is the matter of financial autonomy for the Community, coupled with further budgetary powers for the European Parliament. The Six also pledge themselves to work towards the creation of an economic and monetary union, and with regard to the latter mention the possibility of a European reserve fund. They have also put on paper their intention to look towards political unification, and again the context of enlargement is mentioned here. Technological progress and concertation, and the provision of funds, the future of Euratom, the reform of the Social Fund and the idea of a European University are the remaining points, with the exception of the clauses covering enlargement, which form the closing section of the document.

The enlargement question perhaps merits consideration apart (see below), it being the third of the three objectives cited by France - completion, strengthening and enlargement - which in fact are traced in the form of the communique, but the manner in which other matters vital to Community progress are approached in the document is at times disquieting. It is generally agreed, albeit tacitly, that the Five have not secured quite as dramatic a deal as had been hoped for before the conference. The will to succeed with the Community tends to be tempered in a communique that above all plays safe. Other than expressing enlargement as a basic tenet of policy (already inscribed in the Rome Treaty, of course), directing the Foreign Ministers to get down to political unification discussions and mooting in a vague way the Reserve Fund, for instance, as a "possibility", the document remains studiously indirect on many counts. Deadlines are noticeably lacking, in particular for the opening of entry negotiations. Again, there is the crisis in Euratom, the problem of farm surplus reduction, and the need to strengthen the powers of the European Parliament, to mention three vital questions, on which the Six have noticeably done little more than issue declarations of intent concerning commitments in fact made when they signed the Treaty. All that has happened is that the men at the top have now stated in public that they want their lieutenants to make progress immediately on such matters. It is only in the Council of Ministers, therefore, that we shall be able to discern the real achievement of the Summit: if there is real substance in the rapport shown in the communique, then we may with all reason expect positions in the Council to shift radically. Crash action will be taken against surpluses, at a price; Euratom will be given the stimulation of imaginative terms of reference, at a price, and the Community will begin to see greater autonomy in the running of its finances - at a price, too, to national sovereignty. If these things fail to come to pass, then the Summit cannot but be counted a failure. These are the immediate problems: if they cannot be solved, it is hard to see how the Six can really get down to any valid discussion of a common front for entry negotiations.

Enlargement

The opening of talks with Britain may in fact be seen as the long-term proof of the success of the Summit: that stage will not be reached unless all the other bargains expressed in the communique are kept. Indeed, much of the achievement of the conference rests on nothing better than verbal agreement. Such is the case with the date for entry negotiations. This is not given in writing, and as far as the conference is concerned, it is really anybody's guess whether the Six agreed to complete discussions of their common bargaining position by the end of next June or not. Each state seems to have its own ideas. That France prevented any commitment on this question on paper may be seen as a minor coup for Pompidou that could boost his kudos at home sufficiently to give him ground for further compromise in coming months; this again remains to be seen.

What can be claimed as a progressive move is the implicit acknowledgment in the communique that fulfilment and enlargement of the Community are in fact allied matters, and cannot be separated chronologically. This, coupled with the go-ahead

for the start of preparatory work on enlargement, means that monetary and economic union and the looking ahead to the means of political unification, will now be seen throughout in the light of a potentially enlarged Community. Bear in mind that it will be the same ministers in the next six months who will be discussing both enlargement negotiations and future political unification. If this actually happens, then the real value of the Summit as a turning point will, as much as anything, reside in the fact that it marked a new flexibility in the supervision of the Community, a willingness to extract issues from their pigeon-holes and relate them more fully to one another. If the Six can turn the consensus of the Summit into this sort of circumspection in the overall running of the EEC, then 1970 may really see the launching of a new era in the Community.

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Pompidou Proposes ...

Although the summit was called as the result of President Pompidou's initiative, his opening speech on Monday fell far short of expectations. It had been hinted that he would make proposals aimed at creating a new atmosphere within the Community, but his short address was more of a disappointment than a surprise. Once again he stressed the need for the farm financing regulations for the definitive period of the Community to be finalised before the end of 1969, and raised the problem of agricultural surpluses. The President asked whether the Six were ready "to make progress in the coordination of economic and monetary policies, in technological cooperation, in the harmonisation of taxation systems and company law".

On the basis of the Rome Treaty and what had been done since then, "Europe has a chance to reunite and thus to rediscover in every field, including the political, the means of her development, and of her influence". But what had been achieved should be "jealously preserved and the completion of the Community must become a reality within the time limits set down". To this end Community action should be developed and deepened, with this particular aim: of achieving the harmonisation of economic and monetary policies.

As to the question of British membership "the time has come to begin discussing it without preconceived ideas, and without complaisance, to set ourselves the preliminary conditions to the opening of negotiations as well as the form of these negotiations and also their objectives". The applications should be tackled in a positive spirit "but without losing sight of the interests of our Community and its members", while negotiations "must be prepared by the Six so as to define a Community standpoint" and "they will have to be conducted in the name of the Community and in the spirit of the Community".

No mention, at least directly, of any detailed proposals for actually strengthening the political unity of the Common Market was made during this speech,

while the President's remarks on enlargement allowed plenty of scope for doubt as to the sincerity of French intentions. There was nothing particularly new or stimulating about his observations, nor about the six-point plan put forward on Tuesday, which has already been dubbed the Pompidou Plan. In this the French President made the following proposals:

- 1) In the field of political cooperation he called for regular meetings of the EEC Foreign Ministers to discuss major international problems, and Europe's relationship with the rest of the world, in particular with the USA and the USSR. Harmonisation of foreign policies should be an aim of member states and he suggested the abolition of frontier controls within the EEC.

- 2) Turning to the question of monetary policy, the President said France backed the Barre Plan submitted by the Commission last February, but the Six should try to go further still. He favoured a European Reserve Fund, which could provide both short- and medium-term support for member states. The Six should adopt a common attitude in the I.M.F. and might use their SDRs in common. A common monetary policy would enable "the Europe of the Six, and even more an enlarged Europe to exercise all its weight in international discussions".

- 3) The urgent need for the coordination of economic policies should be stimulated by twice yearly meetings of EEC Economics and Finance Ministers. He also included the problem of the "European company" intra-EEC mergers, fiscal policy and joint investment policies. To this end the Commission might be able to list these matters, so that Ministers would find it easier to take the necessary "political" decisions.

- 4) The Six should aim at increasing their cooperation over the peaceful uses of nuclear energy, in a reference to the virtual collapse of Euratom as a result of nationalist considerations. They should envisage the construction of a giant European computer, as well as an isotopic separation plant.

- 5) A more effective use of the European Social Fund through closer cooperation was needed.

- 6) With regard to developing countries, M. Pompidou suggested EEC guarantees for private investment, which would have "even more value in an enlarged community". Furthermore they should try to work out a renewed common approach on the basis of the Pearson Report.

The proposals were generally well received even if they did not go far enough for some. The suggestion as to political cooperation, which has been interpreted as a move against the use of the Western European Union, was modified in the communique, which says that this question should be studied in the context of enlargement. The need for monetary cooperation beyond what has been achieved is obvious. Increased efforts in the technological sector are already under way and discussions for cooperation over a number of specific proposals were in any case due for next year. To make better use of the Social Fund is common sense, as well as being in the interest of France, for she would no doubt welcome increased community assistance in tackling the social problems of her backward areas.

... Brandt Disposes

When he returned home, Herr Brandt declared, "Europe is now faced with a great chance, thanks to President Pompidou", a remark which will help the French government at home. Nevertheless the conference has revealed that the balance of power within the Community is gradually moving in favour of Germany. Although she may have already become the most important country, Germany still has to play it carefully for fear of antagonising her partners, but Monday's speech by the Chancellor has clearly placed him in the role of the leader of the convinced Europeans within the Community. At the start he put matters clearly into perspective by saying "If all were well in Europe, we should not be here today".

Chancellor Brandt stressed, "the success or failure of this conference will rightly be read from whether we can steer the craft of the European Communities back into navigable water". They could not sidestep the essential issues if public opinion was to see the European issue as "more than a mere question of Market regulations". The Community should not become a new bloc but a part "of a balanced all-European structure", while if the EEC was to achieve the harmonisation it needed then it would have to practice solidarity. He then came to the point, "the German Parliament and public expect me not to return from this conference without concrete arrangements regarding the Community's enlargement. This question has occupied us for years. By virtue of the Treaty it is one of the cardinal questions of our Community, and nowhere was it written that we should not deal with this subject until after the transitional period". There were four reasons why the Community should be enlarged: 1) continual delay threatened to paralyse the EEC; 2) in the light of the attempts to improve East-West relations it was in the common interest; 3) if the EEC wanted to hold its own economically and technologically in the modern world it must be enlarged; 4) those who feared an imbalance in the Six due to German economic strength should favour enlargement. Herr Brandt made it clear that without Britain and the other candidates "Europe cannot become what it should and can be" and if the guidelines adopted for the Community's future development were communicated to the candidates it would make it possible "to synchronize Community development and accession negotiations". Regarding the neutral EFTA countries, the Chancellor suggested discussions with these soon after the start of accession negotiations.

His proposals for political cooperation were largely reflected in the final communique, which makes a reference to the need to consider this in the light of enlargement. In the monetary and economic spheres, the Six should harmonise their short-term economic targets, which would require the effective coordination of short-term economic policy. Quantitative medium-term economic targets should be fixed, and a common economic policy would result in economic and monetary union in a second phase. This would make necessary the creation of a European Reserve Fund, and a timetable for an economic and monetary union should be prepared by the Council and the Commission. The political decisions needed for a coherent European technology policy must be taken, and this referred especially to Euratom. The Six should therefore guarantee the future

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EURATOM

Germans Prepare for Ultra-Centrifuge Manufacture

Although the terms of the agreement between Britain, the Netherlands and Germany for developing the ultra-centrifuge system of uranium enrichment excludes the construction of the actual isotopic separation plant on German soil, a major contribution to the engineering and development work involved is planned to fall to German companies (see No 538 etc), and the chief undertakings in the field have now joined in forming a subsidiary to handle this. The new company is called G.N.V. - Gesellschaft für Nukleare Verfahrenstechnik mbH, is based in Bensburg, and its terms of reference include development, manufacture and sale of separation plant. Its backers are the nuclear plant construction group, Interatom - Internationale Atomreaktorbau GmbH, also of Bensberg (see No 513) along with MAN - Maschinenfabrik Augsburg-Nürnberg, Augsburg (of the Haniel group - see No 539), Erno - Raumfahrttechnik, Bremen, which is controlled 60-40 by the aerospace groups, VFW - Vereinigte Flugtechnische Werke and Hamburger Flugzeugbau, as well as Dornier GmbH, Friedrichshafen (see No 536).

The three-nation negotiations over taking the ultra-centrifuge into the commercial phase are now at an advanced stage, and the British Technology Minister said on December 1 that he will make a statement as to progress as soon as possible. The three countries may later be joined by Belgium and Italy (which claims also to have made progress with the centrifuge system), but at present it is intended to build a plant at Capenhurst in Britain to process some 200 tons of uranium annually (alongside the existing British gas diffusion plant) and a further plant with 100 tons capacity at Almelo. A sales company for this international grouping will be set up in West Germany, in which the one-third German stake will be held by Gelsenberg of Essen, Nukem - Nuklearchemie & Metallurgie, Wolfgang, Hanau (see No 537) and Farbwerke Hoechst of Frankfurt (see No 538).

A Dutch concern to exploit the gas centrifuge process has already been established in The Hague under the name of Ultra-Centrifuge Nederland NV (authorised capital Fl 150 m - one-third issued) in which the Dutch state has a majority stake of 56%. Other shareholders are the Dutch States Mines, Philips of Eindhoven, Royal Dutch Shell, V.M.F. Rijn-Schelde Machinefabrieken and Stichting Reactor Centrum Nederland.

The Anglo-Dutch-German decision to proceed with the gas centrifuge project has caused considerable interest and controversy in France, which has continually refused to divulge to other EEC member countries any details about the gas diffusion process used at Pierrelatte in making enriched uranium for military purposes. Now there is a fear that France will be left out of the European project for enriched uranium, bringing about the virtual collapse of her nuclear efforts, following the decision to build American type reactors, probably under licence from Westinghouse and in cooperation with German firms.

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Sodium Reactor Development on Three Nation Basis

The West German electricity production group R.W.E. - Rheinische Westfälische Elektrizitätswerk AG, Essen (see No 537) has decided to link-up with a Belgian group - Synatom SA, Brussels (see No 538) and the Dutch group - Samenwerkende Electriciteits-Productiebedrijven NV, Arnhem (see No 301) in the nuclear sector in forming a company called Projektgesellschaft Schneller Brüter. The new company will be controlled 70% by the German group with the remaining equity shared equally between the Belgian and Dutch concerns, and it is intended to carry out preliminary feasibility studies on a prototype sodium-cooled fast breeder reactor.

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ENERGY

OECD Natural Gas

A report just issued by the OECD Energy Committee states that by the second half of the next decade between 10 and 14% of Western Europe's total primary energy requirements will be met by natural gas, as against the 3.2% of 1967. Natural gas consumption in volume is expected to grow from 115 million tons of oil equivalent in 1967 to 160 million in 1975 and 195 million in 1980, but the growth rate will depend upon new discoveries within Western Europe, and the price and security of imported supplies.

Present reserves within Western Europe are now estimated at nearly 4 million million cubic metres (3,400 million tons of oil equivalent or 5,000 million tons of coal equivalent) with 3.3 million million proved and the remainder probable. By 1975 total production from deposits within the area is forecast as between 115 million and 135 million tons, with imports standing at 12 million tons.

It is expected that the use of manufactured gas will decline, but natural gas is also expected to account for half the increase in the domestic and industrial sectors by 1975. Power station use will depend largely on siting, while in areas close to major deposits natural gas may well replace certain oil products.

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E.C.S.C.

Formal Approval for Ruhrkohle

The new unified company to administer the exploitation of the Ruhr coalmines (see No 540) has just been given formal approval by the EEC Commission. The

new Ruhrkohle AG, which is intended, as the amalgamation of twenty-three former separate companies, to rationalise and optimise production in the area, covers almost all coal production in the Ruhr and thus just about half of overall Community output. Commission approval in this case has been made under Article 66 of the Treaty of Paris, which makes the sole criterion the potential effect on competition of any such move. As far as this is concerned, the Commission decided that Ruhr coal competes not only with that of other extraction fields, but also with all other forms of primary energy, in particular hydrocarbon fuels and natural gas, in which context the market share of Ruhr coal is reduced to a safe 11.7%. Moreover, price levels on this wider market tend to be dictated by the hydrocarbons sector. This, coupled with the fact that coal is having to contend with ever increasing levels of imported fuel, really renders the Ruhrkohle concern safe from any intrinsic potential it might have contained for controlling the market in any way.

Separate consideration, however, had to be given to the question of coking coal used in the steel industries of the Six. This is a non-substitutable ingredient in the production process, and one for which the Community is hard put to it to formulate an import regime (see No 539 etc). Moreover, the Ruhr here actually accounts for more than half of total Community needs, with 77 million tons out of 126 million. This fact again has the necessary counter consideration, however: there are such massive world reserves available for import from third countries, and the Community is at such a disadvantage when it comes to relative production costs (especially vis-a-vis of the United States and Poland), that all internal sales at the moment are effected by alignment on the prices obtaining in the world market. Thus there is no question of Ruhrkohle dictating coking coal prices, the more so because the selling of this commodity has long been in the hands of two major comptoirs. Nevertheless, the Commission has seen fit to append two conditions to its approval, for the sake of ensuring that discriminatory practices do not undermine the proper running of the common market as the result of the formation of Ruhrkohle:

- 1) Ruhrkohle AG is required to seek authorisation for any alteration it may intend to make to existing selling practices, and ...
- 2) Within the next two years, it must embark on negotiations with all those Community companies that wish to conclude long-term delivery contracts with it, it being understood that there will be no discrimination exercised in the terms offered to these, as compared with those already accorded to German steel firms.

These two conditions should in fact ensure precisely similar terms of access to the Ruhr coal market for all consumers operating in like conditions. The Commission stresses in its explanatory comments in the approval that it is very much in favour of long-term supply contracts, not only because these are an effective way of ensuring supplies to the Community steel industry, but also because they facilitate the drafting of rationalisation and investment plans by the Ruhr coal industry, in the light of concrete knowledge of future disposal of production.

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No Change in ECSC Levy

The Commission is to peg the ECSC levy rate for 1970 at its present level of 0.3% (i.e. of the average value of production by the coal and steel industries). At such a level, the Community should be sure of raising something approaching \$ 40 million in levy revenue during the next twelve months, to which should be added another \$ 10 million or so from investment income and interest on loans of funds not borrowed. The total income of \$ 49.5 million has however to be reconciled with needs in the region of \$ 57 million, 26 million for retraining, 10 for research, 18 for administrative costs and 3 million for industrial reconversion. This will leave a potential deficit of \$ 7.5 million, which in fact will be covered by delving into the administration allowance and any sums not otherwise deployed.

The Commission is in fact of the opinion that retraining costs, currently at their highest foreseeable level, will steadily decline over the coming years, as the retraining programmes now being offered in the steel industry and more especially to coal miners, draw to a close.

TECHNOLOGYPollution: The Commission on Exhaust Gas Tolerances

The world-wide problem of air pollution from the growing number of vehicles, especially in urban areas, has led the European Commission to adopt and transmit a draft directive to the Council of Ministers exhorting a uniform approach to this problem in the national laws of the Six. The Executive is also trying to nip in the bud what could be an extra technical barrier to trade between the Six. Pollution is, of course, one of the seven sectors cited in the Aigrain Plan for technological cooperation.

Neither German nor French regulations on this subject have yet been put into effect, although the German regulations will apply as from October 1, 1970, while the French will be introduced on a gradual basis, according to vehicle category, starting in September 1971. If Community rules are not agreed and introduced by then, there will be a serious threat to intra-Community trade in cars, as a considerable number of cars of small and medium engine capacity will be barred from the German market, including even some German cars. The reason for this situation is that with a large share of German car exports going to the United States, the German regulations are broadly similar to those adopted there. However, a large number of European manufacturers, including some in Germany, consider that American norms are not suitable in Europe where small and medium engine capacity cars are found in much greater numbers. If these had to conform to the German law, then the manufacturers would face increased costs because further engine modifications would be needed, or vehicles would have to be fitted with special equipment which would push vehicle performance down to unacceptable levels.

The French proposals are similar to those put forward by the U.N. Economic Commission for Europe, while the other member states are still working on their proposals.

Faced with this situation the Commission has decided to act before it is too late. Its proposals are aimed at controlling and limiting air pollution caused by road vehicles, while avoiding the creation of further barriers to trade and it has chosen the UN ECE's proposals as the basis for its own recommendations to the Council. It is intended that the directive will have as wide a scope as possible, covering vehicles with four wheels or more whose maximum speed exceeds 25 km/h. The Community's technical standards will have the same legal standing as any national rules which a member state may decide to maintain, so that any vehicle conforming to Community air pollution standards might be freely imported.

The proposed date for the entry into force of the Community regulations is October 1, 1970, the same date as the German legislation mentioned above is due to take effect, but one of the control tests will not apply until October 1, 1971. This deals with the amount of pollution caused in an urban area by a start in cold conditions and the delay has been proposed in order to allow the Community's manufacturers time to make the necessary modifications.

If the Council adopts the Commission's draft directive then the member states will have to act quickly, as the Community's proposals will have to be incorporated in relevant national legislation by June 30, 1970.

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AGRICULTURE

FEOGA Guidance Expenditure 1969

The EEC Commission has now approved the first instalment for 1969 of assistance under the Guidance section of FEOGA to the tune of \$ 8.47 million (£ 3.5 m) covering 34 projects, 70% for 25 projects to improve the structure of agriculture and 30% for 9 projects to improve marketing structures. These schemes were considered the most urgent of the 850 applications under consideration for 1969. Of these 124 had been carried forward from 1968 but though considered worthwhile could not be financed due to lack of funds. To implement all 850 applications would cost some \$ 270 million (£ 112.5 m). The total 1969 FEOGA Guidance allocation is \$ 285 million (£ 118.8 m), of which \$ 80 million (£ 33.3 m) will be used for the EEC structural reform programme, when approved by the Council, and \$ 45 million (£ 18.8 m) has been earmarked for Italian horticulture and the EEC pig census, leaving \$ 160 million (£ 66.7 m) for individual projects compared with \$ 90 million (£ 37.5 m) in 1969.

The breakdown of the first instalment among the member states (and the number of schemes assisted) is as follows: West Germany \$ 2.5 million (5), Italy \$ 2.4 million (13), France \$ 2.2 million (7), Netherlands \$ 0.7 million (4) and Belgium \$ 0.6 million (5).

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FINANCE

Fall in EEC Savings in September

During September France recorded the largest growth in savings with the EEC (+ \$ 196 m) thus achieving its best figure for the year, but this was probably related to the fact that September was the start of a nine-month period at the end of which the savings banks will pay a special premium of 1.5% on increases in savings. The overall figure rose by \$ 352.8 million compared with \$ 488.4 million in August and \$ 329 million in July, while payments amounted to \$ 2,547.9 million in September (\$ 2,377 m. in August) and withdrawals stood at \$ 2,195.1 million (\$ 1,748.0 m. in August).

Compared with August there was a fall in deposits in Germany (+ 88.6 m.), in Italy (+ \$ 51.2 m.) and the Netherlands (+ \$ 6 m.), while a slight rise occurred in Luxembourg (+ \$ 0.2 m.). Belgium, however, recorded a noticeable improvement (+ \$ 10.8 m.). As a percentage the overall increase in savings deposits during September was 0.66, compared with 0.94 in August, although France was well above the average with + 1.92.

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TRADE

State Monopolies Under Scrutiny

The Commission has decided to launch a fresh series of measures to tackle the problem of state trading monopolies within the EEC countries, as the provision of Article 37 of the Rome Treaty whereby the Six "shall progressively adjust any State monopolies of a commercial character in such a manner as will ensure the exclusion, at the date of the expiry of the transitional period, of all discrimination between the nationals of member states in regard to conditions of supply and marketing of goods" seems unlikely to be achieved by the formal date of December 31, 1969.

Problems arise as soon as attempts are made to work out what monopolies are subject to this Article. When the Commission first began work on the problem a list of monopolies was drawn up on a country-by-country basis, and although

some of the Commission experts fell this should be extended to include other products, especially in the energy sector, it is thought likely that the Commission will work on the basis of its original list.

EEC State Monopolies: 1) Original List and 2) Proposed Additions

- Germany: 1) Alcohol and matches
 2) Crude oil and fuel oil imports, limitation of heavy fuel oil sales
- France: 1) Manufactured tobacco, alcohol, matches, gunpowder and explosives,
 potash, newsprint, Thomas furnace residues, oil imports.
 2) None
- Italy: 1) Manufactured tobacco, matches, salt, lighters, lighter flints,
 cigarette paper.
 2) Control of oil supplies, natural gas extraction, and the electricity
 monopoly
- Belgium: 1) None
 2) Natural gas imports
- Netherlands: 1) None
 2) Natural gas extraction

The Commission has nearly finalised its proposals covering the French potash and Italian cigarette lighter monopolies. Under its proposals these monopolies will keep exclusive import distribution rights, provided no discrimination is made between national and foreign products, in addition to the monopoly showing strict commercial neutrality. At present the latter requirement does not obtain as foreign imports of potash into France are virtually unheard of, while foreign lighters are sold in Italy at much higher prices than domestic products.

The various other categories of products subject to monopolies have to take into consideration a variety of factors. The German and French alcohol monopolies were instituted to provide outlets for agricultural alcohol - which is due to be covered by a common market Organisation - as distinct from industrial alcohol, and steps to adjust the monopoly will have to allow for the effects on the producers. Tobacco monopolies are connected with the question of a common tobacco organisation and fiscal harmonisation, while progress in the oil sector is obviously related to the proposed common energy policy. Matches involve a number of existing agreements with Sweden.

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US Share of French Market Falls

Figures published by the U.S. Department of Commerce reveal that during the first half of this year the American share of the French import market fell to 8.4% compared with the 9.8% recorded last year, while the share of the French market held by her five Common Market partners rose from 45.6% to 49.1% during the same period. Overall French imports rose by 28%, while those from the United States increased by only 15% and the report states that competition from other countries in the electrical and engineering capital goods and scientific instruments sectors has become much fiercer.

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Rebates: Italy Condemned by European Court

The long-drawn out argument between the Commission and Italy has finally been resolved in the former's favour by the Court of Justice. This has ruled that Italy "by maintaining a legal system of payment likely to result in exporters of engineering products receiving rebates exceeding the direct and indirect taxes paid, in the case of exports to other member states, has not fulfilled its obligations under Article 96 of the Treaty". The Court has requested the Italian government, in cooperation with the Commission, to work out appropriate measures to remedy the situation.

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ASSOCIATION

UAR Talks in Brussels

The first round of talks on the preferential trade agreement with the Community requested by Cairo on September 17, were held last week in Brussels. These exploratory contacts revealed that the UAR would welcome tariff cuts on a number of industrial products, chiefly cotton textiles as well as preferential treatment for agricultural products including rice, citrus fruits, potatoes, garlic and onions. The general atmosphere of these discussions was described as "excellent" in the official communique, and the Commission now has the basis for its report to the Council of Ministers.

The negotiations with the UAR and Lebanon form part of the deal whereby France agreed to allow progress on a renewed trade agreement with Israel provided her partners were willing to start similar talks with those Arab countries who want links with the European Community.

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Wheat Deals Signed in November

<u>From</u> (in metric tons)	<u>Pakistan</u>	<u>Turkey</u>	<u>Tunisia</u>	<u>Total</u>
West Germany, France and Italy each	23,000	14,000	9,000	46,000
Belgium	5,000	3,000	4,000	12,000
Netherlands	6,000	5,000	4,000	15,000
Total	80,000	50,000	35,000	73,000

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Continued from Page 8

of the Joint Research Centre, while extending its scope in the non-nuclear field.

The Chancellor suggested streamlining the Council's methods of work, with wider powers for the Commission and the European Parliament, especially in the budgetary field. The structure of the Community must be brought into harmony with the principles of parliamentary control, while they should not lose sight of the principle of direct elections contained in the Rome Treaty.

It was clear that the Community would not complete all that was due to be finalised by the end of the transitional period. However, the Six should make every effort to solve the outstanding problems as soon as possible. The real difficulties, he said, lie in the field of agricultural financing, and although Germany agreed to the principle of Community solidarity, action must be taken to limit the growing surpluses. Furthermore, there was an urgent need for structural reforms. The German Parliament could only agree to ratify the farm finance regulations if steps were taken to remedy this situation, and there was also "an innate link between farm financing and enlargement".

December 4, 1969

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ADVERTISING

** The Dutch agency RECLA-JANSENS ADVERTISING (R.J.A.) NV (see No 452), which was formed by the merger of two Amsterdam agencies, RECLA NV and NV ADVIESBUREAU VOOR RECLAME JANSENS & CO, has formed RECLA INTERNATIONAL FRANCE Sarl in Paris (capital F 20,000). The latter's manager is M. Max Mendez, and a token shareholding is held by the French agency MENDEZ SA, while the Dutch stake is held through the Swiss subsidiary RECLA INTERNATIONAL SA, Montreux, Vaud (see No 523). Messrs J. A. van der Houten and E. A. Ph. Wessing are managing directors of the Dutch firm.

** Herr Günter Gahren, who is the managing partner in the Düsseldorf agency TEAM WERBEAGENTUR GmbH & CO KG (see No 536), is manager along with MM. Willi Schalk, Hilden, and Fred E. Styger, Zurich, of the newly-formed TEAM CONSULTANTS GmbH, Zurich (capital Sf 100,000). This is a 70% interest of the Düsseldorf GAHREN oHG, with 10% each held by M. Willi Schalk and Herren Dieter Struwe and Alfred Tolksdorf. The Team agency, which is about to open other subsidiaries in the Benelux countries and Austria, recently established a subsidiary in Paris.

** Four European advertising agencies, DAZUIL NV, Enschede, Holland; P.E.R. GmbH, Hamburg; CONNELLMAYS & STEAVENSON LTD, London; and DUCAMP LORIN LEYDIER, Paris, have begun negotiations, which if successful will result in the formation of a joint subsidiary called EUMAC. This will be based either in Switzerland or the Netherlands.

AEROSPACE

** The American NORTH AMERICAN ROCKWELL CORP, El Segundo, California, group (see No 513) has decided to close down the Düsseldorf sales subsidiary of its AERO COMMANDER, Pittsburgh, Pennsylvania, aircraft division AERO COMMANDER FLUGTECHNIK GmbH. This had a capital of Dm 20,000 and Mr Joseph M. Dunkel, Oklahoma City, has been put in charge of the operation. The subsidiary was formed in 1964 (see No 282) by Rockwell Standard Corp, whose merger with North American Aviation Inc resulted in North American Rockwell.

AUTOMOBILES

** The Japanese concessionaire MITSUI BUSSAN CO of the French REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine, group is negotiating an agreement aimed at increasing their respective exports. The Japanese company will increase to 1,000 the number of Renault cars imported each year, while in return Regie Nationale des Usines Renault will take over the marketing in France of the Japanese company's spare parts.

** FIAT SpA, Turin, has tightened its links with the Yugoslav group CRVENA ZASTAVA, Krakujevac (see Nos 536 and 460) by making an agreement with the latter and the engine manufacturer, T.A.M. Maribor (see No 533) covering the production in Yugoslavia of lorries - under three tons - powered by TAM diesel engines. TAM recently made a reciprocal cooperation agreement covering diesel engines and commercial vehicles with the German group Klöckner-Humbolt-Deutz AG.

BUILDING & CIVIL ENGINEERING

** Five leading French building and civil engineering firms have linked to form the top French group called CIE DE DEVELOPPEMENT D'ETUDES & DE PROMOTION DES ENTREPRISES - CODEPE SA, Paris (capital F 500,000) with M. J.P. Dumont as president. This will group the design and management departments of its various founders and will also specialise in building loan questions. The five founders are ETS SAINRAPT & BRICE SA, Paris (turnover F 300m - see No 268), ENTREPRISES QUILLERY SAINTMAUR SA, St-Maur, Val-de-Marne (turnover F 250m - see No 504), ATELIERS DE CONSTRUCTION SCHWARTZ HAUMONT SA, Rueil-Malmaison, Hauts-de-Seine (turnover F 200m - see No 496), DUMONT & BESSON SA, Paris (turnover F 200 m - see No 287) and ETS BILLIARD SA, Paris (turnover F 150m).

** The new American property company NV VAST GOED MIJ COMBUTA (authorised capital Fl 10m - 20% issued), which is headed by Messrs D. Bosscher and P.J.J.G. Hueber, has been formed as a joint company by the mortgage concern UTRECHTSCHHE HYPOTHEEK BANK NV, Utrecht, and the building company SANDERS VERENIGDE BEDRIJVEN NV, Arnhem.

Sanders is a family concern employing more than 1,500 persons with an annual turnover exceeding Fl 120 million. Its main subsidiaries are NV Sanders Utiliteitsbouw; NV Aannemingsbedrijf G.W.J. Sanders, Arnhem, and NV Aannemingsbedrijf Kinsan, Arnhem, and it also has a West German subsidiary, Montagebau GmbH. Sanders recently linked with Bouwnijverheid Van Amerongen NV, Arnhem, to form a property development company, Rijnvast NV, Arnhem (capital Fl 500,000).

** Six French civil engineering companies have linked to form ZAM - C.C.I. Sarl (capital F 1.35m) with Messrs Raymond Plutarque and Emile Martin as managers. The new company will prepare, tender for and carry out civil engineering projects in Zambia. The founders, who are all based in Paris, are GRANDS TRAVAUX DE MARSEILLE SA (see No 536), and STE FRANCAISE D'ENTREPRISE DE DRAGAGES & DE TRAVAUX PUBLICS SA (see No 531), with 26.6% each; ENTREPRISES CAMPENON & BERNARD SA, STE GENERALE D'ENTREPRISES SA, and CIE INDUSTRIELLE DES TRAVAUX (CITRA) SA, with 13.6% each, and CIE DE CONSTRUCTION INTERNATIONALE - C.C.I. SA, which is equally controlled by the other five companies, has a 6% stake (see No 259).

** The Paris road equipment company STE D'EQUIPEMENT, MANUTENTIONS & TRANSPORTS - SEMAT SA (see No 440) intends to take a shareholding in the Spanish household waste removal and processing company SERCONSA - SERVICIOS & CONTRATAS SA. With a capital of Pts 10 million, this was recently formed by the Barcelona investment company LIGA FINANCIERA SA (established by Banco Hispano Americano SA - see No 339 - The Chase Manhattan Bank N.A. - see No 528 - and Standard Bank Ltd, London - see No 500) and its 26.25% affiliate SA DE TRABAJOS & OBRAS - SATO. The Dutch civil engineering company KON. NED. MIJ. VOOR HAVENWERKEN NV, Amsterdam, which is a subsidiary of VERENIGDE BEDRIJVEN NEDERHORST NV, Gouda, also has a stake in the latter (see No 512).

Sato is also linked 50:50 with Internationale Fonderings Mij. NV, The Hague (part of the Nederhorst group - see No 467) within Internationale Foundation Co Espanola SA (capital Pts 20 m). It also has a 77% stake of the Pts 50 million capital of Consorcio Europeo Para La Construcción de Autopistas SA, where the remainder is held by Ste des Grands Travaux de l'Est, Paris (see No 539) and Kon. Ned. Mij. voor Havenwerken, which builds motorways. Semat already has a 65% Spanish subsidiary, Semat Espanola SA, Madrid, which makes machinery.

** Five cement producers in Lower Saxony headed by TEUTONIA MISBURGER PORTLAND-ZEMENTWERK AG, Misburg, have gained control of the ELMKALK & ZEMENTWERKE J. SCHNUCK KG cement works based in Hemkenrode. Teutonia (capital Dm 5.25 m) belongs to two families, Lange (75% +) and Bolze-Heinrichs (around 14%).

Shareholders in Elmkalk & Zementwerke J. Schnuck now include Teutonia (15.57%) and: 1) PORTLAND ZEMENTFABRIK HARDEGSEN AG, Hardegsen, Solling (see No 529), whose own shareholders include the Allianz Versicherungs AG group, Berlin and Munich (37.5%) and Portland Zementwerke Heidelberg AG, Heidelberg (25 +). 2) GERMANIA ZEMENTWERKE AG, Hanover (capital Dm 5 m), which is controlled by a consortium of German cement producers including Elsa Zement & Kalkwerke AG, Neubeckum (around 40%), itself affiliated for more than 25% to the Anneliese Portland Cement- & Wasserkalkwerke AG, Eunigerlock, and Dyckerhoff Zementwerke AG, Wiesbaden groups; 3) NORD-ZEMENT AG, Hanover (Dm 16 m), controlled since late 1968 by Breitenburger Portland-Cement-Fabrik, Hamburg; and 4) HANNOVERSCHE PORTLAND-ZEMENT-FABRIK AG, Misburg (Dm 4.517 m), a 26.5% affiliate of Nordzement, but controlled by the Kuhleemann and Wallbrecht families.

** A new Breda property company NV PROJECTBOUW NEDERLAND (authorised capital Fl 2 m - 20% issued), headed by Messrs W. Koning and A.C. Korteweg, has been formed as a 50-50 venture by two companies based in Breda, NV ALGEMENE BOUWONDERNEMING ALBOUW (see No 535) and KORTEWEG'S BOUWMIJ. NV (see No 297). The two founders have already made over to it Bouwcombinatie Albouw - KBM.

CHEMICALS

** The French chemical company ROUSSELOT KUHLMANN SA (a 66% stake of Cie Rousselot SA, Paris -see No 540 - and 34% affiliate of Ugine Kuhlmann SA - see No 537) has taken a 17% interest along with British and Indian interests represented by the FISIONS LTD group through its subsidiary RALLIS INDIA LTD (see No 521) in forming PROTEIN PRODUCT OF INDIA LTD, Bombay. This will run a gelatine and ossein factory now being built.

In a move within France a subsidiary of Rousselot, STE DES PRODUITS ORGANIQUES - SOPRORGA SA, St-Denis, Seine-St-Denis (see No 514) has gained a 95% controlling interest in the bone-meal fertilizer company ETS ALPHONSE FOLZER SA, Mulhouse.

** The French state group ENTREPRISE MINIERE & CHIMIQUE - E.M.C. SA (see No 530) will simplify part of its interests when MINES DE POTASSE D'ALSACE MDPA SA, Mulhouse (see No 523) takes over STE D'ETUDES CHIMIQUES POUR L'INDUSTRIE & L'AGRICULTURE - SECPIA Sarl, Paris (see No 404). In return for gross assets valued at F 11 million, Mines de Potasse d'Alsace will then raise its own capital to F 42.8 million.

** The German chemical group B.A.S.F. - BADISCHE ANILIN & SODA FABRIK AG, Ludwigshafen (see No 540) and I.C.I. - IMPERIAL CHEMICAL INDUSTRIES LTD, London (see No 540) have decided to form a 50/50 subsidiary called PIGMENT MANUFACTURER OF AUSTRALIA (PTY) LTD to manufacture pigments and colorants in Australia. This will be set up by their subsidiaries BASF AUSTRALIA (PTY) LTD and I.C.I. AUSTRALIA & NEW ZEALAND (PTY) LTD and it will take over the manufacturing assets of LAVERTON (PTY) LTD. At the same time the B.A.S.F. group has decided to rationalise its Australian interests on BASF AUSTRALIA (PTY) LTD, Northcote, Victoria. Its annual turnover will then stand at around Dm 25 million following the acquisition of the styropor and plastic dispersions plant of Badocol Chemicals.

B.A.S.F. is also about to make a 75 million convertible bond issue on the Euro-dollar market through its subsidiary BASF Oversee NV, Willemstadt, Curacao, which recently gained a 98.5% stake in the American Wyandotte Chemical Corp, Wyandotte, Michigan (see No 537).

** The West German HERMANN WIEDERHOLD LACKFABRIEKEN KG, Hilden, Rheinland (varnish, lacquer and paint) has opened a branch in Grenoble to its French sales subsidiary WIEDERHOLD FRANCE Sarl, Brunoy, Essonne (see No 536). Wiederhold recently formed this subsidiary with a capital of F 30,000 after having terminated the representation agreement with the Paris Sifor. There are other sales subsidiaries in Anderlecht-Brussels and Hoorn, Netherlands (see No 274).

** Following the 1968 decision (see No 482) by the founders of the Zurich holding company CONTINENTALE LINOLEUM-UNION AG (see No 498) to strengthen their links, this has now gained outright control of NV NEDERLANDS LINOLEUMFABRIEK, Krommenie and FORSHAGA A/B, Gothenburg, as well as 98% in LINOLEUM AG GIUBIASCO, Giubiasco, Ticinò. The latter, recently re-named GIUBIASCO INDUSTRIE SA, is about to reduce its employees from 300 to 200 when it ceases manufacture of linoleum (one-third of the group's interests) to specialise instead in plastic coverings. Linoleum will now be made by the Swedish (5 million m²p.a.) and Dutch subsidiaries. The Zurich holding company has had a European coordination subsidiary since February of this year, Continentale Linoleum-Union Betriebs AG (capital Sf 100,000) and has direct control of the French Ste Industrielle Remoise du Linoleum-Sarlino SA, Rheims. There is an Australian subsidiary and in Switzerland it recently took over Stählin Teppichfabrik AG, Lachen, and a 50% stake in the tufted carpet company Tiara-Teppichboden AG, Urnäsch.

** The Milan A.C.N.A. - AZIENDA COLORI NAZIONALI AFFINI SpA, (see No 413 - a subsidiary of the MONTECATINI EDISON-MONTEDISON SpA group, Milan), which specialises in its factories in Cengio Maderno, Savona and Piacenza in industrial chemical products (aminophenols) and colorants, has signed a reciprocal cooperation agreement with the Swiss company DR. ING. MARIO BIAZZI, Vevey. This covers the processing of effluent.

** The Frankfurt chemical and pharmaceuticals group FARBWERKE HOECHST AG (see No 539) has opened a sales branch to its Milan subsidiary HOECHST ITALIA SpA in Pavia (see No 529).

COSMETICS

** PRINCE DES PRINCES SA (capital F 300,000) has been formed to manufacture and sell all types of beauty and cosmetic products and toiletries. The founders are M. Edmond-Rene Fonck (70%), who is president, and MM. Emmanuel and Philippe Mayolle (9.1%), who are respectively president of UNION POUR LE FINANCEMENT DU COMMERCE INTERNATIONAL - UFINEX SA, Paris, and director general of DIFFUSION EUROPEENNE DE PARFUMERIE & SAVONNERIE - DEPSA SA, as well as PANAMIAN MANAGEMENT CORP PANAGEST, Panama City and Geneva (20% - a member of the French LEVEN group - see No 501).

-DATA PROCESSING

** Sig Ippolito Vincenzo is president of the newly-formed Milan OPTIMATION ITALCENTRO SpA (see No 534 - capital Lire 1 m). This has been established by the American group RECOGNITION EQUIPMENT INC, Dallas, Texas (see No 523) and CREDITO ITALIANO SpA, Genoa, and it will provide computer users with direct optical scanning services. The Milan director of the American founder's subsidiary (see No 364), Mr. Gerd Lisse, is managing director of the new company.

****** The Paris finance group LOCAFRANCE SA (see No 537) has extended its interests into the data processing and second-hand computer market by acquiring from the British COMPUTER RESALE BROKERS LTD, Reading, Berks (see No 472) its French subsidiary C.R.B. FRANCE SA, Versailles, Yvelines (see No 372), which has been renamed PROMODAT SA. With M. R. Lafont as president and now managed by M. Michel Revon, this will establish representatives within the near future in Italy, Switzerland and Spain in order to stimulate the second-hand computer market. It will also sell computer peripheral and terminal systems, notably those made by the American CONTROL DATA CORP, Minneapolis group (see No 528).

Locafrance (capital F 72.55m) is affiliated to Banque de l'Indochine SA, Paris, and it recently acquired a 33.3% stake in the Belgian computer leasing Locabel SA, a subsidiary of Banque de Bruxelles SA, which thus became a shareholder in Locafrance (see No 525).

ELECTRICAL ENGINEERING

****** Belgian interests represented by M. Alphonse Mertens, Bruges, have backed the formation in Brussels of WESTAIR CONTINENTAL Pvba (capital Bf 250,000), which will act as the sales representative in Belgium and neighbouring countries for the air-conditioners and refrigeration equipment made by the British WESTAIR DYNAMICS LTD, Bishop Auckland, County Durham. This was formed in late 1965 (capital £30,000) to take over the "Westair" interests of Westool Ltd, Auckland (see No 536), a subsidiary of the London Keyser Ullmann Holdings Ltd group, London.

****** Five Dutch manufacturers of electro-technical and electro-mechanical equipment have formed a joint subsidiary in Rotterdam called INKAMAF NV, and headed by Mr P.H.M. Sabrerolles to coordinate their sales on the home market. These are SMIT NIJMEGEN ELECTROTECHNISCHE FABRIEKEN NV, Nymegen (see No 525), HAVENBEDRIJF VLAARDINGEN-OOST NV, Vlaardingen (see No 494), DUIKER APPARATENFABRIEK NV, The Hague (see No 479), VEKAMAF HOLLAND NV, Rotterdam, and NV LEIDSCHHE APPARATENFABRIEK, Leyden (a shareholder in the previous company).

****** The Milan company PRAXIS SpA, which is headed by Sig Pier G. Morra, has formed a sales subsidiary in The Hague called PRAXIS NEDERLAND NV (capital Fl 100,000). The founder makes electrical alarm and control systems, contacts and digital circuits.

****** The Stockholm group BILLMAN REGULATORS A/B (electrical control, regulation and measuring equipment and instruments - see No 496) has decided to close down its Paris subsidiary BILLMAN-ELECTROMATION Sarl (capital F 100,000), and Mme A. Vallet has been put in charge of the operation. The Swedish group still has two Paris subsidiaries, Regulateurs Industriels Billman SA (capital recently raised to F 3.9m) and Billman-Carlo Gavazzi Sarl (see No 456), formed by the merger of its sales network with that of the Italian group Carlo Gavazzi SpA (see No 519).

ELECTRONICS

** The New York group RCA CORP (formerly RADIO CORP OF AMERICA), which is to build an electronic components factory in Belgium at Haut Sarts-Herstal, Liege (see No 540), has formed a new subsidiary in Brussels called RCA SA to run this operation. With an initial capital of Bf 1 million, this has Mr John B. Farese as president - also vice-president of the founder and in charge of its "electronic components" division. The director of the new company is Mr Robert D. Wick.

ENGINEERING & METAL

** The British ENGIS LTD, Maidstone, Kent, has formed into a subsidiary under its own name with a capital of F1 150,000 its Dutch branch based in Alphen-a.d. Rijn. This will be run by Messrs K. Riedel and L. Boers and it will manufacture and sell machinery, tools and abrasives. The founder has been represented in Europe since 1961 by a Swiss affiliate Hyprez SA, Geneva, (machinery and high precision polishing products), whose president M. Jacques Broido holds the same post in the French affiliate Hyprez France SA, Annecy (a diamond paste abrasives factory in Gaillard, Haute-Savoie). There is also an American subsidiary, Engis Equipment Co.

** The St. Paul, Minnesota civil engineering plant concern AMERICAN HOIST & DERRICK CO (see No 272) has formed a sales subsidiary named AMERICAN HOIST & DERRICK - GERMANY GmbH (capital Dm 20,000) at Düsseldorf in Germany, where it already has an indirect subsidiary named Lebus International Engineers GmbH at Inning, Ammersee (formerly in Duisburg). The new firm is managed by Herren R. Schmid of Zurich, A. Dickter of Angersmund, and Messrs O. Th. Bergen and A. J. Sullivan, both of London. The parent company's main European interest is American Hoist & Derrick (Europe) Corp in Zurich (formerly at Baden, Aargau), followed by Crosby-Laughlin (U.K.) Ltd, London, and Harris Economy Ltd, Bridgend, Glamorgan.

** The reorganisation of the steel interests of the Italian state group I.R.I. - Istituto Per La Ricostruzione Industriale SpA, Rome, decided early this year, has now resulted in DALIME SpA, Milan (the subsidiary of the holding company FINSIDER - Sta Finanziaria Siderurgica SpA, Rome - see No 525) absorbing TUBISIDER SpA, Milan (piping and tubes - capital Lire 100m), which before this move had already acquired the Piombino tubes plant of another company in the group, Italsider SpA, Genoa (see No 510).

** G.K.N. - GUEST, KEEN & NETTLEFOLDS LTD, Smethwick, Worcs., (see No 531) has formed a branch in Essen named SERVOTOMIC LTD HEIZUNGS- & WAERMETECHNIK - offshoot of its subsidiary SERVOTOMIC LTD, London - under Messrs R.H. King of London and F. Kreis and J.W. Tremberth, both of Kettwig. Servotomic produces heating installations and is under the direct control of GKN Building Supplies & Services Ltd.

** The American STANDARD INTERNATIONAL CORP, Andover, Massachusetts has formed MOLD TECH SA at Barbizon, Seine-et-Marne with F 100,000 capital and M. Pierre Brun as president, for special process engraving on moulds and metal matrixes for the plastics industry. Know-how is supplied by the two subsidiaries, Roehlen Engraving Co, Rochester, New York, and Roehlen Ltd, Nassau, Bahamas.

The Bahamian concern has since 1965 controlled the German Pannes-Werthmann GmbH, Krefeld (represented on board of new firm by Herr Dieter Ludeman). In 1969, it has gained control of the British roll and plate engraving concern J. MARTIN & SONS LTD, Salford, Manchester (see No 470), the Milan subsidiary of which (see No 438) is soon to have its name changed to Roehlen Martin Italia Srl - Sistema Mold Tech. (its president Mr. Charles C. Johnston, is a director of the new French company).

** The Milan metal company TRAFILERIE & LAMINATOI DI METALLI SpA (capital Lire 5,000 m) has gained a 50% stake in the Milan trading concern T.L.M. - ALLUMINIO G.P. Srl (see No 533), which was formed recently with Lire 900,000 capital by the French group CIE PECHINEY SA, Lyons, for sales in Italy of its raw and semi-finished aluminium and light alloy products. Pechiney is staked in the new firm to the tune of 30% through its Paris affiliate UFALEX Sarl, while the remaining 20% of the equity is controlled by Minerali & Metalli SpA of Milan (capital Lire 500 m).

** The Dutch coalmining concern NED STEELKOLENMIJNEN WILLEM-SOFIA NV, Spekholzerheide-Kerkrade, member of the Belgian BOEL group (see No 507) through the Brussels portfolio company UNION FINANCIERE BOEL SA (see No 504) has had its Kerkrade subsidiary INVESTERINGSMIJ WILLEM-SOFIA NV take control of the Acht, Eindhoven metal, bicycle and motorcycle wheel concern NV METAALINDUSTRIE CAJA (see No 503), the plant of which will be removed to Kerkrade. Caja recently became affiliated to The Hague finance company NV Financieringsmij Industrieel Garantie-Fonds (see No 312), and a few months ago (see No 500), it formed a West German sales subsidiary, Caja Metallwaren Vertriebs GmbH, Ebensfeld.

** NESTAL AG, Glarus, Switzerland (see No 365), which makes plastics machinery, has formed a sales subsidiary at Fontenay-sous-Bois, Val-de-Marne, named NESTAL FRANCE SA (capital F 100,000), to sell and maintain its equipment in that country, which hitherto its agent has been ETS LAROCHE FRERES SA, Paris (see No 442).

** After their recent negotiations (see No 534) the Italian scooter firm PIAGGIO SpA, Genoa (trade marks "Ciao" and "Vespa") has paid Lire 3,000 million to take over a similar company, MOTO GILERA SpA, Milan and Arcore, which will now be directed by Sig Enrico Vianson.

** Three Belgian firms specialising in the castings and central heating equipment sector have linked to form a Brussels sales company called CINEY THERM SA (capital Bf 1 m) with Mr. Adolphe Malevez as president. These are FORGES DE CINEY SA, Ciney, and MOLIMEX & VANANDEL SA, Brussels (each with 48.5%), while a token shareholding is held by Acomal SA, Mèlines.

****** B.M.W. - BAYERISCHE MOTOREN WERKE AG (see No 532), the Munich motor company, has made an agreement with WESTDEUTSCHE WERKZEUGMASCHINEN GmbH, Düsseldorf-Haltheusen (see No 522), whereby the latter will have its Bremen branch LLOYD MOTOREN WERKE produce spare parts for some 200,000 "Goggomobil" and 700,000 "Glas" vehicles produced by HANS GLAS GmbH of Dingolfing (see No 445). Lloyd Motoren acquired some of its plant when it bought up assets of the like-named subsidiary of the Bremen motor manufacturer Borgward-Werke, when this company was put into liquidation. Hans Glas came under B.M.W.'s control late in 1966, and its production interests have been gradually run down since, with the leasing of its works at Dingolfing and Landshut, the latter being owned by the Glas subsidiary Fahrzeug- & Maschinenfabrik GmbH.

B.M.W., which turned over Dm 1,035 million in 1968, has the QUANDT group as its main shareholder (almost 50%). The latter in fact holds some 14% in the Daimler-Benz group also. Other backers are the Gerling Konzern, Cologne insurance group (see No 510), which in particular holds the 10% previously controlled by the Swiss industrialist Jacques Koerfer of Berne. Westdeutsche Werkzeugmaschinen is the wholly-owned subsidiary of the New York, Hunter Douglas Inc, through Hunter Douglas International Ltd, Pointe Claire, Quebec.

****** The Dutch gas heating equipment and enamelled sanitary ware concern KONINKLIJKE FABRIEKEN DIEPENBROCK & RIEGERS NV (DRU), Ulft (see No 445) has made an offer in a bid to take over the fire-fighting equipment concern SAVAL APPARATENFABRIEK NV, Breda (see No 454). This holds shares in the fully-equipped factories concern TURNKEY-HOLLAND NV, Amsterdam. It employs some 200 personnel and turns over about Fl 10 million a year. Mr Z. Y. Sosinski will remain as president.

D.R.U. already has a stake in fire-fighting equipment, with its subsidiary Internationale Verwarmingscompagnie (I.V.C.) NV, which also produces central heating and air conditioning equipment. It recently took over two heating installation firms, NV Verwarmings-Bureau van der Linden Jr, Purmerend (payroll app. 50), which is under the direct control of GIB NV of Nijmegen, and J.F. Cramer NV, The Hague (250 payroll). Its other main subsidiaries are NV Apparatenfabriek voor Lucht- & Warmtetechniek C. Kappers, Winterswijk (acquired in 1967); Dru International NV, Ulft, and Dru NV in Brussels.

****** The Düsseldorf concern THEINISCHE GES FUER INNERE MISSION & HILFSWERK mbH has acquired an interest of over 25% in HCH BERTRAMS AG, Siegen and Tempenhof, Berlin, which makes tanks, heat exchangers and condensers for the chemical, aerospace and heating industries. This has Dm 2,265 capital, has about 700 on its payroll and turns over some Dm 35 million a year. It has a sister company in Basle, HCH Bertrams AG.

****** The Japanese compressed air punching and drilling concern YOKOTA INDUSTRIAL CO LTD, Osaka (with plant in Tokyo and Nagoya) has formed a Belgian subsidiary named YOKOTA BELGIUM NV, Antwerp (capital Bf 250,000) directed by Mr S. T. Nauta, and controlled by the Amsterdam concern AMERIKAANSCH QUALITEITS PRODUCTEN NV. Yokotan Industrial has a sales affiliate in Amsterdam, Yokota-Europa NV (formerly De Fisk Banden Mij NV), directed by Mr Sjoerd T. Nauta.

** The Oosterhout thick and thin welded steel tubing concern VERENIGDE BUIXENFABRIEKEN EXCELSIOR - DE MAAS NV (see No 510), almost wholly-owned subsidiary of the Ijmuiden steel group KON NED HOOGOVENS & STAALFABRIEKEN NV (see No 536), has sold its flanged tubes division to NV LAURA METAAL, Kerkrade, formerly NV Ijzerwerk Hollander (see No 487). The latter produces metal fittings and strapping, and is a 75% subsidiary of NV BELEGGINGSMIJ LAURA & VEREENIGING, Eggelshoven, itself a subsidiary of the Brussels firm Laura & Vereeniging SA, of the Ste Generale de Belgique SA group, and affiliated to the Hoogovens company in the balance of its capital.

** The Paris company PAILLARD-BOLEX SA (see No 467), a sales subsidiary of the Swiss precision, engineering and optical group PAILLARD SA, Ste-Croix and Yverdon (see No 527) has signed an agreement with the Australian scientific instruments, photographic optical and domestic appliances group HANIMEX CORP LTD, Canberra, under which it will distribute the latter's projectors in France. The Australian group has two European subsidiaries, Hanimex (U.K.) Ltd, London, and Hanimex (Deutschland) GmbH, Hanover.

** The American NORTON CO, Worcester, Massachusetts (electric castings, chemical abrasives and refractory materials for the metal industry - see No 530), which is rationalising its European interests, has had its French subsidiary NORTON SA, Conflans-Ste-Honorine, Yvelines, take over another interest, CONSTRUCTIONS EQUIPMENT & MACHINERY CO (FRANCE) CEMCO-FRANCE Sarl (formerly Clipper France Sarl). In return for assets valued at F 7.7 million (gross), Construction Equipment & Machinery will raise its own capital to F 31.2 million. A similar move recently strengthened the Italian subsidiary Norton SpA, Corsico, Milan.

** OERTLI GEREEDSCHAPPEN NV, Hardinxveld-Giessendam, Dutch subsidiary of the Swiss wood and plastics finishing machinery concern OERTLI & CO, Bülach, Zurich, has taken over distribution of the "Jajod" woodworking machinery produced by the Norwegian A/S MESNA BRUK, Lillehammer (see No 345), member of the Oslo group KVAERNER INDUSTRIER A/S, Oslo, which are marketed in Switzerland by the parent company.

** The British NEWALL MACHINE TOOL CO LTD, Peterborough (see No 530) has made an agreement covering the representation of its special smoothing and grinding machines by the Common Market network of the German machine tool company HERBERT LINDER GmbH, Berlin (see No 538). The latter is the subsidiary of MASCHINENFABRIK DIEDESHEIM GmbH, Neckarelz.

** The American engineering group DRESSER INDUSTRIES INC, Dallas, Texas (see No 534) which started the reorganisation of its European interests in April 1968, after absorbing SYMINGTON WAYNE CORP, Salisbury, Maryland (see No 485), has now had its subsidiary WAYNE FRANCE SA, Pavillons-sous-Bois, Seine-St-Denis (see No 433) make over its distributing activities (petrol, mechanical equipment and tyres for service stations) to the Paris branch of its Brussels subsidiary DRESSER EUROPE SA.

** EUCLID EUROPE SA, St-Michel-lez-Bruges (capital Bf 10m) has been established 50/50 to back the production agreement (see No 530) under which the American heavy engineering group WHITE MOTOR CORP, Cleveland, Ohio, has licenced LA BRUGEOISE & NIVELLES SA, Bruges, to make its "Euclid" dumper trucks in its factory at St-Michel-lez-Bruges (see No 535). The Belgian stake in the new company, whose president is Mr Joseph Adams, is held by La Brugeoise (of the Ste Generale de Belgique group) and its affiliates Brumeca SA, St-Michel, Cie d'Appareils de Manutention - Cocam SA and Manucongo SA, both from Laken.

** FLEXOLATOR BENELUX SA, Wevelgem, Courtrai, has been formed with a capital of Bf 3.6 million to give effect to the agreement (see No 529) between the New York group GULF + WESTERN INDUSTRIES INC and BRUXELLOISE D'AUTO-TRANSPORTS - B.A.T.SA, Molenbeek-St-Jean (see No 535). The new concern will make car seats using the Pullmaflex process. The American stake is held through the Swiss investment companies GLOBAL PRODUCTIONS AG, Zug; MISPRI SA, Freiburg; and FIDES UNION FINANCIERE AG, Zurich, while the Belgian interest is held by B.A.T. and its subsidiaries INTERNATIONAL MECHANICAL INDUSTRIES - I.M.I. SA, Wevelgem (formerly S.B.A. - STE BELGE D'ASSEMBLAGE AUTOMOBILE - see No 494), ETS BEHERMAN-DEMOEN NV, Antwerp, and HENIN SA, Molenbeek.

Gulf + Western has other subsidiaries in the same sector elsewhere in Europe; Pullman Flexolators Ltd, Ammanford, Wales; Youngflex SA, Geneva; Flexolator-France SA, Lyons.

** The Düsseldorf steel and engineering group MANNESMANN AG (see No 537) has signed a reciprocal cooperation agreement with the precision engineering and hydraulic company CONSTANTIN RAUCH KG, Ulm (see No 536) covering impellers and engines. This will involve Mannesmann taking a 50% stake in Rauch (factories at Ulm-Donautal and Oberelchingen, Neu-Ulm, with 1,650 employees and turnover of Dm 70m p.a.) when it doubles its capital to Dm 22 million. Since the start of 1968 Mannesmann has linked by a similar agreement with another firm in the same sector, G. L. Rexroth GmbH, Lahr (2,500 on payroll and Dm 130m p.a. turnover - see No 509) in which it acquired a 50% stake when the capital was raised to Dm 34 million.

** The West German MASCHINENFABRIK WIESBADEN GmbH, Wiesbaden (see No 380) has strengthened its stake in a similar concern, CHEMIE-APPARATEBAU MAINZ, SCHMAHL & DINCKELS GmbH, Mainz-Mombach (machinery for the chemical industry), with the latter raising its capital from Dm 100,000 to Dm 1 million (later to Dm 1.5m). Chemie Apparatebau was formed by the recent merger of Peter Dinckels & Sohn Apparatebau, Mainz, and Joh. Schmahl, Maschinenfabrik-Kesellschmiede & Apparatebau, Mainz-Mombach. For its part the Wiesbaden concern is controlled by Collet & Englehard Maschinenfabrik GmbH, Offenbach (machine-tools) owned by Herr Fritz von Opel, St. Moritz.

** The Italian machine tools concern OFFICINE GHIRINGHELLI & PISONI Snc, Luino, Varese, has made an agreement with the British CHARLES CHURCHILL & CO LTD South Yardley, Birmingham (see No 388 - member of the group TUBE INVESTMENTS LTD - see No 538) covering its exclusive representation in the United Kingdom.

** The American ROWAN INDUSTRIES INC, Westminster, Maryland (see No 530) has gained control of the Italian coachbuilding concern CARROZZERIA VIGNALE at Grugliasco, Torino. This was formed by Sig Alfredo Vignale and run until now by Sig G. Balma, but the presidency will now go to Sig Alessandro de Tomasi, who directs DE TOMASI AUTOMOBILI SpA, Modena, bought up by ROWAN CONTROLLER in 1968. The new managing director will be Sig Vincenzo Bonica.

In 1967 the American group (see No 414) bought up the Turin coachbuilders, Ghia SpA, which is now working with De Tomasi on a new "Cobra" two-seater for Ford Motor Co, Dearborn, Michigan (see No 536).

** The Paris concern CHANTIERS DE L'ATLANTIQUE SA (see No 507) has decided to lower its stake in BABCOCK-ATLANTIQUE SA (see No 527) from 38% to 12%. At the same time STE FRANCAISE DE CONSTRUCTION BABCOCK & WILCOX SA (member of the London group BABCOCK & WILCOX LTD - see No 538) will raise its holding to 88%. In the U.S.A., Babcock & Wilcox has just made a successful public offer which has given it a 95% controlling stake in the heavy engineering group BLAW KNOX CO, Pittsburgh (mainly civil engineering plant).

** An "economic interest group" has just been formed in Paris under the name ACERPAL-HYDRAULIK, with M. Jacques Sagne as president, to sell the hydraulic press machinery and equipment for steel, non-ferrous metal and plastics processing machinery products by HYDRAULIK AG, Duisburg (see No 536). This recently became the wholly-owned subsidiary of the Duisburg group DEMAG, having previously been a 50/50 venture with the Berlin group RHEINMETALL BERLIN AG. Herr Fritz Partsch, manager of Hydraulik, is to run the new company in Paris with the assistance of MM. Jean Chesnel and Hans Crosech.

** H. WEYHAUSEN KG MASCHINENFABRIK, Delmenhorst (60% of the German self-propelled hydraulic cranes market - trademark "Atlas" -see No 378), is to build its second overseas plant in Iran. The first is based near Glasgow in Britain.

The German firm is owned by Herren Helmut and Friedrich Weyhausen, and during the last financial year turned over Dm 190 million consolidated, with 2,700 on its payroll and factories at its head office at Ganderkese and Lönningen. Its sister companies are Weyhausen & Söhne GmbH, Vechta (hydraulic equipment for farming), and Weyhausen & Co Maschinenfabrik GmbH, Westerwede, while it controls Gebr. Weyhausen GmbH & CO KG, Neunkirchen, Brand (crane axles and lifting equipment) and Atlas Hydrostapler GmbH & Co KG, Weiskirchen, Offenbach (fork-lift trucks). It recently went into the field of prefabricated motel building (near Bremen and Munich and at Ganderkese), having formed two new subsidiaries for this purpose.

** The Paris metallurgical holding company DENAIN NORD EST LONGWY SA (see No 491) has wound up in advance its Belgian subsidiary STE D'EXPLOITATION DES TERRES DU BORINAGE SA, Saint-Ghislain, and named M. Roger Gorse as liquidator. This concern was controlled through USINOR EXPORTATION SA and SOVENOR - STE DE VENTE D'ACIERS DU NORD DE LA FRANCE SA.

** EUROPE-SAFE-T-BRAKE Sarl (capital F 20,000) has been formed in Paris as an 85/15 Franco-Italian venture (partners Mme J. Bernstein and M. F. Bassoli) for promotion in both East and West Europe of the "Safe-T-Brake" anti-skid device developed in the U.S.A. by Mr. Charles I. Farmas, president of AMERICAN SAFE-T-BRAKE CO, Anaheim, California. "Safe-T-Brake" equipment, sales scope for which is unlimited, has been developed so far chiefly with the motor car in mind. It allows of increasing the braking power and so reducing the stopping distance of a vehicle, while eliminating skidding risks caused by a wheel locking.

** INGERSOLL-RAND CO, New York (see No 490), which produces air and gas compressors for mines and civil engineering equipment, has placed its French subsidiary CIE INGERSOLL-RAND SA, Boulogne-Billancourt, Hauts-de-Seine (chairman M. Francois A. Choffel) in charge of its European operations. The American group turned over \$ 641 million in 1968 and is well established in Europe with subsidiaries in Brussels, Düsseldorf, Milan, Lisbon, Madrid, Vienna, Fribourg, Copenhagen, Stockholm and London.

** TROUVAY & CAUVIN SA, Le Havre (headed by M. Yves Cauvin - stainless steel goods for the building, trade, industry and ships) has established a London sales subsidiary called TROUVAY & CAUVIN SA LTD (capital £ 10,000).

** J. VAN DEN HOEK, Walchwil, has been formed in Switzerland with Mr. Karl Bruder as manager, by Mr. J. van den Koek, owner and director of Hoek-Baarn, Baarn, Netherlands. The new company will trade in printing equipment.

FINANCE

** BANKUNION AG, Frankfurt (capital Dm 10 m) has been formed to place international and national loan issues by the Munich bank MERCK FINK & CO OHG (see No 536) with its 30% stake held in association with its 75% subsidiary DSK - BANK DEUTSCHE SPAR- & KREDITBANK AG, Munich (see No 464).

The new company has acquired the Frankfurt interests of DSK - Bank (a 25% affiliate of RTG - Revisions- & Treuhand GmbH, Munich) although the latter's seven agencies in Frankfurt have been taken over by Frankfurter Sparkasse Von 1822, Frankfurt. The latter is itself a 30% shareholder in Bankunion along with Württembergische Landessparkasse, Stuttgart (30%) and Nordbank AG, Hamburg (10% - see No 465). Nordbank was formed in 1968 by a 50/50 link-up between Neue Sparkasse von 1864 Stiftung, Hamburg and DSK-Bank which made over its ten branches and agencies in Hamburg.

** The New York investment company FIRST NATIONAL CITY CORP (parent company of FIRST NATIONAL CITY BANK - see this issue) has formed an Amsterdam finance subsidiary, CITY CORP INTERNATIONAL NV (initial capital Fl 20,000). This is under Messrs John W. Heilshorn, George E. Putman Jr. and Patrick J. Mulhern.

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** NEW YORK SECURITIES CO INC (accounting, auditing, financial counselling and broking etc) has opened a subsidiary in its own name in Brussels with Brussels with Bf 100,000 capital, Mr Bradford Mills as president and Mr George O. Kephart as manager.

** The Paris banking group STE GENERALE SA (see No 534) has gained a minority shareholding in BANQUE BELGO-LIBANAISE, Beirut, by acquiring part of the interest held by STE GENERALE DE BANQUE SA, Brussels (of the Ste Generale de Belgique SA - see No 537). At the same time the Lebanese concern has been renamed STE GENERALE LIBANO-EUROPEENNE DE BANQUE.

** The international investment fund SECURITY & PROSPERITY FUNDS - SEPRO SA (authorised capital now stands at \$15m) which has just been formed in Luxembourg as EUROMUTUAL SA (see No 535) is to make a \$3 million share issue at \$10 a share.

SEPRO, which controls a Luxembourg management subsidiary, Advisory Co, as well as Repurchase Co, also has a Zurich sales subsidiary Security & Prosperity Fund Distributors SA (capital Sf 1m). The founders are SAVE & PROSPER GROUP LTD, London (25%); CREDIT SUISSE SA, Zurich; STE GENERALE SA, Paris; STE DE BANQUE SUISSE SA, Basle; and BANCO DI ROMA PER LA SVIZZERA SA, Lugano. Aimed at a high growth rate, the fund's initial portfolio will have 55% in American securities, with the remainder shared between European securities (30%), Japanese (10%), and Sterling Area securities (5%). Management advisors to the fund are Robert Fleming & Co Ltd, London; Robert Fleming Inc, New York; Northern Trust Co, Chicago; and Eurofinance Sarl, Paris. Sterling Area investors will be able to take an indirect interest in the forthcoming loan issue by SEPRO through MONITOR CO LTD, which has been formed for this purpose in Hamilton, Bermudas, by Save & Prosper Group Ltd.

** The Los Angeles credit card company CARTE BLANCHE CORP is now a 54% interest of the New York group AVCO CORP (see No 432) as during 1968 F.N.C.B. SERVICES CORP (of the First National City Bank of New York group) made over its 50.3% stake.

Carte Blanche Corp, for which Mr Richard S. Adler has recently been appointed European director, was formed in 1966 when it took over Hilton Credit Corp, an 81.7% subsidiary of Hilton Hotels Corp, Chicago, which is now a shareholder. Carte Blanche Corp has a recently-established Milan subsidiary, Carte Blanche d'Italia SpA (capital Lire 16m) as well as another in Paris.

** The Italian state concern MONTE DEI PASCHI DI SIENA, Siena (see No 534) is to absorb BANCA DI CAVOUR SpA, which it has controlled for the past four years (see No 348). The latter has branches in Cavour, Bagnolo, Rivoli and Cavallermaggiore.

** The B.N.P. BANQUE NATIONALE DE PARIS SA (see No 537) has opened an all-purpose branch at Perth in Australia, where it already has offices in Sydney, Melbourne and Brisbane (see No 499).

** The Milan BANCA COMMERCIALE ITALIANA SpA (see No 534 - a 95.5% subsidiary of the Rome state group I.R.I. - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE - see this issue) has rationalised its network of affiliated banks by absorbing two regional groups of deposit banks in Liguria and Tuscany (see No 533), which it has controlled respectively since late 1968 and early 1969. These are BANCO FRATELLI CERRUTI FU ALESSANDRO, Genoa (capital Lire 100 m - see No 490) and BANCA FRANCESCO BERTOLLI SpA, Lucca and Viareggio (capital Lire 500 m - see No 506).

** CANADIAN IMPERIAL BANK OF COMMERCE, Toronto, Ontario (see No 372) has decided to install a second European representation office in Frankfurt as of January 1970, to cover operations in West Germany and Austria. It is already represented in Zurich.

** COMMERZBANK AG, Düsseldorf (see No 538) has opened a representation office in Singapore in addition to that which it already has in Tokyo. Since early 1969 it has had an affiliate company in Singapore, Development Bank of Singapore Ltd (see No 512) in addition to an existing 3% stake in Industrial Finance Corp of Thailand, Bangkok.

The Düsseldorf bank has added to its portfolio by raising to more than 25% its minority stake in the natural and synthetic textiles KAEMMEREI DOEHREN AG, Hanover-Dohren (capital Dm 8 m - 1,000 on payroll with Dm 65 m p.a. turnover). It has also made into a majority stake its interest of 25% in the Hanover brewery KAISER-BRAUEREI AG (capital Dm 2.7 m). Until now this was a 51% interest of the Fritz-Behrens-Stiftung foundation and with 200 employees has an annual turnover of around Dm 15 million. It remains an affiliate of LINDENER GILDE-BRAU AG, Hanover (see No 540).

In a further move in the brewery sector it has acquired a 25% stake in BRAUEREI ISENBECK AG, Hamm, Westphalia (see No 438), in which BRAUEREI WEISSENBURG NIES KG, Lippstadt, maintains control with 50.05%, whilst the shareholding of the Wüstenhöfer family is reduced to just over 10%. Brauerei Isenbeck (capital Dm 5 m) has an annual turnover of Dm 30 million, and during the last financial year made 410,000 hl of beer; it also manufactures and markets throughout West Germany the Russian national drink "Kvass".

** MUTUAL FUNDS SALES GmbH (capital Dm 100,000), formed in Frankfurt during the middle of 1968 (see No 474) with Mr. Charles E. Bacon, New York, as manager, has been closed down, and Herr Hanns-Georg Krieger has been put in charge of this operation. The company was established to sell shares and certificates in investment funds, mainly U.S. funds.

** The two Panamanian companies FORTUNE MANAGEMENT INC and COLONIAL SECURITIES OF BOSTON, which recently wound up their respective Brussels subsidiaries (see No 533), have now re-formed these in Luxembourg under the same names: FORTUNE MANAGEMENT SERVICES SA and COLONIAL SECURITIES OF BOSTON SA. Both have Lux F 100,000 capital, and they are to maintain and administer specialist archives and document services for stock dealers.

FOOD & DRINK

** The German tobacco and cigarettes group H.F. & PH. F. REEMTSMA GmbH & CO KG (see Tobacco) has made over to the Wiesbaden-Biebrich sparkling wines and spirits group HENKELL & CO (see No 534) a 50% stake in its hitherto wholly-owned subsidiary SEKTKELLEREI CARSTENS KG, Neustadt, Wienstrasse (sparkling wines - see No 465).

Carstens has Dm 20 million share capital, and its chief venture is an association in Austria with Karl E. Gütler & Co, Wein- & Spirituosengrosshandel, Vienna, in the Kornenburg concern Sektkellerei Carstens KG & Co GmbH (capital Sch 600,000). In West Germany, it owns a subsidiary jointly with the French champagne group Maison Moët & Chandon SA (see No 538), named Vereinigte Deutsch-Französische Sektkellereien GmbH, Neustadt, Weinstrasse.

Henkell, which in 1968 turned over Dm 200 million (over 25 million bottles) thus strengthens its position against its main German competitor, Söhnlein Rheingold KG Kellereien Wiesbaden-Schierstein (see No 451), subsidiary of the Hamburg group Rudolf A. Oetker (see No 539), which has an output of around 22 million bottles.

** In a second move in the alcoholic drinks sector, REEMTSMA (see No 538) has purchased a 46% holding in the Hamburg brewing group BAVARIA- & STPAULI-BRAUEREI (capital Dm 15.2m), from the heirs of the Swiss businessman Richard Eisenheiss, namely M. & Mme Emile Pauls of Basle.

Bavaria is the second largest North German beer group with output of 1.1 million hectolitres of beer (app. 24 million gallons), using the "Astra" trademark especially, with two breweries in Hamburg and two others, in Oldenburg and Jever. It also produces about 150,000 hectos of non-alcoholic beverages, and has a turnover of about Dm 110 million. It was once linked with Holsten Brauerei of Hamburg, which has a capacity of over 2 million hectos a year (see No 390), mainly through Herr R. Eisenbeiss, who held shares in either firm. Herr M. Johannes Eisenbeiss is now the main shareholder of Holsten, in association with Tivoli-Werk AG, Hamburg-Edelstedt (25%) and Vereinsbank in Hamburg (see No 521) which still holds 25% in Bavaria.

** The American food group KELLOGG CO, Battle Creek, Michigan (see No 439) has formed a Belgian subsidiary called KELLOGG'S FOOD PRODUCTS SA, Molenbeek-St-Jean (capital Bf 6m). With Mr James A. Adams as president, this will import, export and trade in all cereal-based food products. The American group already has Common Market subsidiaries in Paris, Kellogg's Produits Alimentaires SA, in Bremen, Kellogg (Deutschland) GmbH, and Reis Handels GmbH, as well as an office in the Netherlands, at Wormerveer. Elsewhere in Europe it is represented in Britain, Switzerland, Denmark, Norway and Finland.

** The French cognac company LOUIS ROYER & CIE, Jarnac, Charente, is to make a special cognac for the West German market which will be distributed under the "Concorde" trade name by the German distillery FRITZ LEHMENT GmbH SPIRITUOSENWERK, Kiel (see No 527). The latter is the wholly-owned subsidiary of the Canadian spirits group DISTILLERS CORP - SEAGRAMS LTD, Montreal.

** The British foods company CEREBOS LTD (see No 436 - now part of the London RANKS HOVIS McDOUGALL LTD group - see No 537) has appointed the Dutch CHOCOLADE - & CACAO FABRIEK KWATTA NV, Breda (see No 449) as the distributor for the Benelux countries and West Germany of "Cerola" vacuum packed prepared meals made by its Glasgow subsidiary CEROLA FARE LTD, of which it gained outright control during 1966.

** A joint manufacturing and sales agreement has been made between the French manufacturer of animal and poultry feeding stuffs STE JEAN GUYOMARC'H SA, Vannes, Morbihan (see No 495) and its Belgian counterpart SA DES USINES REMY, Wijgmaal-Herent, Brabant (see No 345). A 50/50 subsidiary will be formed in Brussels called REMY-GUYOMARC'H SA (capital Bf 2m), in which the Belgian stake will be shared between Usines Remy and its subsidiary COMANI SA, Brussels (see No 344).

Guyomarc'h is linked to Ste Dautreville & Lebas SA, Paris, and a French affiliate of the Belgian company, Ste des Usines Remy SA, Gaillon, Eure (with a subsidiary in Le Havre, Comagri SA has just raised its capital to F 11m) within the animal food compounds Guyomarc'h-Dautreville-Remy SA - G.D.R., Beynes, Yvelines. The latter's board of directors is headed by M. Michel Vermersch and the managing director is M. R. Cauvin.

** The American brewing group JOH. SCHLITZ BREWING CO, Milwaukee, Wisconsin, has reorganised its interests in Belgium where it acquired a 65% controlling interest in BRASSERIE DE GHLIN SA, Ghlin, in late 1968 (see No 487). Brasserie de Ghlin was itself formed by the merger in 1960 of nine Belgian breweries.

BRASSERIE CAULIER SA, Ghlin, has formed two subsidiaries in Ghlin, each with a capital of Bf 5 million, NOUVELLE BRASSERIE IMPERIAL SA and NOUVELLE BRASSERIE LABOR SA, to whom it has made over part of the brewing facilities in Ghlin. It shares control with the American group and its subsidiary IMPERIAL FOUNDATION INC, Milwaukee, as well as with the Belgian La Semi SA, Brussels; Brasserie de la Perle SA, Fayt-lez-Manage; Cobrassi SA - Comptoir des Bieres de Marque, Ghlin; Sources Minerales d'Arville SA, Faulx-les-Tombes, and Brasseries Labor-Hainaut Reunies SA, Mons.

** The West German MARTINI & ROSSI AG, Bad Kreuznach (a member of the Turin spirits group MARTINI & ROSSI SpA - see No 526) has been appointed the German distributor for cognacs made by the French DELAMAIN & CIE Sarl, Jarnac, Charente. The German company (capital Dm 9m) is directly controlled by General Beverage Products Trading Corp SA, Geneva, and it has a main distribution subsidiary, Ivima Import & Vertrieb Internationaler Merkengetranke AG, Bad Kreuznach.

** The Belgian childrens' dietary products concern DIADAL NV, Opwijk, Antwerp (see No 287) has taken over the Astene weaning sugars concern ALPHA'S DIEETMIDDELEN NV ("Malt-o-Dex" trademark), which also produces "Taridyne" cereal foods, and such dietary specialities as "Babeural", "Citrolac" and "Normolac". The move strengthens Diadal's position on the home market for its "Diedex" products.

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** The Milan group WINEFOOD - INTERNATIONAL WINE & FOOD CO - IWAC SpA, which itself is controlled by Swiss interests (see No 537) is backing a further series of mergers within the Italian wine industry (see No 534). CASA VINICOLA FRATELLI FOLONARI SpA, Brescia (capital Lire 390 m), the longest established and most reputable of the companies involved, will take over a wholly-owned subsidiary of IWAC, S.V.I. - STE VINICOLA INTERNAZIONALE SpA, Cassino, Alessandria, and Trescore, Cremasco, Milan (capital Lire 1,400 m), and two other companies, C. SANTARELLI SpA, Rome (capital Lire 240 m) and MAGAZZINI GENERALI SpA, Barletta (capital Lire 200 m). When this is completed Folonari will be controlled by IWAC.

The latter already controls a large number of production companies including Luigi Calissano, Alba, Cuneo (capital Lire 1,000 m), Chianti Melini SpA, Pontassieve (capital Lire 850 m), Lamberti SpA, Lazise sul Garda, Verona (capital Lire 620 m), Vaja & Bonatti SpA, Bolzano, and Fontanacandina, Rome.

** The New York NATIONAL BISCUIT CO group (see No 511) has begun talks with the Dutch industrialists Monta and Arius van der Loeff, Nymegen, with the aim of acquiring their control of the West German chocolate, biscuits and potato crisps company XOX-BISKUITFABRIEK GmbH, Kleve (see No 516).

The latter has recently become linked on an industrial and sales basis with the German voluntary chain group Kaiser's Kaffee-Geschäft AG, Viersen, and with Herr Möller as manager, it has a turnover of Dm 100 million. It also intends to set up in Austria and the other EEC countries as its representation agreements expire at the end of 1970. The American group has a German subsidiary Harry Truller GmbH, Celle (see No 405 - 1,000 on payroll and Dm 35 m.p.a. turnover), which has a 49% stake in B. Sprengel & Co KG, Hanover (pralines and chocolates) controlled by the Sprengel family.

** The French GERVAIS-DANONE SA, Courbevoie, Hauts-de-Seine dairy group (see No 534) has taken over the food preserves concern PETITJEAN, GAY & CIE of Le-Pre-Saint-Gervais, Seine-St-Denis, which has F 2.1 million capital. This employs 460 people, and has factories at head office, Pouilly-sur-Seine, Aisne; Senar, Bouches-du-Rhone; Belle-Ile-en-Mer and Hennebont, Morbihan, jointly turning over some F 40 million a year. It will eventually be absorbed into Gervais-Danone, and its industrial assets will then devolve upon Ste Lyonnaise des Pates Milliat Freres SA, Villeurbanne, Rhone.

Milliat Freres, which still relies heavily on pastas as staple production, already runs the groups sealed, ready-cooked meals division, acquired when the group took over Ets Milliat Freres SA. In this sector, Gervais-Danone also has a 50% stake in the charcuterie group Lhuissier SA, Paris and Conerre, Sarthe, in association with the British group Bowyers (Wiltshire) Ltd (see No 501).

GLASS

** VERRERIES DE MARIEMONT SA (see No 533), member of the STE GENERALE DE BELGIQUE SA, Brussels group, and a glass sector investment company, is to absorb the investment companies, VERRERIES DE CRONFESTU SA, 95.84% control Opera Mundi - Europe No 541

of which it acquired recently by buying up the 43.9% stake held by GLACERIES DE SAINT-ROCH SA (see No 526), and VERRERIES DES HAMENDES L. LAMBERT SA, Jumet, which in 1968 made over its Jumet works to GLAVERBEL SA (see No 468). When complete, these moves will bring Mariemont's capital up to Bf 211.5 million.

INSURANCE

** The French "DROUOT" insurance group (see No 537) has simplified its interests and strengthened CIE GENERALE D'ASSURANCES SA, Paris, which will raise its capital to F 20.8 million after having absorbed the portfolio company FORGES DE LEVAL-AULNOYE SA (assets valued at F 26.6 m - see No 377).

OIL, GAS & PETROCHEMICALS

** The French state group ERAP - ENTREPRISES DE RECHERCHES & D'ACTIVITES PETROLIERES (see No 534) has sold a 10% stake in its subsidiary ELF OIL EXPLORATION & PRODUCTION CANADA LTD (formerly wholly-owned) to CANADIAN INDUSTRIAL GAS & OIL LTD, Calgary, Alberta, a member of the Toronto group NORTHERN & CENTRAL GAS CORP. In return Canadian Industrial Gas will carry out prospection valued at \$ 23 million in one of Elf's concessions in the Canadian Arctic.

** The German oil company DEMINEX - DEUTSCHE ERDOELVERSUNGUNG GmbH, Düsseldorf (see No 525) formerly Deminex - Deutsche Mineralöl-Explorations GmbH - established to regroup independent German oil industries) is proposing to link with its Yugoslav counterpart I.N.A. - Industria Nafta, Zagreb (see No 538) in prospecting a concession in Jordan. The main shareholders in Deminex are with 18.5% each, Gelsenberg AG, Essen (a 42.5% affiliate of the R.W.E. - Rheinisch-Westfälisches Electricitätswerk group), Wintershall AG, Celle and Kassel (of the BASF group) and Veba Chemie AG (formerly Scholven-Chemie AG, Gelsenkirchen-Buer), a subsidiary of the Veba - Vereinigte Elektrizitäts & Bergwerks AG group, Berlin and Bonn. A few months ago it made an agreement in the Gabon Republic with Elf Spafe - Ste Elf des Petroles d'Afrique Equatoriale, Port Gentil (a member of the French state oil group ERAP - see No 533), under which it acquired interests of 25%, 30% and 50% in three concessions in the Gabon (Mac, Loche and Banc du Prince) in return for financing three wells.

** CALTEX - CALIFORNIA TEXAS OIL CORP, New York, which is re-organising its European interests, the company being divided between its two founders STANDARD OIL CO OF CALIFORNIA, San Francisco, and TEXACO INC, New York (see No 520), has had the French STE CALTEX SAF SA, Paris, absorbed by STE CALTEX PETROLEUM SAF SA, which has received estimated gross assets of F 149.6 million and raised its capital to F 74.7 million.

** The Brussels PETROFINA SA oil group (see No 534) has extended its U.S. "Fina" petroleum distribution network, its New York subsidiary AMERICAN PETROFINA INC (under the 64% control of its local holding company American Petrofina Opera Mundi - Europe No 541

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Holding Co) having acquired 132 service stations and 250 other sales points in the Rocky Mountains. These have been run until now by TENNECO CORP, Wilmington, Delaware, a member of the group TENNESSEE GAS TRANSMISSION CO (see No 535).

PAPER & PACKAGING

** The Swedish group STORA KOPPARBERGS BERGSLAGS A/B, Falun (see No 540) has formed a Brussels subsidiary named STORA KOPPARBERG BELGIUM SA with Bf 200,000 capital. The parent company, which also produces non-ferrous metals, special steels and chemical products, already has paper sales subsidiaries in Milan and Amsterdam (see No 489), and it recently made a paper distribution agreement with the West German group Feldmühle AG, Düsseldorf.

** The Groningen paper group SCHOLTEN CARTON & PAPIER NV (see No 517) has negotiated a permit from PACKAGING CORP OF AMERICA, Evanston, Illinois (of the group TENNECO CORP, Wilmington and Houston - see No 535 and "Oil") to produce corrugated cardboard packaging in the South Limburg. They will thus form a joint subsidiary, LAURA KARTON NV, to employ some 150 people, and in which shares will also be held by the Belgian-controlled coal mining group NV LAURA & VEREENIGING, Eygelshoven (see No 487 and "Engineering"), also a Tenneco associate for offshore oil drillings in the North Sea.

** LA CELLULOSE DU PIN SA, which is the vehicle for the re-grouping of the paper interests of the French groups PROGIL SA (56% stake - now being absorbed by RHONE-POULENC SA - see No 535), CIE DE SAINT-GOBAIN SA (28.08% stake - see No 538) and PRICEL SA (see No 540), is to receive several new holdings: 1) from Saint-Gobain a 4.19% interest in PAPERIERIES NAVARRE SA, Paris (see No 534), and from the Saint-Gobain subsidiary STE EUROPEENNE INDUSTRIELLE SA, Paris (see No 399) a 7.6% stake in PAPERIERIES DE LA SEINE SA, Nanterre (see No 435), plus 2.7% in CARTONNERIES DE CHAMPAGNE SA, Paris (capital being raised to F 2.2 m - see No 532), and 24.3% in CIE DES EMBALLAGES PRATIQUES SA, Givet, Ardennes (see No 351); 2) from Pricel, 5.2% in Papeteries de la Seine, 12% in Cie des Emballages Pratiques, 1.3% in Papeteries Navarre and 99% in the Casablanca holding company PROCEL SA; 3) from Progil, 3.1% in Papeteries Navarre, 71.4% in PAPERIERIES DE CONDAT SA, Paris, on which it will also receive credit of F 21.2 million.

When all the formalities are completed, La Cellulose du Pin will be left with control of LA CELLULOSE DU MAROC SA, Casablanca (through Procel), 88% in Cartonneries de Champagne, 86% in Cie des Emballages Pratiques (49.8% of this through Agence Francaise de Papeteries SA - see No 347), 81% in Papeteries de la Seine, 74.2% in Papeteries de Condat (the balance held by Pricel will eventually be made over to it) and 14% in Papeteries de Navarre (the main shareholder of which remains CIE FINANCIERE DE PARIS & DES PAYS-BAS SA, through Omnium de Participations Financieres & Industrielles). It will thus raise its capital to F 106.05 million in all.

** The German GUSTAV STABERNACK GmbH, Lauterbach, owned by Mr. Wilhelm Stabernack and employing 1,200 people in the manufacture of card and card packaging (capital Dm 120,000), has formed an investment subsidiary at head office for home and international dealings, under the name HOLDING INTERNATIONAL GmbH BETEILIGUNGS- & VERWALTUNGSGESELLSCHAFT (capital Dm 100,000).

** LA ROCHETTE CENPA SA, Paris (see No 540) has linked 50-50 with the Marseilles food holding company RIVOIRE-CARRET-LUSTUCRU SA (see No 538) in forming STE ROCAPHANE SA in Lyons (capital F 3 m), to be run initially by MM. Georges Lasselin, Hubert and Jean-Pierre Carret and Pierre Franck. This is to make bags and packets from processed composite materials, mainly paper and plastic film. One of La Rochette Cenpa's most recent moves was to construct a corrugated cardboard packaging plant at Avignon, of 25,000 t.p.a. capacity.

** The American LITTON INDUSTRIES INC group of Beverly Hills, California (see No 539) has had its Belgian paper affiliate DECOTONE PERMACO SA, Genk (formerly Decotone SA, Braaschaat, Antwerp - see No 409), controlled by the Fitchburg, Massachusetts subsidiary FITCHBURG PAPER CO (see No 245) merge with HEWITT-ROBINS INTERNATIONAL SA, Brussels, indirect subsidiary of Hewitt-Robins Inc, Glenbrook, Stamford, Connecticut (see No 535). Hewitt-Robins International, with capital raised to Bf 1.25 million, has in fact absorbed Decotone Permaco (gross assets of Bf 90.8 m) and changed its name to DECOTONE-PERMACO SA, to become the second company of that name. It has removed its offices to Genk, where at the beginning of this year there was put into production a plant for register, vinyl-coated and high speed press papers.

PHARMACEUTICALS

** The New York chemicals and pharmaceuticals group BRISTOL-MYERS & CO (see No 521) is to invest over Lire 4,000 million in building a pharmaceuticals complex and research laboratory in the Mezzogiorno at Sermoneta, Latina. This will come on stream late next year and in full production will employ 1,500 people. It will be run by a new direct subsidiary in Latina, BRISTOL EUROPA SpA (initial capital Lire 620 m - president Mr. William R. Miller).

** The Hague chemicals, pharmaceuticals and yeast group GIST-BROCADES NV (see No 436), pursuing its veterinary interests, has taken over LABORATORIA DR. DE ZEEUW NV, De Bilt, which will remain under the directorship of Mr. F.A. de Zeeuw.

Its subsidiary KON. NED. GIST- & SPIRITUSFABRIEK NV, Delft, which is being combined with KON. PHARMACEUTISCHE FABRIEKEN v/h BROCADES STEEHMAN & PHARMACIA NV, Meppel and Amsterdam, recently decided to build an enzymes production unit at Bruges in Belgium, adjacent to its yeast and alcohol plant. To this end it has launched a convertible loan worth \$ 15 million on the Euro-currency market.

** The German SCHERING AG, Berlin and Bergkamen (see No 521) has raised its controlling stake in the Hamburg pharmaceuticals concern C.F. ASCHE & CO AG (see No 520 - capital Dm 1.6 m) to almost 100%, having raised its stake in 1966 from 25 to 45%, in 1967 to 49% and at the beginning of last year to 94%. The group's most recent home and foreign moves include: 1) takeover of the Munich glues and adhesives concern ISAR-CHEMIE GmbH (see No 482), plus its subsidiaries in France (Romand, Drome), Austria (Wels) and Portugal (Porto); 2) takeover of RAKOLL-WERKE PESCHKEN & STEWNER GmbH & CO, Nienburg, Weser (pharmaceuticals - see No 495) and PESCHEN & STEWNER GmbH, Buxtenude; 3) takeover through Isar Chemie of the Belgian glues concern ETS. E. LEDOUBLE SA, Drogenbos; 4) phased takeover of the Dutch NV INDUSTRIE- & HANDELSONDERNEMING "HAMEBO", Amerongen, a 50% affiliate since it took over Rakoll-Werke Peschken & Stewner (whose licence it holds); 5) a 50-50 link-up in the U.S.A. with MORTON CHEMICAL CO (of the group Morton International Inc) in a plant protection products venture, NOR-AM Agricultural Products Inc, Chicago, Illinois.

** LES LABORATOIRES MILLOT SA, Amiens, a member of the French pharmaceuticals production and processing group ETS FEVRIER, DECOISY, CHAMPION SA, Paris (see Nos 500, 531), is to absorb LABORATOIRES HENRI ROGIER SA, Asnieres, Hauts-de-Seine, and by receipt of estimated gross assets of F 1.3 million, raise its capital to F 3.83 million.

** NV PHILIPS' GLOEILAMPENFABRIEKEN, Eindhoven (see No 540) has formed an indirect chemicals and pharmaceuticals subsidiary in Amsterdam under the name ZOAN INTERNATIONAL NV, with Fl 250,000 authorised capital (20% paid up), and M. Henri J.H. Alers as director. This is under the direct control of the Amsterdam pharmaceuticals subsidiary PHILIPS-DUPHAR NV, and ranks as a sister company to ZOAN CHEMIE GmbH, Düsseldorf, (capital Dm 2.5 m), sub-subsidiary (through Aglukon GmbH, Düsseldorf) of Philips Duphar GmbH, Hamburg.

PRINTING & PUBLISHING

** As a result of the link-up between two Dutch printing concerns NV GEBR. ZOMER & KEUNINGS DRUKKERIJ "VADA", BINDERIJ & UITGEVERSMIJ., Wageningen (see No 527), a takeover bid for which has been launched by the group NV UITGEVERSMIJ. AE. E. KLUWER, Deventer, and KONINGSVELD & ZOON NV, Leyden, which covers heliographic processes, there has been formed a 50-50 subsidiary in Kerkrade named HELIO REPRO SERVICE NV. This has Fl 3 million authorised capital, 20% paid up. Its first directors are Messrs J.M. Bressner and K.J.A.F. Zomer, and at Kerkrade it is to build a factory costing Fl 6.5 million.

** The German publishing house OTTO MAIER KG VERLAG, Ravensburg (see No 485) has gained control of the Swiss competitor DELPHIN VERLAG AG, Zurich, and the German sister company of this, DELPHIN VERLAG GmbH, Stuttgart (capital Dm 600,000). Otto Maier is headed by Herr Otto Julius Maier and in 1966 with 500 employees

it turned over Dm 20 million, one-third of this from technical and children's books and paper backs, the balance accruing from its wooden family games and playthings. On the German market it handles the family and educational games of the American MILTON BRADLEY CO, Springfield, Massachusetts (see No 492), while it has a major subsidiary in Ravensburg, Graphische Kunstanstalt Maier GmbH, and another in the Netherlands, Otto Mai er Voor Het Benelux-Gebied NV, Arnhem, plus a licensee in Spain.

RUBBER

** The Paris company ETS HUTCHINSON SA (see No 500) has lowered its stake in its Madrid subsidiary HUTCHINSON, INDUSTRIAS DEL CAUCHO SA from 70.6% to 54.3% as a result of the latter's increase in capital to Pts 32.1 million.

** The Italian industrial rubbers (tubing, strapping and conveyor belts) and electric cables group DARDIANO MANULI SpA, Milan (capital Lire 3, 500 m - see No 352) has formed a Paris sales subsidiary named MANULI FRANCE Sarl with F 20,000 capital and Sig Mario Manuli as manager. The parent company, with plant at Brugherio, Milan, also produces adhesive and insulating tape through its Castelforte, Latina subsidiary MANULI AUTOADESIVI SpA, plus plastics for tubing, building panels, drums etc through its San Damiano-Brugherio affiliate, MANULIPLAST SpA.

** The French chemical and rubber concern PAULSTRA SA, Levallois-Perret, Hauts-de-Seine (see No 537) has bought back from its South African associate STEEL & POWER PRODUCTS (PTY) LTD the 40% stake it needs for outright control of its South African subsidiary PAULSTRA SOUTH AFRICA (PTY) LTD. Steel & Power recently became a 50% affiliate of the German rubber and plastics group CONTINENTAL GUMMI-WERKE AG, Hanover, which acquired its shares from CALAN SOUTH AFRICA PTD LTD, and which is about to re-name this company CONTI-CALAN (PTY) LTD.

SERVICES

** The New York group I.T.T. - INTERNATIONAL TELEPHONE & TELEGRAPH CORP (see No 540) has made a bid aimed at diversifying its interests in France. It has made a takeover bid for the Paris SA DES ETS PIGIER (capital F 3.3 m), which, headed by M. Yves Defaucheux, has an annual turnover exceeding F 11 million and is one of the main French private educational and correspondence course groups. The New York group also intends to make its Paris subsidiary STE DES PRODUITS INDUSTRIELS ITT SA into a holding company to which it will make over all of its French shareholdings with the exception of LE MATERIEL TELEPHONIQUE - LMT SA (see No 523), CIE GENERALE DE CONSTRUCTIONS TELEPHONIQUES SA (see No 517), LABORATOIRE CENTRAL DE TELECOMMUNICATIONS - L.C.T. SA (see No 447), all based in Paris, SICOPEL - STE INDUSTRIELLE DE COMPOSANTS POUR L'ELECTRONIQUE SA, Courbevoie, Hauts-de-Seine (see No 385) and CLAUDE SA, Boulogne-Billancourt (see No 517).

TEXTILES

** Herr Hans Schmidt has been appointed manager of the newly-formed Vienna company FILZFABRIK FULDA VERTRIEBS GmbH (see No 532). With a capital of Sch 100,000 this is a sales subsidiary for the felt goods made by FILZFABRIK FULDA GmbH & CO KG, Fulda.

** Four German linen weaving companies with an annual turnover of around Dm 60 million and some 2,000 employees, have agreed to cooperate in the research, development, production and marketing sectors. These are: 1) BIELEFELDER WEBEREIEN AG, Bielefeld (see No 368 - capital Dm 5.55m), owned by the Lossan family, which has subsidiaries in Milan, Springer Italia Srl, and Paris, Bielefelder Springer France Sarl; 2) A. W. KISKER KG, Bielefeld; 3) RAVENSBERGER SPINNEREI AG, Bielefeld (capital Dm 25m), one of whose shareholders is the previous company with more than 25%; and 4) CARL WEBER & CO GmbH, Oerlinghausen. The latter is linked to the previous company within Gesellschaft für Leinenspinnerei GmbH, Bielefeld, which coordinates their output from Ravensberger Spinnerei's factory at Hattorf and Carl Weber's factories at Bielefeld and Ummeln.

** The French wool group VANDEPUTTE FILS & CIE (V.F.C.) SA, Tourcoing (see No 353) has backed the formation in Tourcoing of MACKNIT SA (capital F 1m - knitted fabrics) with M. Patrick Luton as president. Control is shared by two Tourcoing subsidiaries UNION TEXTILE DE TOURCOING SA (capital F 5m) and FILATURES REUNIES DE FLANDRES SA (F 1.5m).

** The French jute and synthetic packaging textiles concern WEILL & CIE Snc, Paris (see No 448) has made an agreement with a similar British concern SCOTT & ROBERTSON LTD, Dundee, for the cooperation and promotion of their respective lines and in order to boost joint commercial expansion. They will thus form a 50/50 subsidiary named EUROPEAN TEXTILE DEVELOPMENTS.

** The Dutch textile group HATEMA NV, Helmond (see No 530), a public offer for which has been launched by the group TEXOPRINT NV, Helmond (see No 518), has linked with the latter in acquiring a 70% stake in VAN DEN BERGH'S FABRIEK VAN AUTO-ACCESSOIRES NV, Veghel. This employs 150 workers in its head office mill, plus another 30 in Belgium, in the manufacture of woven accessories for vehicles and electric blankets.

** SAEZ-VOGELS NV has just been formed in Amsterdam with Fl 150,000 capital, 50% paid up, to sell the textile products of the Spanish SAEX-MERINO SA, Valencia. It is 70% controlled by Srs Manuel and Joaquin Saez-Merino, who head the Spanish firm, the balance of the capital being held by local investors under M.Carel Frederik Vogels, Zevenhoven.

** The negotiations between two Dutch fabric companies which began several months ago (see No 523) between WOLLENSTOFFENFABRIEKEN J. J. KRANTZ & ZOON NV, Leyden, and J. A. BLOMJOUS NV, Helmond, have resulted in the latter's parent company, KON TEXTIELFABRIEKEN J. A. RAYMAKERS & CO NV, Helmond, taking a minority stake in Krantz.

** NOVO STYLE NV, Geldrop (capital Fl 450,000) under Messrs G.A.M. Brackel and L. der Heer, has been formed as a 50/50 venture to back the agreement in late 1968 (see No 490) between UNITED HOLTEX MILLS NV, Tilburg, and TWEKA TRICOT-FABRIEKEN NV, Geldrop (see No 533) covering fabrics for mens' and youths' clothes.

TOBACCO

** The Belgian ETS L. LACROIX FILS NV, Wilrijk, Antwerp, has gained control of the Dutch cigar manufacturer KAREL I SIGARENFABRIEKEN NV v/h H. J. VAN ABBE, Eindhoven, which will now be directed by Mr A.A.G. Meijero. The latter concern, run by Mr Albertus van Abbe, has a Belgian sales subsidiary under its own name in Arendonk, Turnhout, while Lacroix, which is headed by the Wilrijk investment company Romabel NV, already controls the Liege cigar manufacturer T.A.F. SA (capital Bf 20m).

Lacroix is closely linked to the French fine papers and cigarette filters group L. Lacroix & Fils SA (formerly SA d'Exploitations des Papeteries L. Lacroix Fils SA - factories in Angouleme and Mazeres-sur-le-Salat, Haute-Garonne).

TOURISM

** After two years of negotiations five European airlines, BEA - British European Airways Ltd (see No 490), BOAC - British Overseas Airways Corp Ltd (see No 528), ALITALIA SpA (see No 536), DEUTSCHE LUFTHANSA AG (see No 536) and SWISSAIR - SCHWEIZERISCHE LUFTVERKEHR AG (see No 490) have linked to form a joint Dutch holding company called E.H.C. - EUROPEAN HOTEL CORP NV, which will provide the operational basis for the establishment of a chain of large-scale economy-class hotels to be built in London, Frankfurt, Munich, Rome and Zurich. £21 million will be spent on building hotels with a total of 3,300 beds ready for use in late 1971.

The founders are linked in the holding company - which they control on a 75% basis - with leading European banks holding the other 25%: S.G. WARBURG & CO, London; BANQUE DE PARIS & DES PAYS-BAS SA, Paris; DEUTSCHE BANK AG, Frankfurt; BANCA COMMERCIALE ITALIANA SpA, Milan, and the UNION DE BANQUE SUISSES SA, Zurich. E.H.C. will have 51% of the capital of the subsidiaries to be formed in each country, with the remainder shared between the national airline or airlines and the company responsible for operating the hotels: Britain and France, GRAND METROPOLITAN HOTELS LTD, London (see No 505); Germany, INTERCONTINENTAL HOTELS GmbH, Frankfurt (see No 529); and for Italy, AEHOTEL SpA, Rome (see No 459).

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** The Canadian company CAPTAIN INTERNATIONAL INDUSTRIES LTD, Vancouver, British Columbia, has backed and taken a direct 50% stake in the formation in Amsterdam of CAPTAIN HOTEL SYSTEMS NV (authorised capital Fl 1m - 36% issued) which is headed by Mr J. A. Nieuwenhuis, Blaricum. The new company will trade in and lease throughout Europe, the Middle East and North Africa automatic distributors and communications systems for the hotel industry. Other shareholders with 25% each are the London finance company IONIAN FINANCE LTD (of the Ionian Holdings Ltd group through Ionian Bank Ltd) and the holding company Beheers- & Beleggingscompagnie "Silva Ducis" NV, 's-Hertogenbosch, a subsidiary of the merchant bank Firma F. Van Lanshot, 's-Hertogenbosch (see No 534).

The latter recently made into a majority stake the interest it acquired in 1964 in NV Financieringsbank Hufima, Eindhoven, which at the same time acquired the Amsterdam insurance group NV Nederlandsche Lloyd, as a new shareholder (see No 532).

** The Berlin travel agency INTRATOURS INTERNATIONAL TRAVEL TOURS GmbH, whose managing partners are Herren Karl-Heinz Hutschenreuter and Hans-Georg B. Rademacher, has formed a subsidiary in Hamburg called INTRATOURS REISE - ORGANISATION GmbH in order to boost its 20% share of the German market in charter flights to Eastern Europe, and especially to Russia. The Berlin agency which has offices in Moscow, Leningrad and Kiev carried some 6,500 persons in 1969 and expects to double this figure during 1970. Flights are arranged in conjunction with the Soviet state travel agency, INTOURIST.

** The Rheims champagne firm TAITTINGER - CIE COMMERCIALE & VITICOLE CHAMPENOISE SA and its almost wholly-owned subsidiary CONSORTIUM REMOIS Sarl have made over their respective interests of 52% and 4.4% in the STE DU GRAND HOTEL DE LA RIVE GAUCHE HOTEL LUTETIA SA, Paris (capital F 9.9m) to the STE DU LOUVRE SA, Paris. The latter which runs a department store and several hotels in Paris, will therefore raise its capital to 20.17 million, and Taittinger will acquire a 26.6% shareholding (1.6% for the Consortium Remois).

** The French brewery group BRASSERIE DE KRONENBOURG SA, Strasbourg (see No 519) has formed a Paris subsidiary called EURO STOP RELAIS - E.S.R. SA (capital F 500,000) with M. Henri Courtin as president. This will design, build and manage combined motel and service-station facilities.

** The Chicago group HILTON HOTELS INC (see "Finance" and No 540) intends to expand its Italian interests. It already has two new hotels under construction in Florence and Milan.

TRADE

** STEMATEX SA, Trappes, Yvelines (capital F 100,000 - see No 522) whose president is M. J.P. Strager, with M. Vlastimil Stanek as managing director, has just been

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established as an import-export concern trading with Czechoslovakia. The Prague state company STROJEXPORT has 30%, DESTA, Decin, TRANSPORTA TRUST, Chrudim, STRAVOSTROJ, Nove Mesto Nad Metuji, and UNICOVSKE STROJIIRNY, Unicov, all have 5% while MATERIEL & APPAREILLAGE MECANIQUE - MAM SA, Trappes has the other 50%.

** The Amsterdam industrial and commercial public relations and services company KOOPMAN & CO TECHNISCHE HANDEL-MIJ NV (see No 440) has formed a Paris sales company called KOOPMAN FRANCE Sarl (capital F 100,000), managed by Mr Hugo J.A. van Landuyt. Control is shared with its subsidiary KOOPMAN & CO BELGIQUE SA, which has a minority stake. The founder has two subsidiaries in Amsterdam, Koopman & Co Electronica NV (formed in 1968 to manage a Raytheon calculating centre) and Koopman & Co International NV (formerly Belzona NV). It forms part of the Rotterdam Bank voor Handel & Scheepvaart NV group through its Handels & Transportmij Vulcaan NV subsidiary (see No 528) and is the Dutch representative of a large number of American companies in the electrical engineering, electronics, engineering and scientific equipment sectors. These include AMV Corp, Jamestown, New York; Alden Electronic & Impulse Recording Equipment Co, Westboro, Massachusetts; Cleveland Trencher Co, Cleveland, Ohio; Ellicott Machine Corp, Baltimore, Maryland; Giddings & Lewis Machine Tool Co, Fond-du-Lac, Wisconsin; Mattison Machine Works, Rockford, Illinois; Redcor Corp, Canoga Park, California.

** LAFER GmbH (capital Dm 20,000) has just been formed in Hamburg under the management of Herr Agenor Tonussi, Gothenburg. It will import and distribute in West Germany the products of the Brazilian company MOVEIS LAFER LTDA, Sao Paulo.

** The absorption of the French branch store group L'ECONOMIQUE SA, Caluire, Rhone (see No 437) by the STE LAITIERE MODERNE SA, Lyons, will result in the latter being renamed CIE GENERALE DE DISTRIBUTION SA (capital raised to F 25m). The new group will have an annual turnover of F 600 million from 16 supermarket, 20 self-service stores and 1,140 traditional retail outlets.

** The French out-of-town discount supermarket group CARREFOUR SUPERMARCHÉ SA, which is considering the opening of a chain of similar supermarkets in Britain has formed a London subsidiary called CARREFOUR LTD (capital £100).

TRANSPORT

** TECHNIGAZ SA (see No 498), a 75.5% subsidiary of the Paris liquified gas shipping company GAZOCIAN SA (see No 535), has granted a licence to the Japanese SUMITOMO SHIPBUILDING & MACHINERY CO LTD, Osaka (see No 528) covering the manufacture of flexible membranes used for the underground storage of cryogenic liquids, chiefly liquified natural gas.

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** The American forwarding and international freight concern TRANSPORT POOL INC, San Francisco (see No 493) has extended its network to Belgium by forming an Antwerp subsidiary called TRANSPORT INTERNATIONAL POOL NV (capital Bf 1 m). The founder has been represented in the Netherlands since late 1968 by a Rotterdam subsidiary called Transport International Pool NV.

** STE FRANCAISE DE TRANSPORTS MARITIMES DE GAZ LIQUEFIES - SAGA - FRANGAZ SA, Paris (capital F 1 m) has been formed with M. Yves Perrin as president and M. Jacques Bayle as managing director, to carry out the technical and economic studies connected with the transport of liquefied chemical and petroleum products. The main equal shareholders are two members of the Paris ROTHSCHILD SA group (see No 538), the road and sea transport company S.A.G.A. - SA DE GERANCE & D'ARMEMENT SA (see No 514) and the oil investment company FRANCAREP - CIE FRANCO-~~A~~FRICAINE DE RECHERCHES PETROLIERES SA (see No 281). A token shareholding is also held by CIE DU NORD SA (see No 539).

** The German transport and international handling agents REIBEL AG FUER SPEDITION & SCHIFFFAHRT, NFL, PLAMPER & THAMER, Hamburg, Bremen and Stuttgart, has formed a Milan sales subsidiary called REIBEL ITALIANA Srl. With an authorised capital of Lire 15 million, this is headed by Herr R. Forstmeier.

** The New York international transport group AMERICAN EXPORT INDUSTRIES INC (see No 528) has expanded its Belgian interests by forming through its Luxembourg holding company AMERICAN EXPORT INTERNATIONAL HOLDING SA, a subsidiary called AMERICAN EXPORT INTERNATIONAL SA, Saint-Josse-ten-Noode (capital Bf 1 m) with Mr. Benjamin S. Tepper as president. Since June 1969 the founder has had a Brussels subsidiary, Interfreight Continental SA, and another in Antwerp, Interfreight Benelux SA (see No 517).

The American group is represented throughout the Common Market and in Italy its affiliate Italcargo Containers SpA, Rome (the general agent for the American Export Isbrandtsen Lines Inc - A.E.I.L. group) has recently opened eight branches in Florence, Milan, Leghorn, Naples, Turin, Genoa, Venice and Trieste.

VARIOUS

** VERNON & CO (PULP PRODUCTS) LTD, Bolton, Lancashire (of the VERNON & CO - SURGICAL DRESSINGS LTD group, Preston, Lancs), which makes pulp, ceramic, plastic and metal surgical receptacles and utensils, has formed a Belgian sales subsidiary called VERNAID EUROPE NV, Werken (capital Bf 1.2 m), in which it is linked (25% each) with GREENBANK ENGINEERING CO LTD, Blackburn, Lancs and LIMEHOUSE PAPERBOARD MILLS LTD, London, as well as with the latter's Belgian associate NV A. A. DEMEULENAERE & CO, Werken.

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** REGENT SPORTS GmbH, Fürth (capital Dm 20,000) has been established in West Germany as a sister company to the Swiss REGENT SPORTS GmbH, Aarau (capital Sf 50,000). Mr. Anthony D. Hammond, who had a 32% interest in forming the Swiss company, is manager of the new concern. The main founder of the Swiss company was the American REGENT GAMES INC, Long Island, New York (60%), while 6% is held by the Japanese businessman Mr. Akio Mukai, Tokyo.

CORRECTION

CHEMICALS: It was wrongly reported in No 540 Page C that B.A.S.F. - Badische Anilin- & Soda-Fabrik AG, Ludwigshafen, was linking in Antwerp with the ROYAL DUTCH SHELL group. The German group actually involved is FARBENFABRIKEN BAYER AG, Leverkusen (see No 537), which with Shell is building an isocyanates and polyurethane plant costing Bf 1,600 million on a site belonging to the German group's subsidiary, BAYER NV. The joint operation will be run by a subsidiary now being formed.

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