Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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EUROPA HOUSE ROYAL TUNBRIDGE WELLS KENT *TEL. 25202/4 TELEX 95114*

OPERA MUNDI EUROPE

100 Avenue Raymond Poincaré - PARIS 16e
TEL: KLE 54-12 34-21 - CCP PARIS 3235-50

EDITOR & PUBLISHER .. PAUL WINKLER
EXECUTIVE EDITOR .. CHARLES RONSAC
MANAGING EDITOR .... ANDRE GIRAUD

SWITZERLAND
54 Rue Vermont GENEVA
TEL: 33 7693

ITALY
72 Corso di Porta Romana MILAN
TEL: 540.301 - 540.309

BENELUX
4 Boulevard Anspach BRUSSELS
TEL: 18-01-93

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COMMENT

FRANC DEVALUATION

Last Year's Absurdity Makes this Year's Sense

The month of August in France is normally reserved for holidays with many firms closing down completely, while the capital is abandoned by most of its inhabitants, leaving the tourists to take over. This year, because of the country's economic situation and the need for action provoked in part by the "evenements" of 1968 and in part by the long period of low governmental activity, due to the resignation of President de Gaulle in April, and then the campaign to choose his successor, the government had been making a special effort to make up lost ground. When it was learnt that a special cabinet meeting was to be held at the Elysee on Friday afternoon, the general opinion was that this would be used to decide on various measures in connection with the 1970 budget.

The immediate effect of the decision taken at the cabinet meeting, a 12.5% devaluation of the French franc against the dollar or 11.11% against gold, was no doubt welcomed by the thousands of foreign tourists in France. The secret had been well kept. Since July 16, when the decision to devalue was apparently taken, only eight people including President Pompidou, Prime Minister Chaban-Delmas and Finance Minister Giscard d'Estaing had been in the picture. Even such apparently important ministers as M. Debre, the representative of orthodox Gaullism and the Foreign Minister, M.Schumann, did not learn of the decision till shortly before or during the cabinet meeting.

It was the ninth French devaluation since the war, and the thirteenth during the last forty years. The last time was on December 26, 1958, when General de Gaulle, who had come to power in May, decided to devalue the franc by 17.5%, an operation which was masterminded by the then Minister of Finance, M.Antoine Pinay, who may have also known or strongly suspected that this latest devaluation would take place.

Although the announcement on Friday night came as a surprise, such a move had nevertheless long been expected. Some observers were already surmising about a devaluation of the franc before the 1968 "evenements" but these really made it inevitable, despite the whole series of remedial measures taken since then. In fact on Monday August 11, President Pompidou said that he had been convinced since July 1968 that devaluation would take place, - and it has been said that he tried to bring it about then - although General de Gaulle was right not to have devalued during the November crisis since this would have been bowing to speculative pressure. It would have been a fearful humiliation for the General coming only a few days after his statement that devaluation would have been "the ultimate in absurdities".

Apart from keeping the decision to devalue secret from everyone in France, no single person outside the country learnt of it till afterwards. The lack of preliminary consultations within the EEC flouted Common Market rules, and M.Rey the President of the EEC Commission, spoke in no uncertain terms about this on Monday. Furthermore the IMF was not informed, although its executive board did meet in exterordinary session on Sunday morning to approve the French move. The French Prime Minister had to some extent covered his positions by saying that new parity of the franc would be fixed""after the consultation provided for by the international monetary agreements". As matters stand at present, France has not asked the IMF for any loans or further assistance.

The amount of the devaluation is broadly in line with that fixed last November at the meeting of the Group of Ten in Bonn and this may help to explain why international organisations and other countries were not informed. Furthermore, no other major currencies are expected to fall - at least in the immediate future - even though the pound has been behaving in an uncertain manner since the markets reopened on Monday. There is also an important political aspect from President Pompidou's own standpoint. If this devaluation succeeds and the French economy can be modernised at the same time, the last three of four years of his tenure of the Elysee could provide him with an opportunity to concentrate once again on foreign policy. In the meantime however domestic matters - and this includes European questions - will be likely to take up most of the government's time.

Can devaluation succeed ?

Any change in a country's parity needs to be accompanied by a whole series of measures to ensure that it succeeds and today such steps can be fairly complicated because of the need to consider other countries - especially within the Common Market - and international trade and economic developments, as well as international rules such as those established under the GATT and IMF agreements.

Since the strikes and riots last year, France has had to undergo several feverish bouts of speculation plus an all-out attempt by the government to re-establish the economy by trying to increase expansion and output at a faster rate than inflation. Granted exports have grown at a considerable rate, but imports have increased even more rapidly, even though the latest trade figures out for July indicate that a slight recovery was on the way. Furthermore the reserves have been gradually depleting and since devaluation it has been revealed that the true rate of losses during the past year was $4,700 million compared with the official figure of $1,960 million. If this trend had been maintained until the end of the year, the country would have had empty coffers as well as being very heavily in debt making any recovery even more difficult. Devaluation is no doubt better than imposing trade restrictions, which would create even more problems within the European Community, and President Pompidou has said that otherwise a policy of brutal deflation would have had to be imposed with "unbearable sacrifices and massive unemployment ... and which besides would endanger our investments and hence our future." However, deflation of consumer demand will be necessary to cut expensive imports, and given that a recent study by the INSEE shows that there is a feeling of "spend now, just in case" in France, as there was last year in Britain, this will no doubt pose some problems. The country has its industry working at capacity, while unemployment is low - so to switch production to exports, without taking measures that may distort trading patterns in the Common Market may not be easy.

Prices of goods will rise, and although this could limit some imports, they will take some time to bite, so the trade balance is likely to worsen in the immediate future. The cost of living in France, which before devaluation was expected to rise by 6% over the whole year, is now expected according to official statements to rise by another 3%. Most observers feel that this is somewhat optimistic, but the unions are already threatening to press for further wage increases - this was expected in any case - and devaluation has been under fire by both the C.G.T. - the Communist union and the C.F.D.T. as an attack on the interests of the working class, even though the government has already said that it will take measures to prvent hardship for the less-favoured members of the population. However, the signs are that the workers will lose most if not all of what they gained last summer, creating a situation fraught with problems. As we will see later the rise in agricultural prices under the Common Agricultural Policy will be spread over two years, and the government has in any case announced a general price and distribution margins freeze until September 15 so that full details of the programme to make the best use of devaluation can be prepared. One can only hope that the French government acts with more effect that did the Labour government in November 1967, although the trend in British exports seems to be improving considerably.

One aspect which M.Chaban-Delmas, and other members of the government have stressed is the need to restructure French industry and make it more competitive. Devaluation could well give a welcome a fillip in this direction, if its effects are carefully controlled, but it also means that further economies in government expenditure will be required. Yet such expenditure is needed to provide the basis of future expansion, so the coming weeks - and probably months - will see what the French call "des revisions dechirantes". Prestige projects such as the Concorde may be affected, or at least there will be no quickening in production should its supersonic testing flights during the coming autumn prove successful. The "force de frappe" and the new series of nuclear tests announced for next summer are perhaps more likely to be cut, and at the same time this increases the attractiveness of some form of nuclear co-operation with Britain. Other forms of technological co-operation such as the Airbus and European space projects will be threatened, the latter when already in a parlous state. It has been suggested that the French government will now come round to the British view of assessing projects more on commercial grounds instead of the Gaullist prestige criterion.

Fourteen African countries in the Franc Zone have already followed the decision taken in Paris and a decision by Tunisia is expected within a few days. Both Algeria and Morocco have however stated that they do not intend to change the parity rate of their currencies.

The 12.5% devaluation of the franc against the dollar is not a large amount, and since Friday it has become apparent that Paris is still awaiting an upwards move in the parity of the West German Deutschemark, as this would strengthen the effect of the French move, as well as helping other major deficit countries including Britain.

Bonn: Revaluation Row Starts Again

In West Germany with the elections for the Bundestag less than two months away, and the SPD - supporters of revaluation - ahead of the CDU in the opinion polls, the news of the French decision came as a surprise, especially as Chancellor Kiesinger was in Washington on an official visit to President Nixon.

The news was welcomed and was described by the government spokesman Herr Ahlers as "an important step towards the readjustment of distorted parities". It was thought by circles close to Herr Strauss the Finance Minister on holiday in France, that the move would lessen speculation against the Dm. Anything which would do this is obviously certain of a warm welcome in this tense pre-electoral period, as speculation against the Dm is expected to start. This will probably take place anyway, even though the West German government will take further counter measures. It is also felt that Herr Strauss was hinting that the parity of sterling should be altered once again, while Chancellor Kiesinger said over the weekend that Germany was ready to support the pound. At the same time Dr. Kiesinger made it clear that the Dm would not be revalued even though this would be welcomed in a number of quarters outside West Germany. Inside the country there is however a strong current of opposition to such a move because possible excessive competition, in addition to the growing fear of Japanese rivalry. If the yen were also to be altered in value, the situation would be different.

Although there is more opposition to revaluation, it could still come as part of a general realignment of parities, or even as a unilateral decision to try and control the present boom with which the German economy is faced, if this looks like continuing well into next year. And on Tuesday the SPD said that international parities remained out of line, as the size of the French devaluation left scope for a reasonable German revaluation.

Rome: Additional Problems for New Government

In Rome it was not felt that the lira would be in danger, and further that there was no question of it being revalued. Nor were overall exports considered to be in any immediate danger, although exports to France of cars, clothing, industrial goods and agricultural products would probably suffer. Signor Rumor, the Prime Minister in the new Christian Democrat government, maintained that it showed that the need to reach agreement over international monetary matters was now more urgent than ever. The biggest problem in Italy's case is the continuing lack of confidence due to the political uncertainty prevailing in the country, which has resulted in considerable exports of capital this year at a monthly rate of around £60 million sterling.

Brussels: Exports to France Hit

In Belgium, denials were quickly issued to deny rumours that the Belgian franc would be devalued, as it is felt that any French devaluation would have to be nearer 15% for the Belgian franc to follow. However the economy is growing at a rapid rate, with a worsening balance of payments situation. Since Belgium, like the other Benelux countries, exports on a large scale to other states in the Community, its trade will be affected by the French move. During the past year exports from the Belgium-Luxembourg Economic Union to France have risen by 43%, amounting to 22% of French imports from Community countries. Sectors likely to suffer are furniture, transport equipment, foodstuffs, plastics and chemical products. Even though official circles feel that the country can withstand any immediate pressure, monetary developments in the coming months, especially a decision to revalue the mark could change the outlook.

The Hague: Waiting for Bonn

The French devaluation came as a surprise for the Dutch government and banking circles. The Finance Minister, Mr. Wittveen said that M. Chaban-Delmas' government had preferred develuation as a means of restoring the balance of payments situation rather than a continuation of existing deflationary policies. For the time being he did not expect that the move would have much effect on other foreign currencies. Banking circles consider that West Germany will now be hard put to avoid revaluing the mark, but even so this is unlikely before the elections. The florin's future is uncertain, and depends on decisions taken in both Bonn and London.

THE COMMON MARKET

Monetary Committee Approves Devaluation

The devaluation of the franc was as much as a surprise for Community officials in Brussels - and on holiday - as for anyone else, but immediately steps were taken to call a special meeting of the EEC's monetary committee, comprising top civil servants and central bankers to discuss what had happened. No official statement was issued but its members are known to have examined all implications of the French decision, and in particular the size in the change of the franc's parity.

Under EEC regulations concerned with develuation or revaluation, the Council of Ministers has to meet within three days to decide whether or not to alter the value of the unit of account, equivalent to the US dollar. Since the whole common agricultural price structure is based on the unit of account, and French farmers already produce massive surpluses it was clear that some action would be needed to ensure that French agriculture did not get a sudden boost in its fixed prices, which would also have the effect of stimulating increased French exports of agricultural produce. The Commission is responsible for proposing any change in the value of the unit of account, but although it had not yet formulated any proposals at the time of the monetary committee's meeting, it was already strongly hinted that no change would be advocated. The monetary committee did however agree that the French government should take steps to protect the French market from a 12.5% rise in the price of agricultural products. This was of course an essential factor, for if the French consumer had to pay the full value of the new prices, the benefits flowing from devaluation, bearing in mind the other consequences, would have probably disappeared by the end of the current year, and the threat of serious trouble from the unions would be certain. Furthermore the meeting on Sunday agreed that the French decision was an isolated one and that there was no reason why any other member country should have to follow.

The lack of prior consultation between France and her Common Market partners does not seem to have raised too many problems, as it felt that the principle of a devaluation had been agreed last year at the emergency meeting of the Group of Ten in Bonn. Nevertheless last week's decision by Paris proves once again that although the Six have long discussions as to how to improve the monetary and economic operation, there is still some way to go before the suggestions which have been made are put into practice. However if the devaluation of the franc helps to restore the balance between the economies of the EEC countries and especially between France and West Germany, it could make the establishment of increased cooperation easier, by removing a potential threat to stability. For the time being, the situation is still uncertain because of the pressure in some quarters to revalue the DM.

Cold Storage for the CAP

When the Council of Ministers joined in special session at 11 a.m. on Monday morning, the Commission had already met at 8 o'clock to discuss the situation. The main topic to be dealt with by the ministers was how to tackle the problems raised for the agricultural policy. After a long-drawn out debate, which ended at 5 a.m. on Tuesday morning, it was agreed to adopt a series of measures isolating the French agricultural market from the rest of the Common Market, in order to cushion the effect for the French consumer. If this was not done, French farmers would have had a sudden increase in income, while the farmers in other EEC countries would have their income cut, a move which would hardly be popular, especially in West Germany with the parliamentary elections rapidly approaching. The Dutch opposed the Commission's proposals for isolating the French market on the grounds of that such a move was contrary to the principles of the Community, and instead suggested that French farm prices should be increased by the full rise in value occurring as a result of devaluation, while farmers should be taxed and subsidies introduced for consumers, but only to the end of this year. The Belgians also had doubts about the Commission's proposals, and favoured the idea of adjusting the French TVA system to deal with the situation. Eventually however agreement was reached on the understanding that the Commission would report to the Council of Ministers by November 30 as to how the measures adopted were working and also offer any supplementary proposals. These involve a reduction in the intervention price level under the CAP of 11.11% for French farmers during the remainder of the 1969-1970 season, while for the following season this would be fixed at 5.6% lower than the CAP intervention price elsewhere in the Community. To ensure that there is no overall distortion of the CAP - even though one of its main principles, common prices throughout the EEC have now been suspended for at least a year - French exports of agricultural produce will be taxed, while imports into France from other Common Market countries will be subsidised. As a result of Dutch insistence, all of these arrangements will be reviewed product by product next summer, but if no changes are made, it will not be until the summer of 1971 that the CAP will be fully established.

During the meeting, the President of the Commission, M.Jean Rey criticised the fact that France had not consulted her partners on Friday and then develued on Saturday or Sunday. Calling the decision a "thunderbolt" he said that if member countries did not observe the 1964 ruling of the Council on such an important matter, it did not bode well for other forms of cooperation within the Six. However he also called on member countries to give France the maximum support during the period ahead. M. Giscard d'Estaing defended the decision not to consult on the grounds that exchange markets would have had to have been closed, leading to speculation against the franc and other currencies.

Although France has been the strongest defender of the immutability of the CAP, the Minister of Agriculture, M.Duhamel claimed afterwards that he was satisfied with the outcome. He also said that Britain's entry could result in the CAP undergoing an adjustment which could include a marrying of the two different concepts for helping agriculture.

MAIN FRENCH IMPORT SOURCES IN 1968

Country	franc millions	%	Country	franc millions	%
West Germany	14,750	21.3	Denmark	352	0.5
BLEU	7,171	10.4	Zambia	334	0.5
Italy	6,557	9.5	South Africa	332	0.5
U.S.A.	6,511	9.4	Argentina	318	0.5
Netherlands	4,219	6.1	Qatar	302	0.4
Britain	3,252	4.7	Gabon	296	0.4
Algeria	2,786	4.0	Congo	287	0.4
Switzerland	1,728	2.5	Norway	271	0.4
Sweden	1,363	2.0	China	262	0.4
Iraq	1,358	2.0	Austria	253	0.4
Morocco	933	1.3	Martinique	227	0.3
U.S.S.R.	899	1.3	Malaysia	223	0.3
Libya	879	1.3	Rumania	219	0.3
Ivory Coast	869	1.3	Poland	216	0.3
Spain	864	1.2	Chile	216	0.3
Australia	627	0.9	New Zealand	213	0.3
Kuwait	623	0.9	Venezuela	211	0.3
Japan	604	0.9	Madagascar	208	0.3
Canada	578	0.8	Greece	201	0.3
Muscat	570	0.8	Tunisia	201	0.3
Brazil	473	0.7	Reunion	198	0.3
Senegal	451	0.7	New Caledonia	197	0.3
Finland	384	0.6	Portugal	185	0.3
Saudia Arabia	382	0.6	East Germany	179	0.3
Iran	364	0.5	Other countries	3,655	5.2
Cameroun	358	0.5			
TOTAL IMPORTS:	F 69,163 million				

The possibility of delaying the full introduction of the CAP for another two years obviously could be important if Britain starts negotiations for membership. Although it is uncertain whether France will oppose negotiations, before agreement on the future financing of the CAP - due by the end of the year - M. Duhamel's remarks are indicative of the increasing attraction of the British system for the French. It certainly sets a precedent for measures to overcome agricultural difficulties, thus strengthening the case for these if new countries join the Community.

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THE WEEK IN THE COMMUNITY

August 4 - August 10, 1969

EURATOM

Yet Another Non-Starter

There seems to be something almost pathological about the inability of the Six to achieve any sort of progress in the nuclear field. With the June 30 meeting of the Euratom Council, we were led to believe that the atomic community of the EEC was at last about to climb out of the rut, and that a few month's steady spadework by the "backroom boys" in Brussels would at last see a workable modus vivendi formulated, in the guise of a pluri-annual research programme that would boost the Community, not just keep it on its feet. After that meeting, which it is true only came up with the voting of the second half of this year's budget (see No 520), the Commission was at least delegated to pursue its work on research formats, and it did look as though, through legalistic and diplomatic juggling, some type of "concertation" regime might be fashioned.

The fact is, however, despite the Council's directive and the softer line we were led to expect after the French presidential elections, that the Atomic Questions working group in Brussels - the forum of national experts put to this task - has got absolutely nowhere in its supposed preparation of the first draft version of the pluri-annual research budget, based on the ministers' appraisal of the Commission's formula, and designed to ensure optimal utilisation of the Joint Research Centre facilities at Ispra. At the end of July the Permanent Representatives' Committee examined an interim report submitted to it by the Atomic Questions group, whence it became painfully obvious that the group had achieved absolutely nothing, and that not a single delegate had budged from the position adopted twelve months and more ago - stalemate, as ever. At this stage, then, we can hope for nothing better than the devising of a joint programme out of those research projects that are inscribed in this year's scaled-down budget (only half its content at that, the remainder being "complementary programmes" as inveigled out of the rest by France) and which the Commission has already slammed, as totally inadequate for the purpose of keeping Ispra alive.

As things stood just before the summer recess, it looked as though the Six would reach concensus on enough research projects to keep some 600 personnel - a mere fifth of the total workforce - gainfully occupied at Ispra. The experts have failed even in this, and so the Atomic Questions group has had to place the matter in the hands of the ambassadors to the Communities, to whom it now falls either to formulate their own solution, or to give their experts fresh terms of reference, allowing them at last to find a way of getting work resumed at the Research Centre.

The Permanent Representatives have in fact managed no better than anyone else to galvanise the experts into action, and one delegate was quite clear in his own mind that there was nothing political involved - this was a straight technical problem. As far as he was concerned, the job of the Commission has been to put forward suggested research projects; should any of these prove of insufficient interest technically, then it should be dropped, for the main thing is not to keep the research centres in business, but to ensure continuing technological progress in the nuclear field, success in which can be measured directly in terms of "spin-off", the commercially exploitable fruits of research, be this national (private or public) or Community work. Suffice it to say that the delegate in question was very much in a minority, and that the vast majority of the Permanent Representatives were only too well aware of the political charge that this issue carries, at a time when the Community is on the point of launching a major programme of scientific and technological cooperation in the seven sectors cited in the Aigrain Committee report. Although Ispra is but one cell in the complex organism of Community research, it would be the utmost folly for the Ministers to deny it its pluri-annual research budget: not only would this be a fatal deprivation for Euratom, it would also spell the end of an establishment that, while in need of a facelift, can be of the utmost utility for research both within and beyond the nuclear field. M. Spierenburg, chairman of the Committee of Representatives, has already expressed his earnest wish that the next few weeks will see fresh directives from their governments reflected in his colleagues' attitudes, but if such progress is not forthcoming, he plans to "take it to the top", and demand satisfaction of the Foreign Ministers' Council, which convenes on September 15.

In short, not one of the general problems cited in the resolution passed by the Council on June 30 has yet been solved sufficiently for the drafting of the five-year programme to get under way. Especially ticklish is the question of the legal framework within which Euratom would be able to carry out research and projects chosen by, and attracting the backing of less than all six member states. Neither the Commission nor most member states have much time for the "complementary programmes" device first tried, and they will have to cast about for an alternative formula, to cover projects not voted unanimously. According to jurists in Brussels, there is scope written into the Treaty for this kind of thing, covering the whole range of activities, from:

a) contract work, i.e. special tasks requisitioned by companies, using only existing Research Centre capacity and paid for by the companies placing the work, to:

b) special programmes occasioned by proper intergovernmental decisions, and which could well lead to substantial increases in the actual capability of the Research Centre, and to fresh investment therein.

With contracted work, the problem is to establish a tariff of charges for services rendered by the Centre. Quite simply, the experts have failed completely to advance any suggested rates that could possibly make the Centre a more attractive proposition to EEC companies tendering for work than any commercial rival - as yet, there has been no sign of competitive rates being offered. Apparently, what suggestions have been tabled to date have been based on the cost price of research, and it has quickly become apparent that this is no criterion to work on, not if full exploitation of the Centre is to be achieved. The only logical way of getting round this in fact is for capital investment and amortisation at the Centre to be written into the common budget, thus bringing the debit side of the costing process down sufficiently to make the Centre a viable concern when exposed to normal commercial conditions. Indeed, still more edge may be obtained by pruning out also much of the personnel cost of contracted work, salaries and so on being included in their turn in the common budget, rather than in the price of work done for industry.

Non-nuclear activities, while as difficult a problem as any that arises in connection with the Joint Research Centre, are in fact the key to the whole exercise of bringing Ispra back to life. The picture is clouded here by the fact that the legal departments of the Commission have gone through this aspect with a fine-tooth-comb, and unfortunately have come up with the decision that the Euratom Treaty does not allow of the Centre taking on non-nuclear research unless this is allied to, or the outcome of nuclear activities as such. Thus there is nothing for it but to modify the text of the Treaty, or to append a protocol thereto, which alas in either case would involve the protracted and tedious process of ratification by the national legislatures of the Six.

Yet another spanner has been tossed into the works by a number of the delegates, who have refused to discuss sections of the Commission's pluri-annual programme suggestions on the grounds that these (European Reference Office, nuisances and data processing) are already covered by the Council's agreed provisions for non-nuclear scientific and technical cooperation under the Aigrain scheme. The quibble is that it would be illegal to use the machinery devised for the adoption of nuclear research programmes for the purpose of setting in motion non-nuclear research projects. This, despite the fact that as long ago as December 8, 1967, the Council foresaw the possibility of including such work in the research activities of Euratom, and regardless of the general agreement of member states with the Commission that the vagaries of seeking a legal format for such activities should in no way hamper the optimising of facility exploitation at the Centre by whatever means come to hand.

Problems and yet more problems, then, have still to be faced, and nobody can argue their way out of the fact that it is the political will, as ever, that must be found for progress to be secured. More than one member state is to be found wanting in this respect, and indeed it is hard to see how even the emotional willingness could be mustered by certain of them, when they are passing through a phase where even their national nuclear budgets are being pruned left, right and centre.

* * *

E.C.S.C.

Energy Policy: Ministerial Blitz in the Autumn

In October, the Council of Ministers is to devote one meeting solely to energy problems, and the discussion will of course centre on the two outstanding issues of the moment:

a) the common energy policy, in the context of the "Commission's initial guidelines for a Community energy policy".
b) the matter of coke and coking coal supplies to the E.C.S.C. steelmaking sector.

A group of national experts from the Six has been working all-out on preparing matter for this critical debate, the first major attack on energy problems at top level since the ratification of the former High Authority's Decision 1/67, whereby there was instituted a system of aid for steelmaking coking coal and fines. Expert discussions to date seem to show that there are a great many points on which we may expect to find consensus between the Six, certainly as far as the Commission's initial guidelines are concerned. Nevertheless, nobody is very willing to go on record at this stage, and the experts tend to preface any remark with the proviso that the scope of the Commission's plans cannot be assessed until it comes out with the concrete proposals foreshadowed in the guidelines: things then might not be quite as rosy in the garden.

There is at least no danger of any member state sabotaging the principle of a common energy policy, that much is certain, as is the fact that such a policy will hinge upon the principle of the consumer's interest, and ensuring him constant supplies at minimal cost to the Community at large.

It is not the ends, however, but in the means of achieving them that we may find the energy debate less plain sailing: the Six could very well come to blows over the implementation of the C.E.P., especially when the interventional devices in question appear to be running contrary to the principles whereby any member or members direct their own national economies. Anticipating this, the Commission has remained firmly "middle of the road" in its suggestions, staying always somewhere between the liberal philosophy of allowing the free play of the market to dictate policy and a more dirigiste tendency to practice intervention and forward planning in ensuring Community energy supplies. In other words, the Commission's idea is to allow the play of competition in the first instance to set the pace and direction, as the Community will be getting more and more dependent upon supplies from third countries. At the same time, it appreciates that certain modes of intervention are going to be needed in order to have some sort of rein on the pattern of supply and demand, firstly to keep it under surveillance, and in case of necessity to bring it back into line with the aims of the common policy. Surveillance is by far the most important of these two functions, however, as outright meddling in the pattern of trade is regarded with the sort of chariness that we attribute to the "failsafe" button in the realm of defence.

Much stress is laid by the Commission in its scheme on the question of formulating medium-term projections and directives for all the various energy forms, and it hopes to get going within the Community an increasing degree of alignment of approach, method and policy between the energy-producing sectors.

We have outlined what the experts feel should be the basic agenda of the Council when it meets in October, although they feel that there should be appended to this a catalogue of problems peculiar to the various energy products, headed of course in the mining sector by the continuing difficulties of tailoring coal extraction to the scale of the market, of subsidies for coal-mining, and again of coke and coking coal supplies to the E.C.S.C. steel sector.

On this score, the Commission reckons that world supplies of coking coal should be adequate, in quantitative terms, up to 1980, an opinion endorsed by the experts from the Six. The same goes for its assertion that the United States will continue to be by far the most important supplier of this commodity to the Community, and that there is really no question of any diversification of supply on any appreciable scale.

Against this, the Commission does throw into the scales its expectation that the competitive standing of Ruhr coking coal will improve in the coming years, such that production costs will probably remain steady over the next decade, while American coking fines will probably suffer a c.i.f. price increase during this period of the order of 1 - 3 dollars, which would represent a considerable chunk out of the cost advantage of American coke over Community supplies. There was in fact some contention on this score: some experts disputed hotly the assumption that American coke would get dearer, no less than the expectation that things were about to look up in the Ruhr. After all, to do this would mean that Ruhr mines would have to boost production by some 8% per annum throughout the Seventies, which is something they have never yet even looked like achieving.

In this first paper, the Commission makes no attempt whatever to draw conclusions as to the likely future pattern of supply in coke to E.C.S.C. steelworks. In particular, it remains completely mute on the critical question of the future of the 1967 coking coal and furnace coke aid mechanism, due to terminate at the end of this year. Nevertheless, it is pretty clear from recent preparatory work done by the Commission's teams that nothing could be further from its mind than simply looking on while a system that has done so much for the stability of the E.C.S.C. in recent years just gets written out of the rule book. Not only has this aid effectively eliminated discrimination between Communtiy steelworks according to whether their supplies were culled from Community or third countries, but also it has made it possible to retain a strong nucleus of extractive activity, where otherwise we might have seen the complete collapse of coal-mining in the Community. Whatever formula the Commission comes up with as the continuation of this form of aid, albeit in different guise perhaps, this is bound to be written into the broad lines of the C.E.P.: one can be sure also that safeguards against discrimination based on choice of supply source will also be included.

Bear in mind here that in recent months the Community has been suffering a shortage not of coking coal, but of furnace coke. The German coking plants recently announced that the shortage for the whole of the current year would come to something like two million tons, reflecting the fact that fairly widespread coking plant closures have coincided with the present boom in steel production. Not only this: we have had also a marked increase in the number of gas-producing plants closing down in the Community, especially in West Germany, where the pattern tended to be for gas suppliers to produce as their by-product coke for use in the home. Domestic users have therefore become an added drain on coking plant operators, at least up to the time when they convert to such alternative fuels as oil or natural gas.

There is, however, the history and investment side of the coking plant situation to be taken into consideration. In its recent report on investment in E.C.S.C. Industries, the Commission states that the coking plant operators of the Six expect their combined capacity to fall by about one million tons before 1972, the three million ton reduction anticipated by pithead plants being in large part offset by a two million ton increase in the capacity of coking plants sited adjacent to coastal steel plants. Once we take account of the age distribution of the various coking plants currently operating in the Community we are in fact faced with an impending need to boost investment in this particular type of capital installation. However, the investment capacity of the coking sector is low indeed, and for a whole host of reasons, the most important of which is undoubtedly prevailing uncertainty as to the future economic and technological development of both steelmaking and coke production, coupled with the running losses now being suffered by E.C.S.C. coking plants that are having to contend with declining prices for their other by-products, such as benzole, coalgas, tar and so on, which are produced more cheaply now from crude oil by the petroleum industry. This being so, specific investment expecditure by the coking sector has, as a Community average, fallen from \$ 0.63 per ton of coke produced in 1960 to only \$ 0.39 in 1967, since when little if any improvement has been registered.

Quite apart from supply problems as such, therefore, we have the tricky question of coking capacity availability. It is all very well for the Six to be able to acquire supplies of coking coal outside the Community: such is the price of the coking process that they have little choice but to use coke processed on Community soil. Unfortunately, the structure of this sector is such that the larger part of capacity is commanded by the pithead coking plants, which in fact have their own supplies of coking fines on the spot, and are anyway "an expensive distance" from imported supplies of coal. So, if a valid solution to ensuring steelmaking coke supplies in the E.C.S.C. is to be found, it will have to incorporate provisions for maintaining the extraction of Community coking coal, until such time as phasing-out becomes possible.

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Terms of Reference for C-O-P - Esperance-Longdoz

On August 6, the EEC Commission published in a communique the conditions to which its approval of the merger of the Belgian steel companies, Cockerill-Ougree-Providence and Esperance Longdoz (5.7 million t.p.a. production - two-thirds of Belgian output), will be subject. The Commission is acting under article 66 of the Paris Treaty, which demands that all mergers or concentrations in the Community steel industry must be submitted for its appraisal, and vetted against the possibility of restricting production or distribution, or distorting competition or establishing market domination.

As stated (see No 522 p.9), the latter danger is not considerable in this case, as only 6% of ECSC steel production is involved, but the ramifications of this particular industrial network are such that a far larger slice of the steel market could have been prone to the harmful practices of an "effective grouping". The saving grace found by the Commission, however, as expected was in the semi-autonomous standing of the Luxembourg steel combine ARBED. To recapitulate, the C-O-P/Esperance Longdoz merger is to be effected by the purchase of shares in the latter by the Societe Generale de Belgique, by the Societe de Bruxelles pour la Finance & l'Industrie - BRUFINA and by COFININDUS, the Compagnie Industrielle & Financiere. Now these concerns, in association with various French interests in particular, and notably the Schneider SA group also control ARBED and its 41.3% affiliate SIDMAR - Siderurgie Maritime of Ghent. Sidmar's equity holders embrace, either directly or indirectly: Union Miniere, Generale de Belgique, Cofinindus, Cockerill-Ougree-Providence, Schneider, Mosellane de Siderurgie, Arbed and the Italian Lombarde Falck. Generale de Belgique's stake in Arbed is 14.8%.

Clearly, with such a tangled web of crossed holdings, the Commission could not allow the merger to go through without safeguards. In the event, it has settled for requiring of Generale de Belgique that it refrain from raising its stake in Arbed without first referring to the Executive. In addition, the Commission demands that as from January 1971 the Sidmar steel marketing regime be altered. Of late, cold-rolled sheet produced by Arbed and the other companies involved has been subject to a joint sales pact. This must be terminated, and as from the year after next, Sidmar products will be sold separately by the respective sales organisations of Arbed on the one hand and the new Cockerill-Ougree combine on the other. A final proviso is that there be no personnel links between the competing companies.

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AGRICULTURE

Payments From EEC Farm Fund

The EEC Commission has now published its allocations for the second instalment of aid from the common agricultural fund FEOGA (Fonds Europeen d'Organisation et de Garantie Agricole) for 1968. This aid comes from the guidance section of the fund, which deals with structural improvements in the production and marketing of agricultural produce. It has available for distribution each year one third of the total spent by the guarantee section on market support in the preceding year. The total for 1968 was $123.5 million, of which $37.5 million was disbursed in the first instalment before the end of the year. A further $28.6 million has already been allocated by the Council of Ministers - $4 million to make good losses caused by the serious outbreak of swine fever in Italy in 1967, a similar sum for research on agricultural structure, $1.5 million for counting the EEC pig herd, $200,000 for setting up fruit and vegetable producer groups, and somewhat less than $20 million for modernising Italian fruit and vegetable production.

The $57.4 million now being allocated brings the two instalments to a total of $94.9 million or slightly more than the total payments for the three years 1965 to 1967. The 1969 allocations are expected to rise to $160 million without including the $70 million earmarked for implementing the Mansholt plan or $50 million reserved by the Council of Ministers for special projects.

FEOGA Guidance Allocations, 1968

	1st instalment		2nd instalment		Total	
	Projects	$m.	Projects	$m.	Projects	$m.
France	24	9	41	12.7	65	21.7
Italy	66	13	122	19.1	188	32.1
W. Germany	41	9	54	16	95	25
Netherlands	20	3	23	4.5	43	7.5
Belgium	17	2.5	28	4.3	45	6.8
Luxembourg	1	1	1	0.8	2	1.8
Total EEC	169	37.5	269	57.4	438	94.9

Altogether 604 projects were submitted through the governments of the Six for consideration last year. In addition 135 projects submitted in the two preceding years had been held back by lack of funds at FEOGA's disposal, bringing the total to 739. Of these 96 were withdrawn or suspended, leaving 643, of which 49 were rejected by the fund as having been improperly submitted and the governments concerned informed as well as the applicants themselves. Out of the remaining 594 requests for aid 169 had already received help from FEOGA, leaving 425 from which the EEC Commission, after consulting the fund's committee on the financial aspect and the permanent committee for agricultural structure on the relative merits of the projects, chose 269 - 1 from Luxembourg, 23 from the Netherlands, 28 from Belgium, 43 from France, 54 from West Germany, and 122 from Italy.

It will be seen that Italy is the chief beneficiary, both in the number of projects approved and the amount of money allocated to them. With the grants already made

made by the Council of Ministers to restore the pig herd and help modernise fruit and vegetable production, 45% of payments from the FEOGA guidance section will have gone to Italy, whose share of the previous year's much smaller allocation had been as much as 75%.

Estimated Payments to and from FEOGA, 1968/69

	Receipts ($m)	Contributions	Credit balance	Debit balance
France	936	607.3	328.7	
Netherlands	359.9	272.7	83.2	
Luxembourg	7.9	4.1	3.8	
Belgium	144	212.7		68.6
Italy	540.9	626		85
W. Germany	464.1	728.4		262

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FISCAL

Italy to Delay TVA Introduction

Although France, Germany, the Netherlands, Belgium and Luxembourg will all be applying the TVA or added value tax system as from January 1, 1970, Italy which has always been a difficult partner in this matter, has now formally asked the Commission for an authorisation to delay introduction of the TVA - essential for a common fiscal policy - until January 1, 1972. The request for this authorisation was made in a reply sent to the Commission following a letter from its President, M. Jean Rey expressing concern over the proposed delay.

In its reply, the Italian government states that the bill to authorise the introduction of the TVA also includes a whole series of other measures, which will reshape the country's fiscal structure. This has yet to be ratified by Parliament, but in any case it would be impossible to make the necessary changes before 1972 on technical grounds. When the TVA is introduced it will be limited to the wholesale level, while a consumption tax will apply at the retail level.

* * *

TARIFFS AND TRADE

Italian Lead and Zinc Loses Protection

The Commission has turned down a request from the Rome government for a further authorisation to apply special measures to safeguard the country's lead and zinc mining industry. At present Italy applies tariffs against imports from EEC and third countries, but the Commission does not consider that the maintenance of these will help to overcome the problems of regional development in Sardinia. It states again that it is willing to provide economic aid and allied social measures to tackle the question of Sardinian regional development, but does not believe that the conditions to justify the isolation of the Italian market for these products still exist. Furthermore, the maintenance of the measures means that Italian industry has to pay more than its competitors for lead and zinc supplies.

In its reply, the Commission makes no mention of Italian suggestions as to solutions for overcoming the difficulties faced by the Sardinian lead and zinc mines, once the EEC transitional period terminates at the end of this year. There is however a clear indication that, if Italy does not rapidly remove the extra tariff rates it now applies to both Community and third countries, the Commission will start proceedings against the Rome government for infringement of the Treaty.

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EEC Glass Industry Attacks U.S. Tariff Threat

The Common Market's glass industry has drawn the attention of the Commission to the serious threat arising out of demands made to the U.S. Tariff Commission by American plate glass producers. These demands include the maintenance after January 1, 1970 of the special duties, which should be abolished on that date; the application of special tariffs to safeguard American plate glass products, window glass and safety glass. If the demands are accepted, it is estimated that some $50 million worth of EEC exports will be considerably reduced.

As a result of this move, the Commission, in a note to the U.S. mission to the Communities, recalled that the Community had already criticised suggestions that the special tariff rates introduced as safeguard measures should be maintained after the start of next year. Furthermore the Commission viewed with concern the extension of such measures to other products in the same sector.

* * *

TRANSPORT

Plenty of Potholes Ahead

During a recent meeting of the Transport Committee of the European Parliament, dissatisfaction was expressed with the rate of progress being made towards the Common Transport Policy by the Council of Ministers. The Commissioner responsible for Transport matters, M. Bodson, set out the position with regard to the work carried out by the Council and the Council's Transport Working Party on matters submitted by the Commission.

At present the Tranport Working Party is studying:

1) A decision of the Council on organising a survey of infrastructural costs in rail, road and inland waterway transport
2) A draft directive on regional statistics relating to international road traffic
3) A draft regulation on aids to rail, road and inland waterway traffic
4) A draft regulation governing access to the inland waterway transport market
5) A draft regulation on the abolition of discrimination over conditions and prices in the transport sector.
6) A Council regulation relating to the introduction of a uniform and permanent accounting system for expenditure on rail, road and inland waterway transport infrastructures
7) A first directive from the Council on the harmonisation of national commercial vehicle taxation systems.

Discussions on the the first four points have revealed considerable differences among the Six. The Commission has also made a number of other proposals, but the Working Party has not yet decided whether to include these in its programme.

These include:

1) A draft Council regulation concerning the introduction of common rules for national and international road hauliers, and regulations governing the right to operate as a national road haulier
2) A decision dealing with the fixing of bilateral quotas and the number of transit permits for road transport between the member states
3) A draft regulation concerning the introduction of common rules for national and international operators of passenger vehicles
4) A draft regulation dealing with the introduction of tariff scales for the international rail, road and inland waterway transport of goods

5) A draft directive on technical specifications and size of vehicles

6) A regulation for the abolition of double taxation of international transport

Other draft regulations put forward by the Commission include:

1) A draft regulation for trip-checking equipment

2) A draft regulation aimed at establishing common rules for regular coach services between EEC member countries. This covers such matters as the issuing of licences to the firms operating these services, which will set out the route, timetable and the basic charges applicable. The introduction, modification or abolition of a regular service will only be authorised after examination of alternative road and rail services. Furthermore the member states will fix the number of licences to be issued on an annual basis.

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August 14, 1969 A

EUROFLASH - HEADLINES

CONTENTS

AEROSPACE

** The Italian SIAI MARCHETTI SpA, Milan has made an agreement with the West German firms WOLF HIRTH GmbH, Zabern and GFB FLUGZEUG- & GERÄTEHANDEL Ludwigshafen making the latter its distributors for the "S250" light aircraft. Maintenance will be the resposibility of Hirth.

AUTOMOBILES

** ISRAEL-BRITISH BANK LTD, Tel Aviv, which has an interest in AUDI N.S.U. AUTO-UNION AG, Necharsulen (the 59.5% subsidiary of the VOLKSWAGENWERK AG, Wolfsburg group - see No 519) has taken up the option it held on a licence to manufacture "Wankel" rotary piston engines. This is owned 40/60 by Audi N.S.U. Auto-Union and Herr Felix Wankel through WANKEL GmbH, Lindau (see No 424).

The licence will be used by a company now being formed called SAVKEL LTD (capital £ Isr 4 m), owned jointly by the Tel Aviv bank and ISRAEL AMERICAN PAPER MILLS LTD. The new company is to build a factory near Ashkelon costing an investment of around £ Isr 10 million.

BUILDING AND CIVIL ENGINEERING

** The Munich cement firm YTONG AG (a subsidiary of the Swedish group YTONG A/B, Falkoping) and RHEINISCHE KALKSTEINWERKE GmbH, Wülfrath (a 65/25/10 subsidiary of the AUGUST THYSSEN HUETTE AG, FRIED KRUPP GmbH and RHEINISCHE STAHLWERKE AG groups) have decided to terminate the cooperation agreement which has linked them in a 50/50 pre-cast concrete subsidiary WESTDEUTSCHE PORENBETON GmbH, Dusseldorf (capital Dm 12 m) since 1967.

As a result of this move Ytong Ag has acquired the shareholdings (100% and 50%) in Rheinisch-Westfalische Ytong GmbH, Uentrop (capital Dm 5.5m) and Ytong West GmbH, Aachen (capital Dm 20,000) which it had made over to the Dusseldorf subsidiary. The latter will now have its capital reduced and its activities will be limited to selling the pre-cast concrete products made by its two founders, although under the terms of the 1967 agreement, it was also due to acquire the Emmelsum and Duisburg plants - run by Rheinische Siporex GmbH - belonging to Rheinische Kalksteinwerke.

** Two Paris subsidiaries of the CIE FINANCIERE DE PARIS & DES PAYS-BAS SA group, the investment companies CIE D'ENTREPRISES INDUSTRIELLES & COMMERCIALES SA (see No 371) and CIE AUXILIAIRE D'ENTREPRISES DE CHEMIN DE FER SA (see No 294) have each taken 27.8% in the Paris property equipping and appointing concern CIE GENERALE D'EQUIPEMENTS IMMOBILIERS SA, which has raised its capital to F 270,000.

This company (president Mlle G. Fromaget) has represented on its board Ste d'Etudes & Financement d'Entreprise SA, Paris (see No 451), another PARIBAS subsidiary.

** The Frankfurt group PHILIPP HOLZMANN AG (see No 324) has gained control of the Hamburg PAUL THIELE AG HOCH - & TIEFBAU (see No 306) which has been immediately renamed PAUL THIELE GmbH. This has a capital of Dm 2.4 million and an annual turnover of around Dm 20 million, from the manufacture of prefabricated modules in its factory at Billbrook (500 employees). It has long been a licensee of the prefabrication system developed by the Paris company, Raymond Camus & Cie, Ingenieurs-Constructeurs SA (see No 514).

Philpp Holzmann, which had a 1968 turnover of Dm 928 million, is a 25%+ affiliate of the Deutsche Bank Ag, Frankfurt (see No 524) and it is also linked with the Paris company SA Constructions Edmond Coignet in two West German subsidiaries, Bayerische Fertigbau GmbH System Coignet (35/65) and Holzmann-Coignet Fertigbau GmbH, Frankfurt (24/76). It has a French branch at St-Cloud, Hauts-de-Seine and there is also a Swiss finance subsidiary Sofitec- Ste Financiere & Technique SA, as well as subsidiaries in Lagos, Philipp Holzmann (West Africa) Ltd, and another in Caracas, Philipp Holzmann de Venezuela C.A.

** Herr Horst Klose, who heads the West German firm MERO- DR. ING. M. MENGERINGHAUSEN, Würzburg (see No 494) is the manager of the newly-formed Austrian company MERO GmbH, Vienna (capital Sch 200,000). This will manufacture, trade in and assemble prefabricated modules and materials (exhibition stands, scaffolding etc) buildings, laboratory equipment, water-tight joints and seals.

The founder has two Würzburg sister-concerns, Mero Haustechnic GmbH & Co KG, and Mero Verleih GmbH. It recently formed a Swiss coordination and financial management concern, Mero AG, Zug (capital Sf 50,000).

** The German insulation and plaster products concern RIGIPS BAUSTOFFWERKE GmbH, Bodenwerde (see No 452), has recently made two moves: 1) it has acquired an all-EEC licence from the Japanese YOSHINO GYPSUM CO LTD, Tokyo, for its synthetic plaster manufacturing process, and 2) it has clinched a long-term supply contract with the French PRODUITS & ENGRAIS CHIMIQUES RHIN - PEC RHIN SA, Ottmarsheim, Haut-Rhin (see No 427).

Further to the latter move, Rigips will now proceed with the construction at Ottmarsheim of a factory to produce plasterboard. A subsidiary is now being formed under the name RIGIPS-FRANCE SA, and this will supply the entire EEC market. PEC RHIN was formed in 1967 by the 50-50 link-up of Potasses & Engrais Chimiques SA, Paris (subsequently absorbed by Azote & Produits Chimiques SA, Toulouse, a member of the public group Entreprise Miniere & Chimique SA - see No 514), with Wintershall AG (of the B.A.S.F. group - Badische Anilin- & Soda Fabrik AG).

Rigips is a 33% affiliate of the I.H.B. - Investitions- & Handelsbank AG, Frankfurt (see No 519), the three main shareholders of which, with something over 25% apiece are: Bank für Geimeinwirtschaft AG, Braunschwigische Staatsbank and Westdeutsche Landesbank Girozentrale, while it is under the 54% control of Herr Rudolf Vernes. Since March 1967 it has had a subsidiary in its own name in Vienna, and it has a turnover of about Dm 60 million, with 800 people on its payroll.

** The CIMENTS LAFARGE SA group (see No 524) has now formally acquired control of CIMENTS DU SUD-OUEST SA, Paris (see No 514) and absorbed its subsidiary CIMENTS VILLENEUVE SA, Cassis, Bouches-du-Rhone (assets valued at F 38.24m - see No 509). This double move, carried out with the assistance of the CREDIT COMMERCIALE DE FRANCE SA (see No 521) through NEUILLY SAINT PAUL has resulted in Lafarge's capital being raised to F 465 million.

** Herr Diedrich W. Kellner, one of the partners in the German sister companies W. KELLNER & CO KG and DEUTSCHE ZEMENT-INDUSTRIE H. KELLNER & CO, both of Bremen, has formed a Sf 100,000 company in Zurich named DIRUKE-HOLDING GmbH, for the purchase of investment holdings.

** The Milan group MONTECATINI EDISON- MONTEDISON SpA (see No 521) has sold its 25.5% interest in the Rome cement group CEMENTIR - CEMENTERIE DEL TIRENNO SpA - on whose board it was represented by Sigs G. Valerio and V. de Biasi (see No 422) - to the state group I.R.I. - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA (see No 524), which has thus raised its controlling interest.

Cementir (authorised capital Lire 10,870m - 1968 turnover Lire 32,800m) had a 1968 production of 3.61 million tons of cement and until now it was a 46.65% affiliate of a 57% subsidiary of I.R.I., the Rome holding company Finsider - Sta Finanziaria Siderurgica SpA, Rome (see No 510), as well as being a 19.71% interest of the Naples group S.M.E. - Sta Meridionale Finanziaria SpA (see No 516).

CHEMICALS

** The Frankfurt chemicals trading concern CHEMIKALIEN AG, a member of the Ludwigshafen B.A.S.F. group - BADISCHE ANILIN- & SODA FABRIK AG, through WINTERSHALL AG (see No 524 and this issue) has formed a subsidiary in Vienna under the title CHEMAG, CHEMIKALIEN-HANDELS GmbH (capital Sch 200,000) with two directors of the parent company, Herren P.H. Andlinger and H.W. Reichardt, as managers.

Chemikalien has Dm 3 million capital and a turnover of about Dm 130 million, employing some 300 personnel, and is already an international company, with a subsidiary in Columbia, Servicol - Servicio Industrial Colombiano Ltda, Bogota, formed in 1965. In West Germany, it controls the farm chemicals and fertilizers concern Düngerhandel Kassel GmbH, Kassel, Bettenhausen, and the salt marketing concern Deutscher Strassendienst Hermann Dauppert GmbH, Frankfurt, as well as holding a 33.3% stake in Land- & Forstflug-Aviochemie GmbH, Frankfurt, which is a crop and forest spraying concern.

CONSUMER GOODS

** The West German SABA - SCHWARZWÄLDER APPARATBAU-ANSTALT AUGUST SCHWER SÖHNE GmbH, Villingen, Schwarzwald (see No 522) intends to build a factory in Belgium at Tirlemont, making monochrome TV sets and due to start production in

1971. This will take over production of such TV sets now made in the company's Villingen factory, which will then concentrate on colour TV sets and related equipment. Its Friedrichshafen factory will continue to manufacture radios and tape recorders.

The German company belongs to the New York group GENERAL TELEPHONE & ELECTRONICS CORP, whose subsidiary Sylvania Benelux SA, Brussels (directly controlled by Sylvania Electric Products Inc - see No 511) has been making colour television cathode ray tubes at Tirelemont since 1968.

COSMETICS

** The West German BLENDAX-WERKE R. SCHNEIDER & CO KG, Mainz (toothpastes, soaps, shaving creams, hair lacquers, shampoos) has strengthened the financial position of its Austrian subsidiary BLENDAX GmbH, Hallein by making over a subsidiary Blendax GmbH & CO KG, and thus raising its capital to Sch 15 million fron Sch 6.8 million.

The Mainz firm's products are sold in France through Blendax SA, Garges-les-Goness, Val d'Oise (formerly in Paris) and in Belgium by Blendax Belgium SA, Brussels.

** MENNEN GmbH has just been formed in Frankfurt with Dm 20,000 capital and Messrs D. Gregg Jr. and George S. Mennen of Morristown, New Jersey and M. Benedict J. Mione of Paris as managers to serve as the West German marketing arm of the American cosmetics and toiletries group THE MENNEN CO, Morristown (see No 438).

Hitherto, German marketing of the firm's products has been in the hands of TERACHEMIE CHEMISCHE-THERAPEUTISCHE GmbH, Düsseldorf (of the group Henkel & Cie GmbH, Düsseldorf), which took over the task from Alfred Heyn GmbH, Berlin. Elsewhere in Europe, and especially in France, Italy, Belgium and Britain, it is linked with the Paris l'Oreal SA group (see No 521) in joint manufacturing and sales subsidiaries.

DATA PROCESSING

** The American group, AMPEX CORP, Redwood City, California, (see No 399) which makes audio-visual equipment, scientific equipment, magnetic tapes and memory systems has raised from Dm 20,000 to Dm 120,000 the capital of its Common Market coordination subsidiary AMPEX EUROPA GmbH, Frankfurt.

The group has a Belgian manufacturing subsidiary, AMPEX SA, Nivelles which employs some 300 persons producing recording equipment. It intends to build a second factory at Battice to make magnetic tapes for computers, sound and vision recordings.

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ELECTRICAL ENGINEERING

** The Frankfurt company TELEFONBAU & NORMALZEIT LEHNER & CO KG (see No 462) has sold its postal and fiscal machinery interests ("Postalia" trade name), which were produced by its subsidiary FREISTEMPLER GmbH, Frankfurt (capital Dm 1m), to the ANKER-WERKE AG, Bielefeld group (see No 473). In France Freistempler's production is sold under the "Posthavas" trade name by Cie des Machines Havas SA, a member of the Agence Havas SA group (see No 514).

Anker-Werke, as a result of this move, is continuing to expand its interests in the office equipment sector (cash registers, calculators, accounting machines etc), which are sold by eleven ADS - Anker Data System companies in West Germany as well as through eighteen foreign concerns, as well as in the postal machinery sector where it has recently acquired a 60% interest and thus gained outright control in Bafra-Maschinen GmbH, Berlin, and its subsidiary Francotyp GmbH, Berlin and Bielefeld (capital Dm 1.5m). It has, however, closed down its sewing machine subsidiary, Anker-Phœnix Nähmachinen GmbH, Bielefeld, whos whose sales subsidiary, Anker-Phœnix Vertrieb GmbH, Bielefeld, has also ceased to trade.

Telefonbau & Normalzeit, a 15.01% affiliate of the Berlin group AEG-Telefunken AG (see No 520) will now specialise in telephone and alarm systems, electric clocks etc in its factories in Limburg, Lahn and Landstahl, Pfalz, each employing some 17,000 persons. The company had a 1968 turnover of Dm 514 million with some 17,000 employees. Its main subsidiaries in West Germany are Telefonbau & Normalzeit GmbH, Frankfurt; Friedrich Werk Telehonbau AG, Munich; Telenorma Entwicklungs GmbH, Frankfurt, and Elektra Versicherungs AG, Frankfurt, and it also has numerous foreign interests.

** The Dortmund concern CEAG CONCORDIA ELEKTRIZITAETS AG (capital Dm 6m. - safety lamps, fire-fighting equipment, filters, lead accumulators etc - Dm 90m. turnover for 1,500 payroll) has formed an agency in Vienna to represent its interests in Austria. This has Sch 100,000 capital and the title CEAG HANDELS GmbH, while its first managers are Herren Gunter Petersen of Dortmund and J. Nagy and A. Mlicko.

The parent company, whose chief German interest is Wilhelm Seippel GmbH, Dortmund, is itself a 78.74% subsidiary of VARTA AG, Frankfurt, a member of the QUANDT group (see No 524).

** The Dutch medical and scientific electrical equipment concern VERENIGDE INSTRUMENTENFABRIEKEN ENRAF-NONIUS NV, Delft, a 25% affiliate of the London company Evershed & Vignoles Ltd (of the Luton, Beds, George Kent Ltd group - see No 513) has added to its foreign sales network a subsidiary in Copenhagen, which will cover all the Scandinavian market.

Enraf-Nonius realises more than half of its turnover from exports, and already has sales subsidiaries in France (Paris), West Germany (Solingen), Britain (London) and the United States (New York).

** SAMENWERKENDE ELECTROTECHNISCHE FABRIEKEN HOLEC NV, Hengelo (see No 486) has agreed - in priciple - to merge with and take over another firm in the electro-technical equipment and transformer sectors, SMIT NIJMEGEN ELECTROTECHNISCHE FABRIEKEN NV, Nymegen (see No 502). The new group will have Mr. J. de Wilde as president and will be run by Mr. W.H. Kruyff. Annual turnover is expected to be around Fl 300 million and there are 9,000 employees.

Holec (electric motors, high- and low-tension equipment) at present heads three groups which it has acquired during recent years. These include Fabriek Van Electrische Apparaten v/h F. Hazemeyer & Co NV, Hengelo; Heemaf NV, Hengelo; and NV Electrotechnische Industrie v/h Willem Smit & Co, Slikkerveen. For its part Smit Nijmegen operates directly or through subsidiaries (E.M.F., Dort, Coq, Compro, Olthof, etc) a number of factories in Dordrecht, Hatten, Nymegen, Utrecht and Hardenberg.

** Herr Gottfried Gläsel, who heads the West German firm C.A.WEIDMUELLER KG, Berlebeck, Detmold (see No 483) is one of the founders of the new Zurich electro-technical goods traders, CARL GEISSER & CO (capital Sf 75,000) along with Herren Carl Geisser, Zurich, Wilhem Staffel, Königswinter, West Germany, Peter Gläsel and Frau Helga Gläsel.

The German firm controls Weidmüller Italiana Srl, Milan (capital Lire 25m) and Weidmüller France Sarl, Herblay, Val d'Oise (capital F 20,000).

** SIEMENS GmbH, Vienna, a subsidiary of the electrical and electronics group Siemens AG, Berlin and Munich (see No 524 and Finance) has taken part in the formation of UHER ELEKTRONISCHE GERAETE AG, Vienna (capital Sch 100,000). This will trade in electronic equipment, electric meters as well as thermal control and measuring devices. The president of the new concern is Herr Hans Hecke and the other founder is M. Edmond Uher, Cap d'Antilles.

** The Berlin and Munich electrical and electronic group SIEMENS AG (see No 524) has made two financial moves in Switzerland: 1) it has doubled to Sf 100,000 the capital of the Zurich holding company SIEMENS EUROPA - BETEILIGUNGEN AG, which administers its chief European interests, and 2) it has raised by one-third to Sf 22.5 million the capital of its holding company for Asia, SIEMENS ASIA INVESTMENTS AG, also of Zurich.

These companies were set up in 1921 and 1966 respectively, and as a sister company they have in Zurich Siemens Elektrizitätserzeugnisse AG (capital Sf 10m.).

** The Dutch electromechanical and technical equipment group (chiefly heavy plant installations), GEVEKE & GROENPOL NV, Amsterdam (see No 510) has formed an equipment leasing and credit finance subsidiary in Amsterdam named NV FINANCIERING MIJ GLOBAFIN (authorised capital Fl 5m.), control of which is shared 50-50 with the Utrecht insurance concern NV LEVENSVERZEKERINGSMIJ "UTRECHT" (see No 506), a member of the Amsterdam A.M.E.V. group (see No 522).

ENGINEERING AND METAL

** Seven West German machine tool manufacturers with an annual turnover of around Dm 130 million (50% from exports) have linked to form in Bad Homburg a new concern called INTERFORM EXPORT VON BLECHUMFORMMASCHINEN GmbH (capital Dm 20,000) with Herr Otto W. Steeb as manager. This will be in charge of promoting their exports and to begin with will act as a brokerage concern before setting up foreign sales offices.

The founders are: 1) EISENWERK HENSEL, INH. DIPL. -ING. BURKHARDT KG, Beyreuth (milling and shaping machines); 2) WIEGER MASCHINENBAU GmbH, Neuss, owned by Herr Ernst Wieger, Düsseldorf; 3) LUDWIG WIDANI, Nuremberg; 4) ALLGAIER WERKE GmbH, Uhingen, Württemburg - around 1,000 employees making stamping, cutting and shaping presses; 5) BECKER & VAN HÜLLEN NIEDERRHEINISCHE MASCHINENFABRIK KG, Krefeld; 6) DRIESTERN-WERK DR. -ING. THEO KRÜCKELS KG, Schopfheim and 7) KURT BRUNNER oHG, FABRIK FÜR STANZTECHNISCHE EINRICHTUNGEN, Kilianstädten, Hesse.

** The Italian STA METALLURGICA ITALIANA SpA, Rome and Florence (non-ferrous metals, copper and stainless steel - see No 491) has acquired a stake of nearly 49% in the Genoa company DELTA - STA METALLURGICA LIGURE SpA, as the latter's capital has just been raised to Lire 984 million. Metallurgica Italiana is a 40.4% affiliate of the G.I.M. - Generale Industrie Metallurgiche SpA, Florence group, and is also linked to the Milan group La Centrale Finanziaria Generale SpA (see No 524).

Delta, which is headed by Sig G. Busi and has Sig I. Potenza as president (in place of Sig G.E. Lausi), produces semi-manufactured heavy aluminium, copper and alloy castings in its plant at Sarravale Scrivia. It will remain under the control of the Rome state group I.R.I. - Istituto Per La Ricostruzione Industriale SpA through its holding company Finmeccanica SpA (see No 515).

** The Tokyo YAWATA IRON & STEEL CO LTD (see No 505) has made a know-how agreement with the West German steel group KLÖCKNER-WERKE AG, Duisburg, under which it will supply the latter with the technical requirements needed for the construction at Bremen of a hot sheet rolling mill (up to 88 inches). This will have an annual capacity of some 3 million tons and is expected to cost around Dm 360 million.

The new plant is due to start operations in 1971 and will replace that built by the German group in 1957. At the same time the capacity of the German group's LD steel works at Bremen will be raised from 1.5 million to 3.5 million t.p.a. This will also involve the supply of technical information by the Japanese group with regard to blast furnaces and electronic control system for steel production.

** The Austrian KONRAD ROSENBAUER KG, Linz has formed a 54% Belgian subsidiary WERKHUIZEN-ATELIERS R. LANDUYT NV, Stene-Ostend (capital Bf 2m) which will make fire-fighting equipment. A 22% stake in the new company is held by M. Robert Landuyt who has made over to it his own firm, FIRE ENGINEERING WORKS R. LANDUYT.

** The New York group, DIAMOND INTERNATIONAL CORP (formerly DIAMOND NATIONAL CORP - see No 312) has raised from Dm 50,000 to Dm 1 million the capital of its West German packaging machinery sales subsidiary, DIAMOND AUTOMATION VERPACKUNGSMASCHINEN GmbH with the aim of financing its future expansion. The subsidiary is situated in Bremen, although it was formerly based in Ritterhude.

The group has a main West German manufacturing subsidiary, OMNI-PAC GmbH Verpackungsmittle, Elfleth (capital Dm 6m) which employs around 240 persons in the manufacture of moulded wood pulp packaging for the food industry. There are sales offices in Hamburg and Dusseldorf, and it has direct control of Omni-Pac Sarl, Paris and Omni-Pac A/B, Stockholm.

** The links between the REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine (see No 524) through its RENAULT MOTEURS division and the Marseilles company STE DES MOTEURS BAUDOUIN SA (see No 516) with the GROUPEMENT INTERNATIONAL DES MOTEURS (G.I.M.O.T.) will be strengthened with the formation of a joint subsidiary in Spain. This will be called INTERNACIONAL DIESEL (INTERDIESEL) SA, Bilbao and their joint importer, GUASCOR SA - GUTIERREZ ASCUNCE CORP will also have an interest in the new company.

With Senor Jose Maria Gutierrez as president, it will manufacture and assemble in its factory at Zumaya, the industrial and marine engines developed by Renault and Baudouin.

** ALFRED TEVES GmbH, Frankfurt (capital Dm 100m - see No 426), the wholly-owned subsidiary of the New York group, I.T.T. - INTERNATIONAL TELEPHONE & TELEGRAPH CORP (see No 521) through INTERNATIONAL STANDARD ELECTRIC CORP, New York has gained control of the vehicle equipment firm DR. HERMANN E. MUELLER METALLWAREN-FABRIK, Bergneustadt.

This has some 2,400 employees and an annual turnover of aroun d Dm 80 million. Until now its main partner was METALLWARENFABRIK BERGNEUSTADT GmbH, Bergneustadt.

** Two Paris members of the Lyons CIE PECHINEY SA group, SCAL GP - STE DE CONDITIONNEMENT EN ALUMINIUM SA (see No 505) and CEGEDUR GP SA (see No 508) have concluded an agreement in Brazil with ALUMINIO SA EXTRUSAO & LAMINACAO - A.A.A., Igarassu, Recife, covering a process of continuous flow - extrusion - rolling (both ingots and sheet) for aluminium.

SCAL GP will further provide two complete continuous-flow plants for the Brazilian company, which hopes progressively to build up an aluminium refining and finishing plant of 16,000 t.p.a. capacity.

** The Canadian plastics processing machinery concern EXTRUSION MACHINE CO LTD, Toronto, Ontario has joined with Herren Ernst Wolf of Basle, Switzerland and Walter Schumacher of Offenbach-Bürgel, West Germany in backing the increase in the capital of the German EXTRUSION PRESSWERKZEUGE GmbH, Hausen (formerly in Offenbach - see No 432) from Dm 430,000 to 500,000.

** In a move through I.H.V. - INDUSTRIE & HANDELS-BANK AG, Frankfurt (see No 519), the American firm MIDLAND ROSS CORP, Cleveland, Ohio and the West German KORF INDUSTRIE & HANDELS GmbH Co KG, Kehl intend to acqjire the remaining 3% they need for outright control of their 50-50 subsidiary IBAG - INTERNATIONALE BAUMASCHINENFABRIK AG, Neustadt, Weinstrasse (see No 497 - capital Dm 13m).

Once this operation has been completed IBAG will be used by its parent-companies to establish a steelworks in Hamburg and an iron ore enrichment plant in Rotterdam's Europoort.

** ALVEY CONVEYOR FRANCE Sarl, Crosnes, Essonne (capital F 100,000) has been established with M. Maurice Peer, Brussels as manager to represent the French sales interests of the American materials handling firm, ALVEY CONVEYOR MANUFACTURING CO, Saint-Louis, Missouri (see No 523). M. Peer is the managing director of the Belgian subsidiary at Breendonk (see No 331).

** CHESWICK & WRIGHT LTD, Marton, Lancs (a subsidiary of the London engineering group HAWTIN INDUSTRIES LTD - formerly THE DENTAL MANUFACTURING CO LTD - see No 387) has made an agreement with the West German metal company WICKEDER EISEN- & STAHLWERK GmbH, Wickede, Ruhr to run a joint factory in the Netherlands making parts for the car industry (mainly silencers). It is intended that the output will be used by the Ford group's European factories (see No 474).

The factory will be under a company now being formed, CHESWICK & WRIGHT EUROPA-ROERMOND NV, Roermond, and it will cost some Fl 4 million initially. The British founder is to supply technical know-how, while the German partner will make available various industrial facilities it controls at Roermond.

** The Italian plant construction and equipment supply concern G. BARETTI, Desio-S. Giorgio, Milan, which is headed by Sig Fabio Baretti Paleari, has strengthened its position on the British market where it has been represented by an exclusive agent, PETER M. DAVISON LTD (which also covers Belgium, Germany and the Netherlands), by forming a London company called BARETTI TRAYS LTD (capital £100) with Sig Baretti and Mr. P.M. Davison as directors. The Italian company manufactures distillation plates (fraction towers, floating valves etc) in special steel and alloys, as well as steam jackets and distillation circuits for the petroleum and chemical industries.

** The agreement signed in early 1969 (see No 497) in the materials-handling and transport sector between the HEWITT ROBINS INC, Stanford, Connecticut, division of the American conglomerate LITTON INDUSTRIES INC, Beverly Hills, California (see No 522) and the WERF CONRAD & STORK HIJSCH NV, Hengelo subsidiary (see No 494) of the Dutch group V.M.F. - VERENIGDE MACHINENFABRIEKEN NV, The Hague (see No 520), has resulted in the formation of a 50-50 Amsterdam holding company called INTERNATIONAL HANDLING NV. This has an authorised capital of Fl 10 million and is run by Mr. L. Hupkes.

** MIC AG, Glarus which was formed during 1967 by Japanese interests to manufacture and sell measuring instruments, machine-tools etc has entirely underwritten the increase from Dm 20,000 to Dm 100,000 in the capital of the West German SAMPOH MESSGERAETE VERTRIEBS GmbH, Dusseldorf. This trades in measuring instruments.

FINANCE

** The CREDIT LYONNAIS SA, Lyons (see No 513) has gained control of the Paris banque d'affairs, STE DE BANQUE & DE CREDIT SA (see No 442) whose capital of F 10 million was until now controlled by private shareholders belonging to the PRENATAL SA group, and chiefly the latter's former president, M. Jean-Marie Mazard. He will now become president of Ste de Banque & de Credit, while the new board will now include two of the Credit Lyonnais' directors, MM. Andre Loys and Maurice Genin.

** The Luxembourg company INTERTRUST SA (see No 427), which was formed with the backing of the Bergamo finance company INTESA - STA MOBILIARE FINANZIARIA SpA and which specialises in the sale on investment certificates, has now formed a new investment concern called INTERTRUST INTERNATIONAL FUND SA, Luxembourg (authorised capital $ 5m), which also has an advisory company with a capital of $60,000 and a repurchase company (capital $60,000).

In late 1967 Intertrust's capital was raised to Lux F 10 million, and it is also an affiliate of Zentravest-Holding AG, Chur, Grisons (see No 474), Credit Industriel d'Alsace & de Lorraine - C.I.A.L. SA, Strasbourg, Haut-Rhin (see No 501), Fracanda AG, Zurich, and Anchor Corp, Elizabeth, New Jersey. The latter (formerly Hugh W. Long & Co Inc - manages and sells American investment fund certificates (including those of Anchor Capital Fund Inc, Fundamental Investors Inc, Diversified Growth Stock Fund Inc, Diversified Investment Fund Inc and Westminster Fund Inc) and it shares control with Zentravest Intertrust and Union Trust SA, Luxembourg, of the newly-formed management concern, Intertrust Advisory Co SA, whose president is Sig Ernesto Bongiovanni.

** A joint association in the leasing sector involving an exchange of shares has been virtually agreed between LOCAFRANCE SA (see No 515) and the STE BELGE DE LOCATION D'EQUIPEMENTS SA. Locafrance will take a 33.3% stake in Locabel (capital Bf 75m) which will remain controlled (49.7%) by the BANQUE DE BRUXELLES SA while there will be no change in the 17% interest held by the Brussels investment company COFININDUS SA (see No 499).

Locafrance, whose capital was recently raised to F 71.95 million, was formed in 1961 by a banking group headed by the Banque de l'Indochine SA (this now has an 11.24% interest). Like Locabel it is a member of the international leasing group, INTERLEASE SA, Luxembourg (see No 494). 1968 investments amounted to F 265 million while those of its subsidiaries - excluding Locamur SA (see No 487) and Immobanque SA (see No 515) - exceeded F 219 million.

** The London group BARCLAYS BANK LTD (see No 520) is about to strengthen its Common Market interests by opening an office in Milan. This follows the setting-up of a branch in Frankfurt, and it will be the group's eighth foreign office where it is already established in Brussels, Zurich, New York, San Francisco, Beirut, Tokyo and in the near future in Sydney.

** A number of French financial cooperatives headed by the UNION DU CREDIT COOPERATIF SA, and its two main members the CAISSE CENTRALE DE CREDIT COOPERATIF SA (see No 513) and the UNION D'ETUDES & DE PARTICIPATIONS COOPERATIVES have formed a Paris finance and banking company BANQUE FRANCAISE DE CREDIT COOPERATIF SA (capital F 3m - entirely issued).

President of the new concern is M. Pierre Lacour and companies represented on the supervisory board include the Banque Cooperative, the Banque Centrale des Cooperatives, the Union Intercooperatives. Pour Le Credit du Logement, the Ste Cooperative Auxiliaire de Materiel - COOPMAT, the Ste Cooperative Pour La Renovation & L'Equipement du Commerce - SOCOREC and the Union Cooperative Equipement Loisirs - UC.EL. All of these are Paris-based.

** ATELIERS DE CONSTRUCTIONS MECANIQUES, ESSIEUX, & RESSORT (A.C.M.E.R.) SA, Paris (see No 368) which makes rail and road vehicle leaf and coil springs at Chatenois-les-Forges, Belfort, has formed an investment company STE FINANCIERE DE FRANCHE-COMTE - SOFICO SA, Paris (capital F 7.5m - president M. G. Vermot).

The founder (consolidated 1968 sales of F 23.95m) has an 84.7% subsidiary, L'ELAN SA (1968 turnover of F 14.58m) and a shareholding of 1.98% in RESSORT DU NORD SA (a 53% subsidiary of the Denain-Nord-Est-Longwy group - see No 359) whose main interests are: 1) 84.6% stake in the steel container companies Cie Valoisienne de Construction Industrielles SA, Crouy-Soisson, Aisne (represented by a subsidiary Sorecom - Belgique SA, St-Gilles, Brussels) and 89.9% in the Ste Intercontinentale des Containers SA, Paris; 2) a 20% interest in Ste Francaise J. Robert & Cie (Forges de Bellevue) SA, St-Etienne, Loire.

** THE SANWA BANK LTD, Osaka (see No 487) has now carried out its intention of opening a Common Market office. This is based in Frankfurt and is under Messrs Y. Kodama and M. Kadota. Until now it was represented outside Japan in London, New York, San Francisco and Hong-Kong.

** German interests, in the person of Herr Norbert Vormer of Wiesbaden have sponsored the formation in Luxembourg of an investment company named ORBITER Sarl, which has $90,000 capital and the above as director.

FOOD AND DRINK

** In July 1968 the Cologne spirits group L. SCHULTE KEMMA & CO KG (see No 472) gained a controlling interest exceeding 76% in another spirits firm, FERD.

RUECKFORTH NACHFOLGER AG, Siegburg (capital Dm 1m) where a large part of the balance is held by the DRESDNER BANK AG, Frankfurt. It has simplified the Siegburg firm's structure by having it absorb the subsidiaries which moved to West Germany after the end of the last war, and which have remained dormant since then.

The companies involved are 1) Stettiner Brauerei Elysium GmbH; 2) Bürgerliches Brauhaus; 3) Stettiner Bergschlossbrauerei GmbH, all three based in Hamburg; 4) Bohrisch Brauerei GmbH, Kiel, along with its subsidiary, Kösliner Bier-Brauerei GmbH, Fürth; 5) Brauerei Englisch Brunner AG, Hamburg as well as 6) Bergschlossbrauerei & Malzfabrik AG, Altena, Westphalia.

** The merger in the Belgian chocolate and confectionery sectors which was decided upon some months ago between MAISON HENRI CORNET SA, Anderlecht ("Lutti") and CONTINENTAL FOODS NV, Puurs (capital Bf 150m) (see No 504) has now taken place following a reorganisation of the Anderlecht firm's assets. This has made over to Continental Foods its "chocolate" and "printing" interests (including its shareholding in the French SA Lutti, Fabrique de Confiserie, Chassignies) valued at Bf 44.1 million gross, as well as forming a holding company under its own name with a capital of Bf 16.25 million. This has M. H. Cornet as president and a stake of 14.3% in Continental Foods, whose capital has been raised to Bf 175 million.

Continental Foods was previously a 50-50 interest of DEVOS-LEMMENS NV, Puurs and IMPERIAL PRODUCTS NV, Antwerp. It has now made over its confectionery assets valued at Bf 42.6 million to a specially-formed subsidiary called CONTINENTAL SWEETS SA (capital Bf 20m) with M. H. Devos as president. This has as its main direct foreign subsidiaries Lutti Nederland NV, 's-Hertogenbosch; SA Lutti, Chassignies; and the United Cocoa Development Co Ltd, London.

** The newly-established Austrian company TEINA HANDELS GmbH, Salzburg (capital Sch 100,000) which will trade in tea and tea products is controlled by its managers Herren Johannes Nissle and Rolf Herbert Anders, Büderich.

Both men are partners in Teekanne GmbH, Dusseldorf (tea trading and packaging - capital Dm 8m) which employs some 800 persons. There is a branch in Hamburg and a sister-company in Salzburg, Teekanne GmbH (capital Sch 7m). They are also partners in Pompadour Teehandels GmbH, Dusseldorf (capital Dm 2.5m - tea packaging) and Teepack Spezialmaschinen GmbH & Co KG, Büderich ("Constantia" packaging machinery).

** The link-up decided upon in early 1969 (see No 502) between the Belgian and French special breads and biscuit groups GENERAL BISCUIT CO SA, Herentals (see No 507) and CERALIMENT SA, Maisons-Alfort, Val-de-Marne, will lead to the French company taking a minority shareholding in General Biscuit to whom it will make over its control of ALSACIENNE BISCUITS SA (formerly Tante Odile Patisseries SA, Maisons-Alfort). This is to raise its capital to F 17.81 million after having acquired the biscuit interests of Ceraliment. These take in its factories at Calais and Begles, Gironde, and represent assets of F 21.83 million (gross), which account for around 8% of the French market in this sector.

** BARTISSOL SA, Banyuls-sur-Mer, Pyrenees-Orientales (see No 424), a member of the Marseilles group STE DES VINS DE FRANCE SA (see No 469) has started proceedings to wind up its Düsseldorf sales subsidiary BARTISSOL GmbH WEIN- & SPIRITUOSEN IMPORT & VERTRIEB, formed in March 1964 with Dm 50,000 capital. Herr Werner Klemcke has been put in charge of liquidation.

Two years ago, the French firm also wound up its Belgian sales subsidiary Bartissol SA Belge, Gosselies.

** Under an agreement just concluded between the dairy cooperative BUTTER- & EIER-ZENTRALE NORDMARK GmbH, Hamburg, and FROMANCAIS - FROMAGES & BEURRES FRANCAIS, Paris and Conde-sur-Vire, Manche, for reciprocal exchange of know-how and sales promotion, the former will also gain access to a number of fresh outlets on the British market, where the French concern is well established.

Fromancais was formed by the combination of seven French dairy cooperatives, with the aim of promoting their branded products "Ille & Vire" and "Conde" for butter, and "Normanoir", "Delicet", "Doblon", "Clercy", "Vlaadam", "St. Loup" and "Chantelait" for cheeses. The seven were Union Laitiere Normande (U.L.N.); Conde-sur-Vire, Manche; U.C.A.L.A.N. - Union des Cooperatives Agricoles Laitieres de l'Aube & Neuvy, Montieramey, Aube; Laitieres Cooperatives de Saint-Loup-sur-Thouet & Saint-Varent, St-Loup, Deux-Sevres; Union des Cooperatives Agricoles Laitieres du Tarn (U.C.A.L.T.) Castres, Tarn; U.S.V.A.L. - Union Sud-Vendeenne Agricoles Laitiere, St-Michel-en-l'Herm, Vendee; S.O.L.C.O. - Ste Laitieres Cooperatives, Castres, Tarn; and S.C.A.B.A. - Ste Cooperative Agricole Beurriere d'Argentan, Briouze, Orne.

** Belgium's largest brewery, with some 30% of the beer market (before Watney Mann, with its takeover of Maes last week - see No 524), the BRASSERIE ARTOIS SA, Louvain (capital Bf 2,000m - chief plants at Brussels, Liege and Antwerp) has negotiated the strengthening of its long-standing links with the largest mineral waters concern in the Benelux, SPA MONOPOLE SA, Spa (see No 348), in which it has now purchased a 25% holding.

Spa Monopole exploits the waters and baths at Spa by special fiscal pact with the State, and is exclusive Belgian agent for the "Pepsi Cola" trademark, through its Schaerbeek, Brussels affiliate General Soft Drinks SA (see No 331). In this move, it will further acquire various property assets from companies in its group (I.F.I.C. - Industrielle, Financiere, Immobiliere, Commerciale SA, Spa, and Exiru SA, Brussels - see No 459), and will raise its capital to Bf 210 million.

INSURANCE

** Two German friendly societies, HAFTPLICHTVERBAND DER DEUTSCHEN INDUSTRIE V.a.G., Hanover (capital Dm 14.3m) and FEUER-SCHADENVERBAND VERSICHERUNGSVEREIN a.G, Bochum (Dm 5.6m) which have a combined turnover of around Dm 170 million a year, are in course of amalgamating. The former has a subsidiary in the same field, named Eisen & Stahl Rückversicherungs AG, Hanover.

** A merger has been agreed in principle between the insurance company AACHENER & MÜNCHENER LEBENSVERSICHERUNGS AG, Karlsruhe (see No 483) and its 26% affiliate VOLKSHILFE LEBENSVERSICHERUNGS AG, Berlin and Cologne, which will result in the latter absorbing the Karlsruhe company and re-naming itself VOLKSHILFE AACHENER-MÜNCHENER LEBENSVERSICHERUNGS AG (capital raised from Dm 6 to Dm 9m). This move will form a group with responsibility for a total of Dm 5,000 million of insured risks, which will be one of ten leading concerns in the West German life sector.

Volshilfe Lebensversicherungs (premiums Dm 157.6m, total insured Dm 3,050m) has as its other shareholders Aachener Rückversicherungs-Ges., Aachen (48%) and Kölnische Rückversicherungsges., Cologne (26% - see No 496). These two companies also have interests of 8.6% and 6.4% respectively in Aachener & Münchener Lebensversicherungs. This is itself a 52% subsidiary of the Aachener & Münchener Feuer-Versicherungs-Ges., Aix-la-Chapelle group (see No 516) and its shareholders include Thuringia Versicherungs AG, Munich (25%) and Nordstern Lebensversicherung AG, Cologne (8%).

MINING

** The Düsseldorf group DEUTSCHE CONTINENTAL-GAS GESELLSHAFT (an 11% affiliate of the Zurich group ELEKTRO-WATT ELEKTRISCHE & INDUSTRIELLE UNTERNENMUNGEN AG - see No 498) has sold its coal mining subsidiary STEINKOHLENBERGWERK WESTFALEN AG, Ahlen (see No 480) with a capital of Dm 31.2 million. This had refused to take part in the reorganisation of the German coal industry within the Essen group, RUHRKOLEN AG (see No 491), but is nevertheless considering a cooperation agreement with Gewerkschaft August Victoria Steinkohlenbergbau & Bleizinkerzbergbau, Mark, a member of the B.A.S.F. - Badische Anilin & Soda Fabrik AG group, Ludwigshafen.

The Ahlen subsidiary has been acquired by the Luxembourg steel group ARBED - Acieries Reunies de Burbacheich -Dudelande SA (see No 511) through its mining subsidiary in West Germany, ESCHWEILER BERGWERKS - VEREIN, Kohlscheid, Aachen (see No 409). As a result the latter's annual capacity has risen from 1.7 million tons to 8.9 million tons of coal.

** The Italian nuclear research and plant construction company SOMIREN - STA MINERALI RADIOATTIVI ENERGIA NUCLEARE SpA (see No 498), a member of the state energy group E.N.I. - ENTE NAZIONALE IDROCARBURI SpA (see No 509) has signed new uranium prospecting agreements with the Canadian group DENISON MINES LTD, Toronto (see No 524). In association with its affiliate company in British Colombia, Vespar Mines Ltd, and its 25% shareholder Roman Corp Ltd, the Canadian concern has agreed with the Italian to spend C. $1.25 million during the next three years prospecting for uranium in 1,140 mining concessions near Lake Cambrian in Quebec. Somiren and Denison Mines have been linked since late 1968 in a similar research pact in Wyoming and Montana and they have also decided to carry out joint prospection in a 23,700 square km area in Guyana, and will spend around $1.5 million between now and 1972.

** CIE DES SALINS DU MIDI & DES SALINES DE L'EST SA, Paris (see No 520), affiliated chiefly to the BANQUE DE L'INDOCHINE SA, Paris, and to CIE PECHINEY SA, Lyons, in continuation of its rationalisation scheme, has merged two of its subsidiaries, with SOCOSEL - Ste Commerciale des Sels SA, Nancy (see No 390) absorbing SALINES DE TOMBLAINE SA, Tomblaine, Meurthe-et-Moselle, thus raising the capital of the former to F 2.6 million.

OIL, GAS AND PETROCHEMICALS

** DEMINEX-DEUTSCHE MINERALOEL-EXPLORATIONS GmbH, Düsseldorf established to form the focal pivot of the reorganised West German oil industry (see Nos 499, 502, 505) has now been renamed DEMINEX-DEUTSCHE ERDOELVERSORGUNGS GmbH, and its capital has been increased from Dm 100,000 to Dm 50 million. This increase has been backed by its three main shareholders with 18.5% each: 1) G.B.A.G. - Gelsenkirchener Bergwerks AG, Essen (a 42.5% affiliate of the R.W.E. - Rheinisch-Westfalisches Electricitaetswerk AG, Essen - see No 522); 2) WINTERSHALL AG, Celle, a member of the B.A.S.F. - Badsiche Anilin- & Soda-Fabrik AG group, Ludwigshafen; 3) SCHOLVEN-CHEMIE AG, Gelsenkirchen-Buer, the subsidiary of the VEBA - Vereinigte Elektizitäts - & Bergwerks AG group of Bonn and Berlin, which has recently been renamed VEBA CHEMIE AG.

Other shareholders are Union Rheinische Braunkohlen Kraftstoff AG, Wesseling (13.5%), Deutsche Schachtbau & Tiefbohr GmbH, Lingen (10%), Saarbergwerke AG, Saarbrucken (9%), Preussag AG, Hanover (7%) and C. Deilmann GmbH, Bentheim (5%).

OPTICAL AND PHOTOGRAPHIC

** The Dutch copying equipment and materials group VAN DER GRINTEN NV, Venlo (see No 520) has gained control of its Italian distributor and licensee SIPS SEGRATE SpA, Segrate, Milan. Headed by Signor Rodolfo Schmidhausen, the latter company (capital Lire 360 million) has an annual turnover exceeding Lire 3.1 million and controls around 17% of the Italian copying and reproduction market. It also has interests in the drawing and geodisic equipment sectors.

PAPER AND PACKAGING

** The Milan paper company SAIFECS - SpA INDUSTRIA FIBRE CARTONI SPECIALI (Lire 2,800m) a member of the New York group GULF & WESTERN INDUSTRIES INC (see No 511) through its affiliate BROWN & CO, Berlin, New Hampshire (see No 445), has extended its interests to West Germany by taking over the quality cardboard manufacturer WILISCH & SOHN KG, Gosbach, Mittelfranken. The latter's production will be sold by a new Stuttgart subsidiary WILISCHE & CO - ADAMS-FEINPAPPENWERK GmbH.

With Signor L. Francolini as president, Saifecs (factory at Lupatoto, Verona) now has a new director, Herr Julius Wilisch, the former owner of the Gosbach concern. Its main subsidiaries are Central Adams SpA, Milan and Sivas SpA (now being absorbed).

** The Swedish timber and paper products group SKOGSAEGARNAS INDUSTRI A/B (SIAB), Växjö will from now onwards be represented in France by the newly-established sales company SKOGCELL FRANCE Sarl, Paris (capital F 20,000). This has M. G. Champion as manager.

The founder is owned by the Forestry Association of Southern Sweden (Södra Sveriges Skogsägares Förbund) and it has a sales subsidiary in Stockholm, Skogsägarnas Cellulosa Export A/B, Stockholm (see No 475) which is represented by subsidiaries in Milan, Kornberg, Taunus and Basle. The group is also represented in Italy, West Germany and Switzerland by SIAB member companies, Mörrums Bruk A/B, Mörrum; Skogsägarnas Cellulosa A/B, Mönsterås and Norrlands Skogsägarnas Cellulosa A/B, Kranfors.

PHARMACEUTICALS

** The London chemicals and pharmaceuticals group ASPRO-NICHOLAS LTD has strengthened its French interests (see No 518) by gaining control of the CIE GENERALE PHARMACEUTIQUE (COGEPHARM) SA, Boulogne-sur-Seine (capital F 4.5m).

Headed by Dr. Jean Laville, Cogepharm makes analgesic and aseptic products (Synthol, Synthelix, Gastralka). Since 1968 it has had a subsidiary called Cogepharm Exploitation SA (capital F 200,000) under Dr. Laville.

** The STE DE CHIMIE ORGANIQUE & BIOLOGIQUE - A.E.C., Commentry, Allier (40.8% affiliate of the RHONE-POULENC group - see Nos 503, 520) has acquired a large stake in several companies of the MARINIER group: 1) 61% in LABORATOIRES MARINIER SA, Paris (see No 489) whose head office will be moved to Commentry in early 1970; 2) 95% in the STE DES MARQUES MARINIER SA, Neuilly-sur-Seine, which has a 46% stake in LABORATOIRE DE PHYSIOLOGIE DU PUITS D'ANGLE SA, Montreuil-sous-Bois, Seine-Saint-Denis; 3) 49% in PUITS D'ANGLE, which itself has a 35% stake in Laboratoires Marinier.

AEC already has a 90% subsidiary in the pharmaceuticals sector, Laboratoires Adrian SA, Courbevoie, Hauts-de-Seine.

** POMPS-WERKE GmbH & CO KG, Cuxhaven (see No 444) the subsidiary of DEUTSCHE MAIZENA WERKE GmbH, Hamburg (itself a member of the New York group CORN PRODUCTS CO - see No 482) will in future distribute the pharmaceutical products made by DIVAPHARMA- LABORATORIUM HERSTELLUNGS- & VERTRIEBS - GES. CHEMISCHER & PHARMAZEUTISCHER ERZEUGNISSE GmbH, Baden-Baden. This has a capital of Dm 1.25 million and is controlled by the Zurich company DIVA HOLDING SA (see No 494).

The latter forms part of the JUVENA HOLDING AG group, itself represented in Baden-Baden by Juvena Produits de Beaute GmbH (capital Dm 4m).

PLASTICS

** The German textiles group GIRMES-WERKE AG, Oedt-Krefeld, is to join with the German leather and plastic goods concern CARL FREUDENBERG KG, Weinheim, Bergstrasse (see No 482) in realising an industrial project in the Netherlands (see No 512). A company named NEDERLANDSE GIRVIK NV is to be formed at Venray to supervise the investing of some Fl 12 million in the construction of a plastic products and floor coverings factory. This will give employment to some 150 people, and will take its raw materials from the Arnhem A.K.U. group - ALGEMENE KUNSTZIJDE UNIE NV (see No 521).

** The German plastics concern RENOLIT-WERKE GmbH, Worms (see No 451), which recently conceded a licence to the South African Explosives and Chemicals Industries (Pty) Ltd, Johannesburg, to manufacture rolled plastics sheeting, has now negotiated links with the Norwegian HELLYS F. HANSEN A/S, Moos, concerning the building of a plastic sheeting plant that will supply the entire EFTA market. A joint subsidiary named HELLY HANSEN - RENOLIT A/S will be formed to run this.

The German concern is owned by Herren Jakob Müller and Karl Meiner (90-10), and with Dm 16 million capital employs 500 people. Its main link in France is an affiliation to Pneumatiques, Caoutchouc Manufacture & Plastiques Kleber-Colombes SA, Colombes, Hauts-de-Seine (see No 487) within Kleber-Renolit-Plastiques SA, Trilport, Seine-et-Meuse.

PRINTING AND PUBLISHING

** The Dutch printing and publishing group DRUKKERIJ & UITGEVERIJ v/h C. DE BOER JR. NV, Hilversum (see No 467) has gained control of NV DRUKKERIJ CUPERUS, De Bilt (30 employees - annual turnover Fl 1m). It will merge its new acquisition with its Utrecht subsidiary, DRUKKERIJ & UITGEVERSMIJ. P. DE BOER.

** HALLMARK SA, Neuilly-sur-Seine (capital recently raised to F 2.25m - see No 503) a French member of the American publishing, greeting cards, wrapping and writing paper group HALLMARK CARDS INC, Kansas City, Missouri, has made over assets at Maignelay, Oise to its subsidiary EDITIONS DOMINIQUE. The latter has Mr. Fred C. Bloem - also president of Hallmark SA - as president and as a result of acquiring these new storage and finishing facilities has raised its capital to F 3.46 million.

** Herr Hansheinz Porst, owner of the Nuremburg optical and photographic equipment firm "DER PHOTO PORST" HANNS PORST KG (see No 456) has sold part of his controlling interest in MAUL & CO, Nuremburg (printers) which had a 1968 turnover of Dm 50 million with some 900 employees. This has been taken up by the holding company SUDDEUTSCHE INDUSTRIEBETEILIGUNGS GmbH, Frankfurt (a subsidiary of the Dresdner Bank AG, Frankfurt - see No 517). One of the main clients of the Nuremburg printers is Gross Versandhaus Quelle Gustav Schickedanz, Fürth (see No 522).

Porst also operates in the mail-order sector and in addition to having fifty directly owned retail outlets, there are a hundred dealers. In 1968 it had a turnover of Dm 70 million and its main sister-companies are Eurocop GmbH (copying) based in Nuremburg and the optical equipment concern Brillen Porst GmbH, Cologne, EX DATA GmbH, Nuremburg which provides a calculating centre and facilities for small- and medium-sized firms. There is also the property company Porst Wohnungsbau oHG, Nuremburg, Fernseh Porst GmbH & Co KG, Hamburg (TV sets, radios and record-players) and Radio Television Verlag GmbH which prints 1.7 million radio and TV supplements for around 200 weeklies.

RUBBER

** The leading Scandinavian rubber and plastics processing group TRELLEBORGS GUMMIFABRIKS A/B (see No 416) has extended its Common Market sales network by forming a Dutch sibsidiary called NV NEDERLANDSE STEFA (capital Fl 25,000) in Hoogezand. This is controlled by the group's existing Dutch subsidiary, TRELLEBORG RUBBERFABRIEKEN NV under Mr. B.O. Jönsson.

The founder has sales subsidiaries bearing its name in Paris, Hamburg, Brussels, Vienna, Basle, London, Oslo, Denmark (Helsingor), New Rochelle, New York; and through its subsidiary Stefa Industri A/B, Landskrona, it controls Stefa sales companies in Frankfurt and Turin.

SERVICES

** The British pipeline, sewer, duct and general fluid disposal conduit cleaning company DYNO-ROD Ltd, London (headed by Mr J.F. Zockoll) has formed a Schaerbeek-Brussels subsidiary named DYNO-ROD SA (capital Bf 120,000) in association with its Berlin subsidiary Dyno-Rod GmbH.

The German offshoot appeared in 1968. It is run by Messrs K.H. Wichmann and C.W. Jones, and with Dm 20,000 capital has several branches in West Germany, the main ones being in Stuttgart and Frankfurt.

TEXTILES

** In a merger between two French lace firms, both based in Calais, ETS MOLINIER & RENAUX SA will acquire assets valued at F 5.19 million from ETS LOUIS LARIVIERE SA (capital F 1m) and double its own capital to F 2.4 million.

Molinier was owned by M. Robert Desseilles (49%) and M. Blondel its president (51%). In February 1966 it linked with the Ets Robert Desseilles SA, Calais (capital F 1.19m) to form a joint Paris company called Calais Dentelles - Societe Internationale de Distribution Dentelliere Anc Ets F. Constant Snc (capital F 50,000).

** The leading European corsetry group TRIUMPH INTERNATIONAL AG, Munich (see No 498) intends to strengthen its position on the Australian market by gaining control of BERLEI UNITED (PTY) LTD. The latter has a major subsidiary in Britain, BERLEI (U.K.) LTD, Slough, Bucks.

** PAPETERIES DE FRANCE SA (see No 493) and LA ROCHETTE CENPA SA (see No 515), both of Paris, have joined 65-35 in forming STE FRANCAISE DES NON TISSES SA in Paris with F 5.8 million capital, 65% paid up.

The new company, having as its president M. Henri Renard, who heads the special division of the former that operates in this sector, will use a papermaking process to produce non-woven fabrics. These will be marketed under the "Clennil" mark, rights to which will be provided by Papeteries de France, and production will take place at the Brignoud, Isere mill of this group, base material being either natural or synthetic fibre.

** ETS RAINEUROPE SA, Brussels, and FICOMA SA, Luxembourg, have joined 50-50 in forming the Belgian MANUFACTURE EUROPEENNE D'IMPERMEABLES & D'HABILLEMENT-MANEURIM SA, Nivelles (capital Bf 1m). This will make and trade in all manner of textile products, but especially rainwear.

** The German textiles group J. F. ADOLFF AG, Backnang (see No 486) has negotiated the takeover of a similar concern, SPINNEREI & WEBEREIEN ZELL-SCHOENAU AG, Zell, Wiesental. The latter has Dm 12.5 million capital, and turns over some Dm 100 million a year with 2,500 employees. Best known for its "Irisette" household linen and "Cononesse"shirts, its main subsidiaries are Spinnerei Atzenbach AG, Atzenbach, and Zell-Schönau Textil GmbH, Zurich.

After this move, the consolidated annual turnover of the group it is anticipated will rise to around Dm 350 million, with a workforce totalling about 8,600, which will place it in the top five ranking for its sector in Germany. Furthermore, the effect will be to extend the range of household linen already offered by the Eberbach subsidiary Schwäbische Textilwerke AG, under the "Webgold" trademark.

** Two bleaching, dressing and printing firms in the German WINKLER textiles group (headed by Herr Helmut Winkler), AUSRUESTUNG AN DER WIESE GmbH (capital Dm 950,000) of Brombach, Wiesental, and DRUCKEREI & APPRETUR BROMBACH AG (Dm 3m) - combined payroll 900 people - are to combine and form WIESE TEXTILVEREDLUNG GmbH.

The other leading members of this group (see No 412) are in West Germany: Greiff-Werke Gustav Winkler KG, Bamberg (making-up); Taschentuch-Werke Gustav Winkler KG, Bielefeld (handkerchiefs), and Spinnerei Lauffenmühle Gustav Winkler KG, Tiengen (spinning).

TOURISM

** The New York hotel company INTERCONTINENTAL HOTEL CORP (see No 502), subsidiary of PAN AMERICAN WORLD AIRWAYS INC, New York, has raised from Dm 20,000 to Dm 5.3 million the capital of its Düsseldorf subsidiary DÜSSELDORF INTER-CONTINENTAL HOTELS GmbH, which since the beginning of this year has been running a 600-bed hotel in Düsseldorf.

In West Germany, the American concern is already running or building a number of hotels, chiefly in Frankfurt, Hanover and Hamburg. In France since last February it has had a subsidiary named Intercontinental Hotels France Sarl (capital F 50,000), managed by M. P.L.Monnet.

TRADE

** The American store group J.C.PENNEY CO (see No 511) has paid $10.6 million for 66% control of its Belgian counterpart SARMA SA, Brussels (see No 517). It acquired a 27% stake in Sarma during 1968.

Sarma, which controls 100 shops and has 270 concessionaires, has Baron Sadeleer as president. There is a Brüssels sister-company, Sarma International - Sarminter SA, which controls the group's Belgian (Unibra), Spanish and Congolese interests (see No 426).

** The Amsterdam sales company HAGEMEIJER & CO'S HANDELMIJ (see No 518) has rationalised its Belgian interests by merging its two direct subsidiaries. SA HAGEMEYER, Molenbeek, Brussels has taken over ETS HACO SA, St-Josse-ten-Noode and raised its capital to Bf 9 million.

** A further merger in the Belgian chain store and supermarket sectors will involve G.B.ENTREPRISES SA (formerly Supermarches G.B. SA, Edegem-les-Anvers - see No 500) taking over SUPER-BAZARS SA, Auderghem - Brussels (see No 488). G.B.Entreprises will have its capital raised to Bf 1,320 million (it already has an 18.7% stake in Super-Bazars) and the new group will control over 120 retail outlets including 59 supermarkets and 28 restaurants. Annual turnover should be in the region of Bf 10,000 million, on the basis of 1968 figures.

G.B.Entreprises (1968 turnover Bf 6,770 million with 69 outlets) is affiliated to the American group Jewel Cos Inc, Chicago, Illinois and the Belgian, Union Financiere d'Anvers Bufa NV, Anwerp as well as to the Cie Occidentale de Participations & de Gestion SA, Brussels (part of the Tournai, Desclee group - see No 518). Super-Bazars (1968 sales of Bf 1,565 million) is also an 18.75% interest of the Brussels groups SA des Grands Magasins "Au Bon Marche", Ets Vaxelaire - Claes SA (see No 500) - now merging with L'Innovation SA (see No 524) and the Liege company, Grand Bazar de La Place Saint Lambert SA (see No 500).

TRANSPORT

** ALSAR SpA, Portoscuro-Cagliari (see No 514), COMALCO INDUSTRIES (PTY), Melbourne (see No 507) and METALLGESELLSCHAFT AG, Fränkfurt (see No 515), which have already linked (see No 460) to operate on a joint basis a 600 t.p.a. aluminium smelter at Porto Vesme, Sardinia using bauxite from Weipa in Queensland (see No 402), have now formed a company to ship the bauxite from Australia. The new concern is called SARDNAVI - SOC. DI NAVIGAZIONE MARITTIMA SpA, Cagliari, and the bauxite is mined by Comalco, the joint subsidiary of the London group R.T.Z. - RIO TINTO ZINC CORP LTD and the CALIFORNIAN KAISER ALUMINIUM & CHEMICAL CORP, Oakland, California.

Three other companies are represented on the new concern's board: 1) Carbonavi - Soc. Di Navigazione SpA, Palermo, a member of the Rome group E.F.I.M., which controls Alsar through M.C.S. - Mineraria Carbonifera Sarda SpA (see No 503); 2) Montecatini Edison - Montedison SpA, Milan, also a shareholder in Alsar (see No 514); and 3) Unterweser Reederei GmbH, Bremen, the wholly-owned subsidiary of Metallgesellschaft.

** The growing concentration on mineral ore carriers (7 vessels totalling 337,890 tons) of the Hamburg shipping company SEEREEDEREI "FRIGGA" AG (capital Dm 15m) has resulted in the Dortmund group WESTFALISCHE TRANSPORT AG (see No 472) making over its 25% interest.

The Dortmund group (annual turnover around Dm 110m) has as its main shareholders the Essen holding company MONTANA VERWALTUNGS GmbH with 50.9% (itself affiliated to the leading German coal groups), Gelsenkirchener Bergwerks AG (10.92%) and Hibernia AG (7.78%) as well as Fried Krupp Hüttenwerke AG, Bochum (7%), Mannesmann AG, Dusseldorf (3.06%), Hoesch AG, Dortmund (26.47%) and Rheinische Stahlwerke, Essen (7%). The latter two companies will keep an indirect interest in Seereederei "Frigga" through the 25% stake held in it by the holding company Frigga Beteilgungs GmbH, Dusseldorf, in which they are 25% and 15% shareholders respectively. The remaining 50% in the Dusseldorf holding is held by the August Thyssen Hutte AG group.

VARIOUS

** The West German GEBR. NUBERT KG, Schwabisch Gmünd (cooling cabinets) has formed a Rome sales subsidiary called NUBERT ITALIANA Srl (capital Lire 900,000), whose managers are its own directors Herren Wilhelm and Berthold Nubert. The founder is controlled by the family concern W. & B. NUBERT GmbH, and it has an annual turnover of around Dm 10 million with 130 employees. There is also an Austrian sales subsidiary, Nubert GmbH, Vienna.

** The American group U.S.M. CORP, Boston, Massachusetts (equipment and materials for the leather industry - formerly UNITED SHOE MACHINERY CORP - see No 508) has expanded its Dutch interests and thus strengthened the position of its subsidiary VERENIGDE SHOENMACHINE MIJ. - V.S.M. NV (see No 382). This has gained control of one of its suppliers in Waalwijk, NV Bakkers & Holl, which has 30 employees and specialises in supplying heels and undersoles.

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