

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY
June 2 - June 8, 1969

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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June 12, 1969

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THE WEEK IN THE COMMUNITY

June 2 - June 8, 1969

WESTERN EUROPEAN UNION

Summiteering

Progress within the Community as regards both its internal and external policies has suffered this year from electoral considerations, as the need to await the outcome or prepare election campaigns has tended to slow down the already over-burdened work programme of the Six. It has also had the effect of making politicians act in a circum-spect manner and postpone meetings or decisions. The spate of electoral consultations in France should soon be over, but in West Germany the campaign for the election of deputies to the Bundestag in September is now getting under way. In addition there is the continued possibility of elections in Belgium and Italy.

The second quarterly meeting of the Ministerial Council of the Western European Union met in The Hague on Thursday and Friday of last week: no French representatives took part as General de Gaulle's government decided to boycott the organisation - including the Permanent Council which has now held ten meetings without France - following agreement by the Five and Britain to hold political consultations within the WEU, a decision which was taken last February. Apart from discussing European unity, the Ministers dealt with the Middle East question, East-West relations, Biafra and Greece. They should have also heard economic reports from the EEC Commission, but since France had refused to take part it was finally agreed that no valid invitation could be sent. All in all, the meeting was expected to be largely routine, especially since no one wanted to complicate the organisation's future relations with France before the presidential elections.

There was therefore some surprise when the West German Foreign Minister, Herr Willy Brandt proposed a European summit conference which would take up the question of British entry. It seems however that this move was intended for home consumption, in an effort to boost the position of the Social Democrats during the electoral campaign. At first sight his "suggestion" might be thought to make matters more difficult for the WEU and the Five vis-a-vis the new French president, but he emphasized that it was not a prepared, firm proposal. Basically Herr Brandt's idea is that there should be a summit conference of heads of government and foreign ministers from the Six and Britain, a meeting to be held outside the framework of the existing European organisations. This would discuss the problems raised by Britain's application to join the Common Market, as well as the bids for membership by Denmark, Eire and Norway, but Britain's application would receive priority. The conference would: 1) work out a negotiating calendar and the procedure to be followed with regard to the candidate countries; 2) agree the key problems to be tackled during negotiations; 3) establish areas where political and economic cooperation could start before

negotiations began; 4) draw up a European work programme. This summit conference could take place in the autumn, either in October or November.

The general reaction amongst the other ministers in The Hague was that the Six should first reach agreement between themselves. In the view of the acting President of the EEC Council of Ministers, M. Gaston Thorn, care should be taken not to make matters too difficult for France, while they would probably need to hold their own summit conference before fixing such a top-level meeting with the British government. Both presidential candidates in France have in any case said they will propose a European summit conference if elected. The need for the Six to agree amongst themselves was stressed by the President of the Commission, M. Jean Rey; who was visiting Sweden, and a similar view was taken by the Dutch Foreign Minister, Dr. Joseph Luns, who will be taking over from M. Thorn on July 1. When he presides over his first meeting of the EEC Council of Ministers on July 7, Dr. Luns is to ask his partners - and this will include the new French foreign minister - to adopt a declaration of intent stating that the EEC should be expanded, thus hopefully clearing the way for negotiations on enlargement. In this context it has been put forward that actual talks might start by the end of this year, and certainly there is a strong feeling about that negotiations will begin before the middle of 1970.

Rumours from a number of sources suggest that once the new French government is installed a package deal will be proposed, involving some concessions by the Five to France on the question of financing the common agricultural policy in return for France agreeing to the opening of talks with Britain and the other countries. Whether this will go through is uncertain, but the possibility of some British participation in the CAP financing talks could have a considerable significance. The position of the other candidate countries would also have to be borne in mind, especially Denmark and Ireland, both large suppliers of agricultural products to the British market. The situation of both these countries and Norway now seems to be uncertain, as both the West Germans and the Dutch are showing signs of backing a Community of Seven (the Six + Britain) before taking matters further, in order to prevent "dilution" of the EEC. Chancellor Kiesinger has in fact suggested some sort of two-tier Community, with a wide economic unit and a community to include those states wishing to commit themselves to political integration, and last week he backed the idea of a European summit before the end of 1969 or in early 1970.

The British Foreign Secretary, Mr. Stewart, welcomed Herr Brandt's proposals but made it clear that he would like the Six to have accepted the principle of Britain's membership, and agreed that negotiations should be opened. He said events had shown Britain had been right in maintaining its application and that "the central objective of a united Europe built on the basis of the enlarged Communities had been maintained. There were difficulties ahead but the opportunity might be returning to make a reality of a wider, more closely integrated Europe." It had been suggested that Britain had tried to use the WEU as a backdoor to membership of the EEC, but this was not so, and he hoped that the next meeting of the EEC Ministers, which will be the one chaired by Dr. Luns, would give a straight "yes" to Britain's request for the opening of negotiations for membership,

as the application had been on the Council's agenda since May 1967.

If negotiations are opened it seems likely that the British team will include Lord Chalfont, Minister of State at the Foreign Office who has previously concentrated on European affairs and the present British ambassador to the Communities Sir James Majoribanks. Furthermore Sir Con O'Neill, a specialist on European affairs, who resigned as Deputy Under-Secretary of State at the Foreign Office and former British ambassador to the Communities from 1963 - 1965 is also tipped to form part of the team.

Apart from their discussions on European integration, the other major topic dealt with by the WEU Ministers was the question of East-West relations. In particular they discussed the possibility of a conference on European security proposed by the Warsaw Pact countries during their Budapest meeting in March of this year. One noticeable feature in the WEU meeting was the approach adopted by Herr Brandt who spoke of "East Germany" and not the "so-called German Democratic Republic". Furthermore in a press conference afterwards Dr. Luns said Herr Brandt had spoken of relations between the two parts of Germany and not of internal relations between Eastern and Western Germany. Dr. Luns thought that it might be possible to hold such a conference during the second half of 1970. There are four points to the plan, endorsed by the Ministers:

- 1) No pre-conditions to be fulfilled. This means that even West Germany is willing to sit down with representatives of East Germany, and that all states will be on equal footing.
- 2) The United States should be able to take part, and so should Canada if she wishes.
- 3) Full and detailed preparations should be made to ensure the efficient working of the conference.
- 4) The conference should only be held if the preparations indicated that it had a reasonable chance of making some progress.

Before departing, the ministers agreed to ask France to start participating in the work of the WEU again. They emphasised that the Ministerial Council "did not indulge in post-mortems or legalistic arguments. What is important is to return to our full membership". The progress they had made since the last ministerial meeting in Luxembourg with France "had advanced the prospects of European unity without prejudicing the interest of absent members" and all her partners wanted her "to take her rightful place in the WEU". Dr. Luns is expected to stress this desire for French participation when he visits Paris on June 17 to take part in the meeting of the WEU Assembly.

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EEC ECONOMY

EEC Business Survey

The Commission of the European Communities has published its first four-monthly report for 1969 on the results of the EEC Business Survey.

The report analyses management's replies to the last four monthly questionnaires.

Managements report that in the Community as a whole industrial production has continued to expand rapidly in recent months. This trend is mainly due to the vigorous upswing of demand in all member countries. Production expectations also show that managements expect output to remain heavy. In the circumstances, the firm trend of production can be expected to continue in the months ahead.

In Germany, production is still expanding swiftly and the latest surveys continue to provide evidence of buoyant economic activity. Production expectations, which are distinctly positive since the vast majority of managements expected the current pace to remain at least the same, suggest that the tempo of activity will still be very high in the months ahead.

In France, the surveys show that the pace of activity has remained very rapid in recent months in virtually all industries. A very large number of managements are satisfied with the level of total orders on hand. Export demand in its turn made definite gains. Reports on the future trend of production are still definitely optimistic and suggest that expansion will remain strong in coming months.

In Italy, the surveys revealed that economic growth has become more lively in recent months, confirming the first signs of improvement registered in the autumn. Managements were more optimistic about orders on hand, and forecasts of future activity have also improved steadily. All this evidence suggests that the rate of economic expansion in Italy will continue to gather momentum in the next few months.

In Belgium where production is now forging ahead, the latest surveys still show a favourable assessment of economic expansion. Demand has expanded further and production expectations have been improving steadily, suggesting that in the immediate future the tempo of activity will remain rapid. Firms were working nearer capacity, the rate of utilization having exceeded that reached in 1964.

In Luxembourg, activity has been firm in recent months. Management's production expectations are very optimistic, suggesting that the rate of expansion will be maintained.

AGRICULTURE

Coordinating Agronomic Research

The Commission is currently engaged in work on the drafting of proposals concerning the promotion of closer collaboration between the Six in agronomic research. Although it has yet to finish its studies, the Commission has already gone on record as believing that the need for taking options as to what type of research is required, the relatively limited finances available, and the shortage also of qualified researchers means that a scale of priorities must be agreed between the Six in this field.

This in fact is a further aspect of the actions mooted in the Mansholt Plan. The Commission feels that it is logical to extend work on agricultural restructuring, the basic principles allied thereto and the economic and social effects engendered, to the coordination of research efforts, as this of course can contribute directly to the fuller realisation of the long-term aims of the common agricultural policy. The Commission has also stressed that it will not fail in its proposals to link the plans it will suggest with cooperation as it is beginning to be pursued in other research sectors.

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Increasing Concentration in the Dairy Industry

The number of dairies has declined in recent years in almost all countries in Western Europe. For example the rate of decrease since 1960 has been 38% in West Germany, 32% in the Netherlands and 41% in Belgium. In the EEC, Luxembourg apart, the trend towards concentration has been most marked in the Netherlands and Belgium where in 1968 the average throughput per dairy was about 21 million kg (4.5 m gallons) compared with only 11 million kg (2.4 m. gallons) in West Germany and just 6 million kg (1.3 m. gallons) in France. The position was even worse in Italy. The dairy capacity in the other countries listed in the table was about the same as in West Germany or less - in Denmark the average throughput was only 5 million kg (1.1 m. gallons).

See Table Overleaf.

Number of Dairies in Western Europe

	Census date	1960	1965	1966	1967	1968
West Germany	31.12	2,758	2,230	2,140	1,923	1,701
France	1.1	5,428	4,372	3,891	3,710	-
Netherlands	31.12	499	403	383	359	337
Belgium	31.12	235	194	180	161	138
Luxembourg	-	-	-	4	4	4
U.K.	April	1,786 (a)	1,334	1,295	1,224	1,165
Denmark	1.10	1,343	-	1,063	985	884
Sweden	31.12	426	280	260	234	201
Finland	31.12	-	341	336	322	308
Austria	31.12	467	397	386	361	-

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FINANCE

March Savings

Figures recently released by the EEC Savings Banks indicate a considerable drop in deposits during March of this year compared with the same period in 1968. Total EEC deposits in March 1968 amounted to \$345.6 million while in March 1969 deposits dropped by nearly a half to \$184.6 million. Although a decline normally takes place during the first quarter, it is particularly noticeable this year and when set against the figure for February 1969 (+\$406.7 m.) is even more striking.

New Deposits - March 1969 (in \$m.)					
Belgium	France	Italy	Luxembourg	Netherlands	West Germany
+1.1	+1.2	+44.7	+0.9	+13.5	+125

Deposits in savings banks in all member countries were lower in March 1969 than in February 1969, although in Italy and the Netherlands the rate was above that for March 1968. New deposits during the first quarter of 1969 (\$1.160m.) amounted to just three-quarters of the figure recorded for the last three months of 1968. The most noticeable declines occurred in France and Luxembourg, followed by Belgium and then West Germany. In Italy however the figure is only 10% lower than in 1968, while in the Netherlands new deposits in the first quarter of this year were probably appreciably above the 1968 figure.

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ECSC

Steel Overcapacity Threat

Recent decisions by steel companies in the European Community to invest in new plant could increase the risk of overcapacity in the early 1970's the European Commission has reaffirmed. The danger of surplus capacity is particularly acute in the hot and cold strip sector (see No 508).

In a reply to a question by a member of the European Parliament (Adriaan Oele, Dutch Socialist), the Commission states that the total value of notifications of proposed new investments by Community steel companies received in the first four months of 1969 amounted to \$488 million - excluding the cost of two proposed integrated coastal steelworks. This total for the first four months of 1969 compares with the average totals of \$154 million for the equivalent four-month periods of the years 1956-1959; of \$530 million for 1960-1961; and of \$165 million for 1962-1968.

The heavy investment in 1960-61, the Commission states, following immediately after a period of high activity, doubtless contributed to the unstable market conditions which developed after 1963 because of supply potential exceeding demand.

A number of the investment programmes now envisaged, and undertaken under the influence of an economic upturn, are likely to be completed when the market conditions are quite different, the Commission explains. The demand for new plant also appears to have been expanded by consumers having submitted orders for steel in excess of their real needs (as the Commission pointed out in its annual report for 1968 and in its steel-market forecasts for the second quarter of 1969).

In these circumstances, the Commission is speeding up the completion of the medium-term forecasts in its "General Objectives for 1975". It is also immediately carrying out studies of the sectors where the heaviest investment is planned and where over-equipment could occur.

A preliminary forecast of the situation in 1972-73 in the market for heavy and medium sheet steel gives rise to fears of some deterioration in the rate of capacity-operation of hot wide-strip mills and, even more, of cold wide-strip mills.

Other studies are in hand by the Commission. Two of them, on the position of the plate-steel and wire-rod markets in 1972-73, are on the point of completion, and in both cases they lead to the conclusion that in that period the rate of capacity operation will be approximately at the same level as in 1968 (see No 513).

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Producers Back Commission on Pricing Steel

The Commission has of late been in consultation with delegates from the steel industries of the Six concerning its proposals for adapting to the real situation now obtaining in the steel market the rules for applying Paris Treaty provisions on price publication and selling conditions for ECSC products, in particular Article 60.

The steel producers are on the whole behind the Commission in this matter, as the key to its ideas on the subject is redefinition of the term "discrimination". As of now, a practice will no longer be deemed discriminatory unless we have differing sales conditions or prices applied to transactions that are otherwise comparable, i.e. those effected with buyers and users who use the steel in finished products that compete on the market. What this means is that while they will be obliged to publish price scales in sufficient detail to ensure an undistorted market in steel, they will nonetheless be free to conceal certain of the prices and sales conditions they apply to customers, according to the nature, scale and context of the transaction in question.

The Commission has every hope that the introduction of this modification will serve to eliminate an anomaly that for years now has made the application of Article 60 a source of irritation, the more so since with steel we have seen the switch from a seller's market to a buyer's market. The aim now is to enable producers to operate pricing policies of a more flexible kind, and better fitted to adjust to market trends, during a period when the buyer is king, and cannot put a foot wrong, nor, as was the case during the early years of the E.C.S.C., suffer discrimination at the hands of his steel suppliers.

Since the rules for applying Article 60 must needs relate as much to coal as to steel, the Commission is soon to consult also with producers from this sector, as to its proposed amendments. Here, it may very well be a different story, for the coal industry is known to be all for price publication, even to the extent of seeking it for every energy raw material source, and the expression of this principle in the future common energy policy.

Before it may be transmitted to the Council of Ministers, moreover, the Commission's draft amendment to the rules in question has to be debated officially by all the interested parties (producers, users and labour) within the Consultative Committee of the E.C.S.C.

Another thing to bear in mind is that as far as the steel producers themselves are concerned, this is not a burning issue, as the outlook for steel in both the Community and the world at large is extremely promising. Steel prices published by the industry in the Six have been steadily rising since last autumn (and over 3,000 price increases have been notified to the Commission under Article 60 since the beginning of this year), and although they declined badly in recent years, they have now reached their 1961 level again,

and even passed it in many cases, according to the product in question. Of course, there is a large body of opinion that feels sure this situation cannot continue indefinitely - steel orders are now 15% up on last year, but real demand in the long term can hardly be more than 5% higher - and with this in mind, the steel industry will probably be well content to find pricing regulations more supple and better tailored to the state of the market, once the steel economy slips back into a more steady gear.

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SOCIAL MATTERS

Reform of the Social Fund

The Commission has decided, in conformity with Article 126 of the Rome Treaty, to submit proposals to member states concerning the reform of the European Social Fund, which exists to provide 50% of the cost of redeploying labour laid off as the result of industrial rationalisation and integration pursued under EEC common policies. The Article in question provides that at the end of the transitional period (now agreed for January 1 next) the Council shall either order the cessation of aid in this form, or determine new tasks to be entrusted to the Social Fund within the framework of its mandate. Thus far, the Fund has been used solely for resettlement allowances and the retraining of redundant labour, to which end \$25 million were disbursed from it in 1968.

Many aspects of the functioning of the Social Fund have come in for criticism. In the first place, the economic and social conditions obtaining in the Common Market have of course altered greatly since 1958, and while it was then a matter of contending with "numerical" unemployment, the problem now is essentially one of redeployment of workers. What we should also bear in mind is that when we come to the end of the transitional period, member states will no longer be able to fall back on the Treaty's safeguard clauses to ease themselves out of difficulties. A system should therefore be devised that will allow of tackling imbalances within a region or sector. Thus in practice the present Fund falls short in the following particulars:

- 1) Aid is granted almost automatically, as soon as a government lodges with the Commission a petition that answers certain predetermined criteria.
- 2) The aid itself is always equal to 50% of the cost of the operation planned by the petitioning state.
- 3) All member states by and large get out what they put into the Fund, with the exception of Italy, which has always done better out of it.

Thus operated, the Fund can be faulted in various ways, but the fact remains that at this stage in the game the Six can certainly not do without a practical device of this kind.

Thus the Commission submits three fresh criteria according to which it feels the Fund could operate effectively:

1) Granting of aid should no longer be subject to a rigid code of closely defined rules.

2) Intervention by the Fund should be tied in with Community policies, especially the agricultural policy.

3) Action should be concentrated upon precise objectives.

This means in practice that the Fund's contribution to any given cause should no longer of necessity be equal to 50% of the cost thereof, but be variable. Furthermore, the Fund's terms of reference should be extended, and it should be authorised to grant aid to specific sectors (e.g. agriculture and technology-intensive industries), or regions or even certain classes of workers (indeed, the Commission seems to have it in mind to use the Fund in dealing with the 2.5 million farm workers scheduled to leave the land under the Mansholt Plan). Similarly, other forms of aid, says the Commission, should be added to those types already offered by the Fund: re-training grants should include special premia for workers choosing to undertake particular types of work; resettlement aid might include specific housing subsidies; there might be financial assistance also for maintaining the income levels of those who resettled in a new place of work etc.

Of course, if the Fund were to be modified as drastically as this, there could be no question of not raising the budget, especially if the Mansholt Plan were to come under the umbrella of its aid. The Commission is keeping rather "mum" about the cost of all this, but it would seem that in the first year the Social Fund budget would have to be doubled, and that it would have to go on rising thereafter. A figure as high as \$250 million has been suggested for the Fund's requirement once it was functioning fully in this way, but this is strictly off the record, as yet.

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HEALTH

Widening ECSC Medical Research

The EEC Commission has delegated its experts in the field to the task of drafting three ECSC research programmes relating to labour hygiene and medicine, on which the former High Authority spent \$15 million between 1955 and 1966. The researches backed

by the High Authority, with funds accruing from the special ECSC levy, were orientated specifically towards the prevention, diagnosis and treatment of illnesses constituting an occupational hazard for ECSC workers, dealing with after-effects, and retraining workers rendered unfit by them. Research was also carried out into the physical and mental effects of adverse working conditions, shift planning and so on.

The Commission intends the three new programmes to cover workers' readaptation, and the reorientation of skills in those affected by accidents at work; prevention of chronic respiratory disorders, and techniques for optimising labour output.

The earlier programmes having been designed almost exclusively for the benefit of the coal and steel industries, the Commission believes the time has now come to widen the scope, maintaining that sectorial objectives in fields such as these are altogether too inhibiting. That the findings achieved through researches financed by it should be of use within the framework of the Community's Social Policy as such, the Commission has decided to group these researches around a number of poles of interest, of equal value to all six member states, and to their industries in general.

The awkward thing about all this is that such research is financed out of the ECSC levy, and the very principle of this has long been disputed by the Community's coal and steel producers. Let there be no doubt that these (who must needs be referred to within the Consultative Committee on proposed ECSC research) will show solid opposition to these proposed changes in the policy, even if their own specific industries do not stand to lose. Hopeful of scotching these quibbles, the Commission is at present casting about for ways and means of securing funds to be pooled with the levy.

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TRADE

Harmonising Relations with Algeria

In reply to a question asked at the European Parliament in Strasbourg, the EEC Commission has announced that it has submitted to the Council proposals for harmonising the four different trading regimes that EEC member states operate with regard to Algeria. Although the Council has dealt with these plans at length, it has yet to conclude its study, but it has at least last year's temporary arrangements regarding imports of Algerian wine to fall back on, by way of handling this sensitive question for the time being (see No 473). The Commission, by way of expounding the problem of harmonisation that has to be resolved, sums up the four regimes as follows:

Benelux: Applies the same terms of trade as were exercised towards other member states on January 1, 1965. However, agricultural produce subject to market

organisations that exercise import levies are dealt with as products from third countries.

Germany: Applies those conditions that were exercised towards other member states on January 1, 1966, but for those farm products for which the common external tariff applies, Algerian imports are taken as third country imports.

Italy: As from January 1, 1968, Algerian products have been dealt with as products from third countries.

France: Allows Algerian goods in without quota restrictions or customs duty. Quantitative restrictions do however apply to wines, as does a reduced customs duty. Furthermore, France imports no goods from Algeria that might be subject to the levy, with the exception of a time-honoured quota of semolina, and certain low quantities of olive oil, which are exempt from the levy.

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RETAIL TRADE

French Multiples: 10% Boost in 1968

The 1968 year's trading by members of the French association of multiple grocery stores (syndicat des maisons d'alimentation a succursales) showed a turnover of 11,215 m fr (£946.5 m), representing a rise of 10.7% on 1967, while the number of retail outlets had declined by 1.9% to 20,178. The 74 companies in the association have further concentrated distribution and closed 556 shops with a floor space of less than 120 m², while at the same time they opened 147 supermarkets and "superettes". These have provided employment for 3,500 more employees and have helped total production to advance by 5.75% in one year.

New installations and innovations in warehousing (cold stores and controlled temperature units), transport (refrigerated lorries) and shop equipment (cold stores and refrigerated showcases) had permitted an expansion of activity, said the president of the association, at the same time delivering a broadside against "those who complain of our vast floor space, after only recently expressing surprise at our slowness in the direction". The president claimed that the association was now able to play a greater part in the sale of fresh goods (fruits, vegetables, dairy products, meat and delicatessen, fish and frozen goods) and had opened up new sectors (bread, confectionery, and restaurant services). These products accounted for an increasing share of turnover every year and in the large supermarkets sales of fresh goods often amounted to over 50% of turnover. Turnover in butcher's meat rose 27% in 1967 and a further 28% in 1968. Extended floor space had also enabled the shops to expand the selection of goods outside the food sector (textiles, novelties, household goods, furniture etc). Sales were still very much dependent on the smaller shops, as figures of turnover distribution indicate.

Floor space and turnover in retail outlets

	1967	1968	percentage change 1967 to 1968	percentage turnover 1968
Less than 120 m ²	19,607	19,051	- 2.8	62
120 to 400 M ²	714	807	+13.1	14
400 to 2,500 m ²	264	311	+17.8	22
More than 2,500 m ²	2	9	-	2
Total	20,587	20,178	- 1.9	100

Self Service Stores

	1967	1968	percentage change
Less than 120 m ²	2,977	3,105	+ 4.3
120 to 400 m ²	714	807	+13.1
400 to 2,500 m ²	264	311	+17.8
More than 2,500 m ²	2	9	-
Total	3,979	4,232	+ 6.4

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Citrus Imports from Mediterranean States

The Agricultural Commission of the European Parliament has just ratified three draft regulations concerning imports of citrus fruit from Turkey, Spain and Israel. All three regulations allow of a 40% reduction in the common external tariff duty that the Six will have to pay on imports of oranges, lemons, mandarines and clementines from these three countries, but there will be discrimination in the form of time restrictions. Turkey will enjoy trading under these conditions throughout the year, but Israel and Spain (lemons excepted) will be limited, in the case of the former to eight

months (from November 1), and in the case of the latter to six months (from January 1).

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COMPE TITION

Dutch Tractor Cartel to be Dissolved

Following a recent decision by the EEC Commission the Dutch tractor cartel is to be dissolved. Up to now the five agricultural and horticultural machinery trade federations (VIMPOLTU, BOVAG, SMECOMA, VHL and VOHIL) have divided the market at its various stages. Recognised importers and wholesalers were pledged to supply tractors solely to recognised retailers. Member retailers could not obtain or sell tractors from firms not belonging to the cartel. They were also forbidden to supply unrecognised retailers.

The Commission's decision in response to an importer's complaint regarding this virtually impenetrable marketing regulation was based on the rules (Article 85) governing free competition laid down in the Treaty of Rome. The Commission expressed its hope that the import of tractors into the Netherlands would cease to be impeded by artificial trade barriers. Exporters from other countries, particularly those in the EEC, as well as Dutch importers should be equally free to trade with former members of the cartel or non-members without the choice of one category automatically excluding relations with the other.

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FREEDOM OF ESTABLISHMENT

"Nationality" Abuse in French Mines

On examination, the EEC Commission has come to the conclusion that France has failed to comply adequately with those provisions of the Rome Treaty concerning freedom of establishment and freedom to supply services in the extractive industries sector (Articles 52 and 59 of the Treaty). The contravention consists chiefly in the official retention of legislature that demands French nationality for various key members of companies operating in this sector (chairman, managing director, partners), without which the concern in question will not be allowed to receive mining concession permits, e.g. in the oil and hydrocarbons sectors. Deeming this an infraction of Community principles, the Commission has set in motion its Article 169 machinery, which means that the French Government has been sent a "reasoned opinion" on the matter, and

that if it fails to respond to this communication, it may be taken before the Court of Justice of the Communities.

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EUROPEAN INVESTMENT BANK

Sicilian Motorways

The E.I.B. has just signed a loan agreement covering \$ 16 million for 20 years at 6 7/8 with the Consorzio per l'Autostrada Messina- Patti to help finance the construction of a motorway between Messina and Patti. The loan is covered by the guarantee of the Italian government, and the 61 kilometres involved is the first section of the motorway linking Messina and Palermo in Sicily. The overall cost of the project is expected to be \$ 87.5 million.

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Cameroun Railways

The E.I.B. has recently signed a special loan agreement with the Cameroun Railways - the Regie des Chemins de Fer du Cameroun (Regifercam). This is worth \$ 1.4 million or Cfa 345 million.

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EFTA

Trade in the First Quarter of 1969

Total EFTA imports in the first three months of 1969 amounted to \$ 10,331 million, nearly 6% higher than in the same quarter of the previous year. Exports, at \$ 8,697 million, showed a rise of 11%. Seasonally adjusted data show that from the fourth quarter of 1968 to the first quarter of 1969 both total imports and total exports of the EFTA countries combined rose 1.2%. From February to March 1969 these imports and exports increased by 0.4 and 0.1% respectively.

Intra-EFTA trade

Trade between the EFTA countries in the first quarter of 1969

amounted to \$ 2,320 million (f.o.b.), i.e. about 27% of their total exports. This represented an increase of 14% compared with the first quarter of 1968, and was a considerable improvement over the year-to-year rates of growth achieved between the first quarters of 1967 and 1968 or 1966 and 1967. Seasonally adjusted figures show a rise of 2.6% in intra-EFTA trade between the fourth quarter of 1968 and the first quarter of 1969, a rate of growth twice as fast as that of EFTA's total exports. This is also true of the increase of 0.7% in intra-EFTA trade between February and March 1969. Particularly striking in the quarterly data was the increase in UK exports to EFTA partners of 17% over the first quarter of 1968; this rise was greater than the EFTA average, and nearly three times the increase in the United Kingdom's total exports. Very large increases were recorded in UK exports to Switzerland and Portugal. A fall in exports to Norway was solely due to trade in ships. Member countries' exports to the United Kingdom also rose much more strongly than UK total imports. All other EFTA countries also recorded large increases in their exports to the rest of EFTA, though only for Portugal was the rate of growth much faster than that for total exports. Norway was the only individual member country to which exports by EFTA partners showed a fall; but again, if trade in ships is excluded, there was a rise of some 8%.

EFTA trade with the EEC

Total EFTA imports from the EEC in the first quarter of 1969 were 5.3% higher than in the first quarter of 1968, while exports to the Community showed a rise of 14.4%. All EFTA countries increased their exports to the EEC. Imports by Denmark and Finland from the Community rose sharply, but those by Portugal and the United Kingdom fell. On a seasonally adjusted basis, however, both imports and exports rose by 1.8% between the fourth quarter 1968 and the first quarter 1969. Between February and March 1969 exports to the EEC rose twice as fast as imports, i.e. by 1% as compared with 0.5%.

EFTA trade with the USA

Trade with the USA in the first quarter of 1969 was considerably diminished by the dock strike on the Eastern seaboard. EFTA imports from the USA fell by 10.5%, compared with the first quarter of 1968, and exports were down by 9.4%. Nevertheless, Austria, Denmark, Finland and Norway all managed to increase their exports to the USA. Norway and Finland also recorded higher imports, but the Finnish figures were inflated by an aircraft purchase. On the other hand, seasonally adjusted statistics show a rise of 0.7% in imports from the USA between the fourth quarter 1968 and the first quarter 1969, and a fall in exports of 2%. Between February and March exports fell 0.2% and imports 0.1%.

EFTA trade with the rest of the world

EFTA trade with the rest of the world in the first quarter of 1969

showed very high increases compared with developments in the recent past. Imports were 7.8% higher than in the first quarter of 1968, although Portugal's imports fell by 25%. Exports were 12.8% higher, the largest increases, greater than the rise in their total exports, being achieved by the Scandinavian countries and Switzerland.

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Danish PM on EEC Bid

In a recent interview given to the leading French paper, Le Monde, the Danish Prime Minister, Mr. Hilmar Baunsgaard discussed his country's position now that General de Gaulle has left the French political scene. Mr. Baunsgaard has headed the Danish Government since January 1968.

During the interview, the Prime Minister stressed that the country's balance of payments position remained a major preoccupation. Although the Danish kroner had been devalued some eighteen months ago imports continued to grow at a faster rate than exports. He pointed out that the Danish economy has undergone a major change since 1958 when agricultural products accounted for some 60% of exports. Today manufactured exports had reached this level, and these were expected to grow by an additional 15% in 1969. To illustrate the country's vulnerability, Mr. Baunsgaard said that while each American bought \$ 100 worth of foreign goods annually, each Dane bought \$ 600 worth. "Thus our economic policy is aimed at increasing exports to as many countries as possible, in addition to those in EFTA, including both Eastern Europe and the United States".

Mr. Baunsgaard was then asked about the Common Market. "You will recall that Denmark's request for membership goes back several years. It was renewed in 1967 along with those of Britain, Eire and Norway. If Denmark has linked its destiny to that of Britain, it is because she takes half of all Danish exports. Today it seems that with the disappearance of the main obstacle to our membership - I am thinking of General de Gaulle's departure - the changes which will take place in France will enable the situation to evolve. It is also in our common interest to increase trade between our two countries. Our agricultural exports to West Germany have shown a sharp drop, although they have risen to other Nordic countries. I hope that later on both Norway and Sweden will have a role in the Common Market".

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TECHNOLOGY

Cooperative R & D Scheme Mooted

E.R.D.O. - the "European Research & Development Organisation", a sort of international Industrial Reorganisation Corporation, or "minature World Bank" is the name given by its backers to a new body proposed in London on June 5 as the vehicle for promoting international industrial cooperation schemes in Europe. This is the brainchild of a group embracing the Committee on Energy, Research & Atomic Problems of the European Parliament (Belgian, French, German and Dutch delegates) and a group of British Parliamentarians and industrialists, including the Minister of Technology, Mr. Wedgwood Benn. This group first gathered in Brussels in January to discuss ways and means of stimulating cooperation between Britain and the EEC countries, and the June 5 meeting was held in London for the British contingent to offer its report on what it anticipated to be the emergent European industries of the 1970s. In addition, Mr. K.G. Kenrick, of a management consultancy concern, presented a paper on behalf of his group outlining the format and possible working procedures of the proposed E.R.D.O.

The concept of ERDO as it now begins to emerge is of a body for raising funds from various sources (international and national government funds, finance houses and public issues), thus avoiding the strictures of central government sponsorship, and using these for loans to international public or private enterprise consortia representing at least two national partners in the scheme. Essentially, the criteria upon which the appropriation of such funds would depend would be commercial promise and viability, and evidence that the project in question would in some way serve the advancement of technology in Europe.

By way of clarification, seven specific sectors in which action would be envisaged were cited. These were selected for their medium-term commercial viability, and with deliberate avoidance of any vacuous "prestige content", described by Mr. Kenrick as "advanced long-term visionary possibilities". In some cases, these sectors overlap those mentioned in the report of the EEC's Aigrain Committee, which proposes them as possible fields for cooperation. For ERDO, the fields would be: Cryogenics, hydrofoils and hovercraft, inter-city rail traffic, lasers, materials technology, oceanography and VTOL and STOL aircraft.

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MONETARY MATTERS

International Financial Relations in 1968

The OECD has recently published the report by the Board of the European Monetary Agreement, analysing international financial relations during the course of last year. In this it is stressed that although visible trade, invisibles and capital trade increased to a considerable extent, there was also a continued rise in the degree of imbalance in international payments with little progress being made towards a sustained improvement in the persistent and excessive imbalances which exist in some countries.

Trade Relations: The real output of O.E.C.D. countries increased by 5.3% and there was a rapid acceleration in international trade (13% in volume). This acceleration of trade in relation to output was partly due to greater economic integration (through, for example, the removal of tariff barriers within the EEC and the EFTA, and the first reductions in tariffs under the "Kennedy round" agreements). But the main reason was the excessive rate of demand expansion in the United States economy, which led to an increase of \$ 6½ billion (23%) in the United States' imports, more than four times the increase in real output (5%). Through its direct and indirect effects, this caused a sharp rise in the exports and imports of many other countries. Two other major factors were: the recovery of growth in Germany, which produced an increase of \$ 2½ billion in imports and the strong growth in the United Kingdom, where imports rose by \$ 1 billion.

Capital Movements: The volume of capital movements also increased substantially. There were many reasons for this. It reflects, for example, important changes in recent years in practices and techniques: European investors have tended to hold a larger proportion of American securities in their portfolios, attracted by the depth and growth potential of the U.S. market and encouraged by the reduction, since 1966, of U.S. tax requirements for foreign investors in U.S. securities; multi-national firms have a growing share in international transactions and their operations tend to take the form of direct investments rather than exports; the financing of international trade and payments has been conducted to an increasing extent through the Euro-currency market, rather than domestic financial markets; American and other firms have had greater recourse to the international bond market (in which total issues doubled in 1968 to \$ 4.7 billion, American firms' issues increasing by \$ 1.6 billion, to \$ 2.2 billion, because after the introduction in January 1968 of mandatory controls on their direct investment outflows, they financed a larger proportion of such by borrowing abroad); and the considerable extension of export credit facilities provided by governments has probably resulted in a larger amount of capital goods exports being sold on credit terms. Two general factors tended to increase capital flows in 1968: the narrowing, or in some cases the reversal, of the gap between United States interest rates and those in Continental Europe and the influence of confidence factors or speculative reasons.

The overall balances in 1968, i.e. the amounts remaining to be settled by official financing, were the largest in the post-war period: the sum of the overall deficits rose from \$ 5 billion in 1967 to \$ 6½ billion in 1968 and the sum of the overall surpluses from \$ 2 billion to \$ 5 billion. There was heavy use of monetary reserves (gold, foreign exchange and I.M.F. reserve positions) and other forms of official financing, the main features being: the use of some \$ 1½ billion of monetary gold by the Gold Pool to meet private demand, prior to 17th March 1968; the heavy monetary reserve loss of France (\$ 2.8 billion) and gain of Germany (\$ 1.8 billion) and the drawing on the I.M.F. by the United Kingdom (\$ 1.4 billion). Many O.E.C.D. countries experienced reserve losses, or only small gains in 1968. In the calendar year 1968 the O.E.C.D. countries' total monetary reserves increased by only \$ 0.8 billion. The loss of gold reserves (\$ 1.8 billion) was offset by an increase in foreign exchange reserves (\$ 2.0 billion) and by an increase in foreign exchange reserves (\$ 2.0 billion) and I.M.F. reserve positions rose by \$ 0.6 billion. In 1965-67 their total reserves increased by \$ 0.9 billion a year and in the ten years 1955-64 the rise was \$ 1½ billion a year.

Commercial Banks' Role: In the four years 1965-68 there was little rise of a durable nature in central reserves. On the other hand, it must be borne in mind that during this period the foreign exchange holdings of the commercial banks rose very substantially. In fact, the strong expansion of the commercial banks' holdings is, to some extent, the counterpart of the modest increases or falls, in the foreign exchange holdings of central monetary institutions. Thus, the commercial banks' holdings have often acted as a substitute for the central reserves, bearing the brunt of balance-of-payments fluctuations. The total of the net inflows (increases in liabilities or falls in assets) for O.E.C.D. countries' commercial banks were as high as \$ 4.6 billion in 1968; while the total net outflows were \$ 3.4 billion.

No Fall in Trade: The unfavourable climate of confidence in 1968 and the fact that many of the main trading countries were experiencing losses of monetary reserves, particularly in the first half of the year, might have led to a contraction of international trade. But, as already mentioned, trade was sustained by the direct and indirect influence of strong import demand in the United States and the United Kingdom and the rapid recovery of German import demand. And the cooperation and credit support of national and international monetary institutions countered the disturbing effects of shifts in confidence and reserve losses.

Strains and Stresses: International monetary arrangements continued to show resilience and adaptability, although they were put to a severe test by the very large balance-of-payments disequilibria in 1968, as in 1967. Since 1950 these arrangements have contributed to increases in the volume of international trade averaging about 4% a year in the 1950's and 8% a year in the 1960's, an enormous expansion of capital flows between industrial countries and a strong growth of productivity and income. Progress toward adjustment in 1968 was very disappointing. The United States and the United Kingdom gradually adopted a series of measures to improve their balances of payments. But

important parts of these measures came into effect only after a period of excessive expansion earlier in the year and their impact was not strong enough to obtain the needed improvement of either country's current balance of payments in 1968.

Role of Inflation: The fact that the deterioration of the current balances of the United States and the United Kingdom has been largely the result of inflationary pressures in the last few years, makes the adjustment process more difficult. It increases the extent and force of the adjustment measures needed and the length of the period during which they will have to be maintained in order to slow down the cost and price increases. As the latter have gained considerable momentum and have come to be taken for granted by the public, they are likely to react slowly to the reduction of demand pressures.

German and Italian Strength: The relatively small cost and price increases and considerable margin of unused resources in Germany (up to the second half of 1968) and in Italy have led to very substantial current surpluses in these two countries. Germany's current surplus increased by \$ 0.5 billion to the record level of \$ 2.9 billion in 1968. Italy's current surplus increased, by \$ 0.7 billion, to \$ 2.4 billion. In 1968 the current surpluses of Germany and Italy were compensated by capital outflows which had reached a very high level; and it is likely to be difficult to use this means on the same scale to compensate future surpluses. Moreover, while in the case of Germany an increase in long-term capital exports is to be welcomed, it is inappropriate that Italy should remain a large net exporter of long-term capital, given its heavy needs of capital (particularly for the investments required in its under-developed regions).

France: A difficult adjustment problem also faces France, where the substantial wage increases and credit expansion in 1968 have made it necessary to apply a programme of fiscal and monetary restraint designed to moderate significantly any further rise in costs and prices, improve the trade balance and prevent further capital outflows.

Solutions: To achieve a more effective adjustment process in future, it will be necessary for the deficit countries to bring inflationary pressures under control at an earlier stage and ensure a more even and sustainable rate of growth, which would imply a slow-down from the high rates of 1968. At the same time the surplus countries, without endangering price stability, will have to maintain fuller use of their resources and ensure that a higher proportion of internal demand is met by imports.

At the start of 1969, France, the United States and the United Kingdom were all applying policies or measures designed to restrain internal demand below the rate of increase of capacity, thereby slowing down demand for imports and making internal resources available for the increase of exports. These countries account for a very large proportion of world trade and a weaker trend in their imports will, directly and indirectly, have a general dampening effect. Consequently, the surplus countries will need simultaneously to take steps to maintain internal demand in order to compensate the effects of a fall in demand for their exports. They should also try to ensure - without

jeopardising price stability - that their internal demand increases faster than output, so as to make room for increases in the deficit countries' exports.

Dangers Ahead: Otherwise, the adjustment action by the deficit countries would have to become more severe and the adjustment would take place at a lower level of output and trade than would have been possible with more effective and co-ordinated policies. Without such policies there would also be a greater danger of resort to direct controls and protectionist policies.

VIEWPOINT

West German Banks and the International Market

By Will Marx

President of the Commerzbank, Hamburg

Part I

West German banks have played a decisive role in opening up the world to West Germany as a result of their foreign links and knowledge of foreign markets. But at the same time, their role has been largely confined to arranging finance for delivery contracts, which in this day and age is perhaps too limited a field of action. If banks wish to operate effectively on a world-wide scale, they cannot be content with simply financing national exports, but must also take part in financing international deals.

If the problem is looked at in this light, then the role of West German banks appears less dynamic than might at first appear, but a change has become evident during the last couple of years. There is now participation in international loan issues, and granting of medium- and long-term loans to various foreign governments, financial institutions and foreign firms. But even this change was stimulated by the funds available on the domestic market and the high level of international interest rates.

Having said this, it remains true that the role played by West German banks in international financing is small, and that from a long-term points of view, efforts are needed to remedy the situation. As matters stand today, West German banks cannot really be compared with their British and American counterparts, long accustomed to providing an efficient service in this sector, whilst they are also less forward in making moves than their rivals in neighbouring continental countries.

If this situation is to be improved, then a number of conditions will have to be fulfilled. To start with, West German banks should provide themselves with the specialised research staff able to supply at short notice the in-depth studies needed for any decision of international scope, especially in the credit granting sector. But this begs the question: how effective is a systematic study of international credit factors if it cannot draw on its own foreign services?

Admittedly, West German banks have correspondents throughout the world, in whom they have the greatest confidence; normally this cooperation is limited to questions of external trade. If however international credit financing is to be effective, especially if undertaken on a large scale, it requires even closer cooperation with associated foreign banks and financial establishments. Furthermore it can be argued that even such cooperation is insufficient. To overcome this drawback, it may well be necessary to establish directly-

controlled foreign branches or at least acquire a financial stake in foreign banks. In any case, such moves make refinancing problems easier to tackle.

Until recently West German banks did not think it necessary to emulate the approach of multi-national banks, and participate either actively or indirectly in the financial moves carried out in varying degrees in foreign countries. In their opinion, the furthering of national firms and industries had a priority call on their resources and assistance. Again the banks have not forgotten that twice they have lost all their foreign assets. As a result, the use of foreign correspondants seemed quite sufficient, but today a change in this attitude is essential. Firstly the German economy is now sufficiently strong and well-established, and the psychological drawbacks have receded. Secondly, there are a number of international factors, and the three most important of these are:

1) The Deutschemark's international role is continually becoming more important; in the international monetary system its role has evolved from being used solely as foreign trade currency to its present position - which is still expanding - where it is used as a financial medium and a currency for loan issues.

2) Through the Euro-currency market, the international financial market has become a reality and the Deutschemark is playing an increasing part in this sphere. Furthermore there are two factors which indicate that this market will last for some considerable time: it is the only market in the world whose development is not specifically governed by national rules, and since it is no longer based solely on the dollar, its position has been strengthened.

3) The constant growth of multinational industrial groups has changed the financial requirements of firms operating on a world-wide scale. The American banks understood this some time ago, and as a result during the past ten years, they have carried out a major invasion of the European market to the extent that some now claim they are the only "supranational" banks. Thus in the Financial Times (September 5, 1968) the First National City Bank called itself a "European" bank: "When you want to carry out business in the following - Antwerp, Brussels, Rotterdam, Amsterdam, Berlin, Frankfurt, Hamburg, Milan, Rome, Geneva, Zurich, Paris, Athens, and the Piraeus - you will need our services, as we are the only bank in Britain to have branches in all of them". In December, the American business magazine "Fortune" headed one of its articles with the title "The leading American banks are the first truly international banks".

It is also a fact that West German industrialists and businessmen who have been able to build up strong production and distribution networks throughout the world, have for a long time criticised West German banks for not helping them as much as American banks help their rivals. They have seen how American banks are firmly established in most countries throughout the world. Thus their pressure for West German banks - provided the latter are able to concentrate less on their own interests - to establish a joint foreign network, is hardly surprising. To back their arguments, the industrialists point to

the success of the AKA - Ausfuhrkredit, which backed by the German banks, provides long-term export financing. However they do not appear to bear in mind that although this organisation is an example of how national concerns can cooperate vis-a-vis foreign trade, there are numerous reasons (and one is the cover provided by the Hermes insurance firm) why it would not be a suitable organisation on which to base a joint West German banking concern to operate in other countries.

In any case the idea of a large and flourishing foreign banking concern jointly controlled by the national banks is merely Utopian. But at the same time, it is clear that if each of the West German banks accustomed to international dealings must establish its own network of foreign branches, then the country's industrialists and businessmen will have to wait for decades before they will be able to draw on the services of their own bank, in all the areas of the world where these are needed. This raises the possibility of seeing whether there are other ways of regrouping the banks' activities. Perhaps brand-new ideas will have to be put into practice, similar in nature to concerns recently established in Zurich and London by Scandinavian and American banks. Furthermore there will be the question of how to deal with the problems created by major rivals on the domestic market trying to cooperate on a joint basis in foreign markets.

Cooperation outside West Germany may therefore be limited to agreements signed with foreign banks, and recently there have been several moves made in this direction by banks specialising in external trade. Various joint concerns have been established with different objectives; these have included development banks in a number of developing countries, commercial banks in former colonies in association with banks belonging to the former colonial power; banks and financial establishments to operate in the Euro-dollar market, chiefly with regard to medium- and long-term financing; supranational financial organisations - similar to ADELA or DELTEC - to operate in developing countries; and international investment funds, sometimes based in West Germany. In addition to the country's leading banks, some of the top regional and private banks have also taken part - in varying degrees - in the formation of these organisations. But in every case, they have been linked, and this is an important facet, with well-established American or European banks.

Nevertheless there has only been one grouping which has stood the test of time. This includes the leading bank in West Germany and three other European banks, who linked in Brussels to form a bank specialising in Euro-dollar operations, with a sister-company in New York and joint representation in other countries.

In most cases, foreign financial concerns which are formed with the participation of West German banks tend to have satisfactory results. One example of these is the Commerzbank and its affiliates in London and Geneva, the International Commercial Bank and the S.F.O.M. The latter also acts as holding company for ten major South African investors.

During the past few years, West German banks have acquired shareholdings in commercial and merchant banks in other industrialised countries or in some cases these foreign banks have taken stakes in their West German counterparts. This is an extremely effective method of creating a framework for international links. It is therefore regrettable that West Germans have tended rather to acquire new shareholders instead of going out and acquiring shareholdings in foreign concerns.

- To Be Continued -

June 12, 1969

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ADVERTISING

****** The London advertising agency ROLES & PARKER LTD (see No 457) has joined with its French counterpart, PUBLIBEL Sarl (manager M. Charles Galinotti), which will be the majority shareholder, to form an agency called PARKER-RUNRILL-PUBLIBEL Sarl.

This will head the international network of which the principal members are: Parker-Runrill Europe SA, Brussels; Parker-Runrill Gti Ges. Für Technisch Wirtschaftliche Information mbH, Essen and Parker-Runrill International Ltd, London.

****** The concentration of two French advertising agencies decided upon a few weeks ago will become effective when PUBLICITE INTER-PLANS SA, Neuilly, Hauts-de-Seine, absorbs STE PUBLI-ACTION SA, Paris (capital F 360,000).

Publicite Inter-Plans, which is an affiliate of AGENCE HAVAS SA and PUBLICIS SA, will raise its capital from F 1.8 to F 2.646 million by means of assets valued at F 6.26 million, and will become INTER-PLANS-PUBLI ACTION SA.

****** The Paris IMPACT SA agency (see No 508) has joined with the Belgian PUBLICITE VANYPECO SA, Brussels (see No 396) in forming a subsidiary in Brussels named VANYPECO - IMPACT INTERNATIONAL SA. To cover the Benelux market, this concern has Bf 100,000 capital, and will be headed by MM. Herne van Ypersele (chairman), Pierre Lemonnier (vice-president, as chairman of the French founder) and Maurice Frydmann (director).

The Paris agency is already established in the Common Market, with affiliates in Milan (Life Impact Srl), and one to cover EFTA, based at Bienne, Berne (Contini-Sjöstedt-Impact AG).

****** The Frankfurt agency PROWERB WIRTSCHAFTSWERBUNG & WERBUNGSMITTLUNG GmbH, formed in 1959 with Dm 20,000 capital, has opened a London branch under Mr. Robert Jones.

AEROSPACE

****** The French manufacturer of light aircraft, S.O.C.A.T.A. - STE DE CONSTRUCTION D'AVIONS DE TOURISME & D'AFFAIRES SA, Paris (see No 446), an affiliate of the aeronautics group SUD AVIATION SA, Paris (see No 514), has signed an agreement with the Israeli concern ISRAEL AIRCRAFT INDUSTRIES LTD, with the aim of constructing an aircraft called "Sherpa" able to carry eight to twenty persons or two tons in freight. This aircraft, which will be assembled in the French partner's factory at Tarbes, Hautes-Pyrenees, will be equipped with two "Astazou XIV" propulsion units by TURBOMECA SA, Bordes, or "PT-G-A-27" propulsion units by the PRATT & WHITNEY division of the UNITED AIRCRAFT CORP, East Hartford, Connecticut, group.

June 12, 1969

C

** The cooperation agreements concluded in December 1968 (see No 493) between THE BOEING CO, Seattle, Washington, and its affiliate MESSERSCMITT-BOELKOW GmbH, Ottobrunn, (now merged into Messerschmitt-Bölkow-Blöhm GmbH - see No 513) concerning U.S. distribution of the German "BO - 105" helicopter (5 seats), are now to be extended to a manufacturing licence, which for Boeing will cover the whole of the American continent.

AUTOMOBILES

** The FIAT SpA Turin group (see No 513) is having talks about renewing and extending its reciprocal financial and industrial links with the Modena racing cars concern FERRARI SpA, ESERCIZIO FABRICHE AUTOMOBILE & CORSE (formerly S.E.F.A.C. SpA -see No 295).

The basis of the association is Fiat's financial aid to Ferrari in return for supplies of engines. Its 15% Paris affiliate Citroen SA (see No 508) is linked financially in the same sector with the Bologna and Modena motor firm, Officine Alfieri Maserati SpA (see No 504).

** PEUGEOT SA, Paris (see No 508) and REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine (see No 511) are to extend existing links to the marine and industrial engines sector by forming an economic interests group named G.I.M.O.T. - GROUPEMENT INTERNATIONAL DES MOTEURS, which will combine the RENAULT MOTEURS division of the second firm with the Paris Peugeot subsidiary STE COMMERCIALE DE MOTEURS C.L.M. SA. The new concern is to promote technical co-operation, chiefly through a synchronised R & D programme designed to ensure rational, complementary products, and will also seek to unify the two concerns' marketing interests at home and abroad. A third party in the arrangement is STE DES MOTEURS BAUDOIN SA, Marseilles.

The Renault Moteurs division of the state group concerns itself with producing and modifying Renault and Saviem engines for marine and industrial use, as well as selling the same. Also active in this field is the Renault-Marine division, which assembles and distributes ships' propulsion units, being linked for these with the American Kiekhaeffer Corp, Fond-du-Lac, Wisconsin. C.L.M., similarly, sells Peugeot engines, in particular "Indenor" diesel engines.

BUILDING AND CIVIL ENGINEERING

** An agreement signed in the Netherlands between HOLLANDSCHE BETON GROEP NV, Rijswijk (see No 514) and DIRK VERSTOEP NEDERLAND NV, The Hague, has resulted in the formation of a joint subsidiary for the manufacture and installation of pipelines and conduits named NACAP NV, whose first directors are Messrs C. Verstoep and C. van Wingerden.

The Rijswijk group has an interest in the new concern through its subsidiaries (25% each), Nederlandsche Electrolasch Mij. NV, Leiden, and Nederlandsche Beton Mij. NV, Rijswijk. Opera Mundi - Europe No 516

****** The Milan company SANTA MARIA AL PARCO DI SAN BOVIO SpA has merged with and taken over five other similar companies and changed its name to MILANO SAN FELICE SpA (second company to have this name) and raised its own capital to Lire 980 million. The other companies involved were SAN FELICE SpA, PARCO DI SAN BOVIO SpA, SANTA MARIA AI FONDI SAN FELICE SpA and SAN FELICE CLUB SpA.

****** A Franco-Dutch link-up covering preshaped reinforced concrete beams used with "Filigrane" metal piers as well as other building materials signed between NV ALGEMENE BOUWONDERNEMING "ALBOUW", Breda and ETS ERNST PANTZ PARIS SA, Pierrefitte, Seine-St-Denis has resulted in the formation of a joint subsidiary based in Bondy, Seine-St-Denis. This is called STE FRANCO-NEERLANDAISE DE PREFABRICATION SOFRANE SA (capital F 400,000).

The Dutch firm has a stake in Voorspantehniek NV, The Hague. The French firm is linked in France to Ste d'Exploitation Des Constructions & Metalliques du Laon SA, Laon, Aisne within a joint subsidiary, Constructions Metalliques Pantz & Laon Reunies SA, Villers-Cotterets, Aisne (capital F 100,000).

CHEMICALS

****** A rationalisation within the French colorants and filtration group C.E.C.A. - CARBONISATION & CHARBONS ACTIFS SA, Paris (see No 511) will strengthen the position of its subsidiary ETS PROST PRODUITS REFECTAIRES SA, Paris. This will acquire from a 55% subsidiary of the group, ETS RENE AMAND & CIE SA, Paris (capital F 2.5m) its "refractory and insulation" interests based at Montendre, Charente-Maritime and Allissas, Ardeche. As a result of acquiring these fresh assets valued at F 5.7 million, Prost will increase its own capital from F 5 to 7.85 million.

****** The Akron, Ohio rubber, chemicals and plastics group FIRESTONE TYRE & RUBBER CO (see No 510) has granted the Belgian polyurethane foam concern EUROFOAM SA, Wetteren (see No 512) a licence to make and market in Western Europe its "Safom" fuel-tank explosion prevention system for road and air transport. This system was developed by Firestone in association with the Philadelphia, Pennsylvania paper group Scott Paper Co (see No 486). Eurofoam is at present being absorbed by its parent company POUDERIES REUNIES DE BELGIQUE SA, of the STE GENERALE DE BELGIQUE SA group (see No 513).

****** The Spanish electricity distribution concern CATALANA DE GAS & ELECTRICIDAD SA, Barcelona (see No 396) is negotiating the sale of its shareholding in the petrochemical concern INDUSTRIAS QUIMICAS ASOCIADAS SA, Tarragona (see No 386) to the Frankfurt group FARBWERKE HOECHST AG (see No 515) and ROYAL DUTCH-SHELL, Rotterdam (see No 515). Both already hold a 25% stake in the Tarragona firm (capital Ptas 80m) which makes a wide range of organic intermediates: ethylene, propylene, etc, as well as base materials for the plastic industries. Its other shareholders are the Madrid firms Cespa-Cia Espanola de Peroleos SA and Union Espanola de Explosivos SA (see No 500).
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** The British chemical group THE YORKSHIRE DYEWARE & CHEMICAL CO LTD, Leeds (chemical products, colorants etc especially for the textile and leather industries), which recently formed a trading company in Rotterdam called YORKSHIRE CHEMICAL NEDERLAND NV (authorised capital Fl 100,000 - 20% issued), is continuing its expansion in the Common Market by forming a sales subsidiary in France named COLORANTS YORKSHIRE FRANCE Sarl, Lyons.

On the continent, the group has two other subsidiaries, one in West Germany, (Krefeld) and the other in Spain (Santa Perpetua de la Moduga).

** The West German state group SALZGITTER AG, Berlin and Salzgitter (see No 506) has now sold all its shareholding in SALZGITTER CHEMIE GmbH, Hanover, to SCHOLVEN-CHEMIE AG, Gelsenkirchen-Buer (see No 505), a member of the VEBA - VEREINIGTE ELEKTRIZITATS- & BERGWERKS AG, Bonn and Berlin, group (see No 509). Salzgitter had agreed in principle to this move during February of this year (see No 500).

Salzgitter-Chemie (capital Dm 40,000), which will be re-named NORD-CHEMIE GmbH, has some 1,500 employees and makes fertilizers, nitric acid, urea, methanol, etc. in its factories in Langelsheim and Lüneburg.

** The German chemicals and pharmaceuticals concern BYK-GULDEN LOMBERG CHEMISCHE FABRIK GmbH, Konstanz (see No 514) has gained control of a similar company named CHEMISCHE FABRIK HELFENBERG AG, Wevelinghoven, Niederrhein, in which it previously had a stake of 25%, acquired in February (see No 500).

Byk-Gulden has Dm 12 million capital, and is a wholly-owned subsidiary of the QUANDT group member VARTA AG, Frankfurt.

** The West German manufacturer of colorants and paints for latex and synthetic resins, DEUTSCHE AMPHIBOLIN-WERKE VON ROBERT MURJAHN KG, Ober-Ramstadt (see No 361) has formed a new company to represent it in the Common Market under the name of CAPAROL ITALIANA Srl, Rome (capital Lire 900,000), managed by Herren R. Murjahn and E. Blankenhahn. Deutsche Amphibolin ("Caparol" and "Amphibolin" trademarks) already has sales subsidiaries in Paris and Muttenz, Basle (see No 244).

** The Milan chemicals and pharmaceuticals group CARLO ERBA SpA (see No 464), affiliated to the AMERICAN HOME PRODUCTS CORP, New York, and SAFFA SpA, Milan, has raised the capital of its Milan subsidiary S.I.S.A.S. - SOC ITALIANA SERIE ACETICA SINTETICA SpA by 200% to Lire 4,530 million to finance expansion. This firm has Sig. Giacomo Falciola as chairman, and it specialises in acetaldehydes and the organic compounds produced therefrom (plant at Pioltello).

** HOLT PRODUCTS LTD, Croydon, Surrey (car maintenance products and chemicals: aerosol sprays, anti-freeze, resins etc) plans to form a sales subsidiary in West Germany. The company had a turnover of £5.5 million in 1968-9, and 10% of this was realised from Common Market sales. In 1964 it absorbed the motor accessories concern Romac Industries Ltd. It already has subsidiaries to cover the EEC market: Holt Products Sarl and Romac France Sarl, both in Bievres, Aisne, and Holt Production NV, Amsterdam, with a branch in Brussels.

** PRODUITS CHIMIQUES D'AUBY SA, Neuilly, Hauts-de-Seine (see No 466) and PIERREFITTE - STE GENERALE D'ENGRAIS & DE PRODUITS CHIMIQUES SA, Paris (see No 511) intend to merge their fertilizer production interests which account for 25% of French output. In this sector, they have already amalgamated their home marketing, as well as joined with two other French groups in forming a company named ALFA GmbH in Hanweiler, Saar, to sell fertilizer on the German market.

Auby is a 10% affiliate of the Ste Chimique des Charbonnages SA, Paris (of the public group CdF - Charbonnages de France), in association with which it controls a subsidiary named Engrais de France, Ste Commerciale C.D.F. - Auby SA, Neuilly. A year ago, Pierrefitte reorganised its fertilizer interests (see No 464) by dint of an agreement made with the C.F.R. group - Cie Francaise de Raffinage SA: their 65-35 joint subsidiary Cie Francaise de l'Azote SA (formerly Gironde Languedoc SA) took over the activities of either company in the ammoniac and nitrate fertilizers fields; and it further has 95% control of Usines Gironde Languedoc SA (formerly Ignicel SA) which produces compound fertilizers.

** The New York group WITCO CHEMICAL CO INC (see No 492) has acquired the 45% it needed for complete control of the Dutch firm JONK NV, Koog-op-Zaan (animal, mineral and vegetable wax - see No 474), which has some 60 employees.

The Dutch firm was acquired by the New York group when the latter took over NV Nederlandse Raffinaderij Van Petroleumproducten, Haarlem.

** STE FRANCAISE DES PETROLES BP SA, Courbevoie, Hauts-de-Seine (the subsidiary of the BRITISH PETROLEUM CO LTD group, London - see No 512) has backed the formation on its premises of STE DE DEVELOPPEMENT DES PROTEINES SA (capital F 1 m). Its president will be M. Jean Nougaro, the assistant managing director of the founder. The new concern will manufacture and sell synthetic products based on microorganisms grown on petroleum fractions.

** The Belgian manufacturer of lead and alkaline batteries for vehicles and industry, ACCUMULATEURS TUDOR SA, Florival-Archennes, has formed a Luxembourg investment subsidiary called INITIATIVE SA (capital Lux F 4.7) with a token interest held by the Luxembourg holding companies, ENTENTE SA and CORDIALITE SA (see No 277).

The Belgian firm has counterparts in other European countries, Accumulateur Tudor SA, Paris (subsidiary of the C.G.E. - Cie Generale d'Electricite SA - see No 448) and in Sweden, A/B Tudor, Stockholm (subsidiary of the Aga A/B group, Stockholm - see No 515).

COSMETICS

** The French cosmetics concern ROGER & GALLET SA, Paris (chiefly eau de Cologne) has now carried out its plan to form a London subsidiary (see No 512). It has backed the formation of Roger & Gallet Ltd (capital £ 20,000) which will manufacture and sell cosmetic products.

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ELECTRICAL ENGINEERING

** ROLLAR ELECTRIC LTD, Schlieren, Zurich (capital Sf 100,000), which handles the marketing in Switzerland of electrical equipment made by the German BROWN BOVERI & CIE AG, Mannheim, has been taken over completely by the Swiss BROWN BOVERI & CIE AG, Baden, Aargau. The latter, which last April made a cooperation agreement with the Swedish ASEA - Allmänna Svenska Elektriska A/B (see No 501) covering heavy electrical engineering, holds about 56% of the capital (Dm 100 m) of the German firm.

** The French S.A.F.T. - STE DES ACCUMULATEURS FIXES & DE TRACTION SA, Romainville, Seine-St-Denis (batteries and accumulators) has backed the formation of the Frankfurt sales company LECLANCHE BATTERIE GmbH (capital Dm 100,000).

The French firm is a member of the C.G.E. - Cie Generale d'Electricite SA, Paris and during 1968 it had a turnover of F 150.66 million. It has an affiliate company in the United States, Saft Corp. of America, New York (see No 389) as well as a licensee in Switzerland, Leclanche SA, Yverdon. In France it is about to absorb its own subsidiary, Ste des Generateurs Electrochimiques a L'Argent-Sogea SA, Noisy-le-Sec, Seine-St-Denis (see No 513).

** The Dutch group PHILIPS' GLOEILAMPENFABRIEKEN, Eindhoven (see No 515) has just formed a new British subsidiary called PHILIPS FINANCE LTD (capital £ 500,000 - under Messrs R. van Eyle, K.W. Cook & C.V. Ulyatte) through its London holding company PHILIPS' ELECTRONIC & ASSOCIATED INDUSTRIES LTD. The new concern was established to raise some £ 16 million through a sterling-guilder convertible issue at 5 $\frac{3}{4}$ %. With the present state of the market, the loan issue, which was to finance the group's expansion, was not very successful.

Proceeds from the loan will be used by the group itself, whose consolidated turnover during the 1968 financial year amounted to Fl 9,720 million (lighting 13%, radio-TV 23%, electronic equipment and components 19%) as well as by its London holding company and its American interests. Philips Electronic & Associated Industries heads the group's British interests (consolidated turnover of nearly £ 225 m - 65,000 employees) which include M.E.L. Equipment Co Ltd (telecommunication equipment and electronic instruments), Mullard Ltd (electronic components), Philips Electrical Ltd (radio, TV and lighting) Ada (Halifax) Ltd (equipment holding company and electrical components) as well as Pye (Holdings) Ltd, whose main subsidiary Pye of Cambridge Ltd makes electrical equipment, telephone, telecommunications and control equipment. United States Philips Trust, New York heads its American stake, and controls 66% of the capital of North American Philips Corp (second company to have this name) formed by the merger in February 1969 of its subsidiary, North American Philips Co Inc with the 35% affiliate, Consolidated Electronic Industries Corp, which has a 66% stake in the Philips Electronics & Pharmaceutical Industries Corp.

ELECTRONICS

** The Luxembourg holding company EUROPEAN ENTERPRISES DEVELOPMENT CO - E.E.D. SA (long-term financing of the technology-based industries - see No 507), whose 49 shareholders from 17 countries include the groups I.R.I. - Istituto Mobiliare Italiano, Rome (see No 509) and Banca Commerciale Italiana SpA, Milan (see No 513), has purchased a 30% holding in D.E.A. - DIGITAL ELECTRONIC AUTOMATION SpA, Turin.

The latter is headed by Sig Luigo Lazzaroni, has 200 people on its payroll, and sales are reckoned to reach Lire 1,800 million this year, the specialisations being electronic measuring equipment, specifically three-dimensional contour controllers, and 90% production is exported the world over.

** The American electronics firm SIGNETICS CORP, Sunnyvale, California, has decided to build an integrated circuits factory at Nördlingen in West Germany. The American concern was taken over during 1962 by the CORNING GLASS WORKS CO, Corning, New York (see No 492) and there is already a British branch at Slough (opened in February 1969) of its subsidiary Signetics International Corp. During 1966 it established a manufacturing subsidiary in South Korea called Signetics Korea Co Ltd, Seoul.

In West Germany the Corning Glass Works group already has numerous direct and indirect interests, including Corning Handels GmbH, Wiesbaden (see No 373), Molykote GmbH, Munich, and Pyroflam Vertriebs GmbH, Bruhl.

ENGINEERING & METAL

** The Dutch company ALUMINIUM MATRIX NV, Arcen (special steel moulds for aluminium extrusion - see No 455) has strengthened its British interests by acquiring through its local subsidiary ALUMINIUM MATRIX LTD, Birmingham, a company in the same sector, MAYFIELD TOOL & DIE CO LTD, Birmingham. The Dutch concern is controlled by the holding companies INDIVERS NV, Amsterdam, and MARENS NV, Curacao, and during 1968 it had a turnover of Fl 5.5 million. It sells directly to the Benelux, West German and French markets, while its British subsidiary is responsible for the British and Scandinavian markets. The Milan subsidiary Almax-Italiana SpA, which is owned in association with FINDERMA ITALIANA-Financial Development Marketing Di John Caminer & Co, Milan, covers Southern Europe and the Middle East.

** SCHWELM & TOWLER HYDRAULICS GmbH, Büttgen, Neuss (capital Dm 2 m) has just been formed with Herr Hans Schwelm as manager and will take over the hydraulic equipment interests of two firms connected with the London group THORN ELECTRICAL INDUSTRIES LTD. The first company is Schwelm Hydraulik KG, Neuss, which recently became a 90% interest of the Glasgow Metal Industries Ltd (a member of the Thorn Electrical Industries group) and the second are those of the Düsseldorf branch of Towler Hydraulics Ltd, Rodley, Leeds, another subsidiary of Thorn Electrical Industries Ltd.

** The Brussels company METALLURGIE HOBOKEN SA (see No 503 - a member of the STE GENERALE DE BELGIQUE SA group) has acquired from its American partner FANSTEEL INC, North Chicago, Illinois (formerly Fansteel Metallurgical Corp - see No 435) the 50% stake which this held in their refractory metals subsidiary FANSTEEL HOBOKEN SA, Hoboken.

The American company, which has a turnover of some \$80 million, will nevertheless continue to collaborate with its Belgian partner in key technological sectors (especially aerospace). It has a subsidiary in the Netherlands, VR-Wesson (Europa) NV, Zwolle (formerly Vascoloy-Ramet Europa NV), which gave up manufacturing in early 1968 to concentrate on sales.

** A cooperation agreement signed between the British company F. PRATT ENGINEERING CORP LTD, Halifax, Yorks, and the American company NATIONAL FORGE CO, Irvine, Pennsylvania, covering the design, manufacture and sales of linked moulding presses for metal powders, ceramic products and plastics, will be extended to include two new companies in Belgium and Britain. Both of these, P.N.F. PRESSURE SYSTEMS NV and P.N.F. PRESSURE SYSTEMS LTD, will be headed by Mr. E.L.J.Papen, the international director of the American firm's "pressure systems" division.

The British firm, whose presses are sold under the "Havelock" trade name, has a Dutch subsidiary Precor NV, Amsterdam (formed in March 1963) and another in the United States Winchester Tool Corp. The American firm already has a branch of its subsidiary National Forge Export Corp in Brussels.

** The French company J.F. BOCCARD Sarl, Villeurbanne, Rhone, has formed a Brussels development, manufacturing, sales, installation and maintenance subsidiary to handle industrial plumbing, boilers and heating equipment called J.F. BOCCARD SA (capital Bf 150,000). Since early 1967 the founder has had a stake in the Madrid company Boccard Espanola SA (capital Pts 2m). It recently took a shareholding in the Paris Omnium de Constructions Industrielles (O.C.I.) (capital F 500,000), which carries out construction and maintenance in France and abroad of plant for the chemical and petrochemical industries.

O.C.I.'s other founders were Entreprise Buzzichelli-Entreprises D. Buzzichelli & L. Buzzichelli Reunies SA, Portet-sur-Garonne, Haute-Garonne; Les Chantiers Modernes SA, Bordeaux, Gironde; Controle & Applications SA, Paris; Self - Ste d'Electricite pour la Lumiere & la Forge SA, Paris; Ste d'Etudes & de Tavaux pour l'Industrie du Petrole - S.E.T.I.P. SA, Portet-sur-Garonne; and Ste Nouvelle d'Isolation Thermique, Frigorifique & d'Insonorisation - S.N.I.F.I. SA, Rouen, Seine-Maritime.

** The French company TREFILIERIES & ATELIERS DE COMMERCY SA, Commercy, Meuse (see No 477) has formed a Belgian subsidiary to sell its electric arc welding equipment. Called COMMERCY-SOUDURE-BELGIQUE SA, Lamorteau (capital BF 1m), the new company has M. Pierre Linder as president. In September 1968 the French firm established a West German sales subsidiary in Frankfurt, Commercy-Schweisstechnik GmbH.

** The Swiss group ESCHER WYSS AG, Zurich (see No 374) has closed down the subsidiary ESCHER WYSS BELGE SA, Schaerbeek-Brussels (capital Bf 500,000) it formed during February 1963. The Zurich company, which is a 40% affiliate of the Gebrüder Sulzer AG, Winterthur, group (see No 489) specialises in the manufacture of hydraulic turbines, refrigeration equipment and machinery for the paper industry. It has two Common Market manufacturing subsidiaries in West Germany Escher Wyss GmbH, Ravensburg (2,700 employees - turnover Dm 100 m+) and in Italy de Pretto-Escher Wyss SpA, Vincenza, as well as a French sales subsidiary Escher Wyss France. Sarl, Paris.

** The breakdown of the talks (see No 512) for a link-up by the French transport equipment group CIE INDUSTRIELLE DE MATERIEL DE TRANSPORT (C.I.M.T. LORRAINE) SA, Neuilly, Hauts-de-Seine, with the American FRUEHAUF CORP, Detroit, have led it to start talks with another American group in the same sector, PULLMAN INC, New York (see No 442). C.I.M.T. Lorraine is already a licensee of the latter's Trail-mobile Inc division and a joint agreement is expected to be signed in the near future. The American group will acquire a controlling interest of at least 75% in two sales subsidiaries of the French group, Ste des Remorques, Semi-Remorques & Citernes Trailor SA, Neuilly (capital F 7m) and Baj & Fond SA, Lyons. It will also buy up the transport equipment factory at Luneville, Meurthe-et-Moselle, and this will give it its first production capability in Europe and enable C.I.M.T. Lorraine to concentrate solely on railway equipment.

Pullman already has two French plant construction subsidiaries - through Kellogg International Corp - Kellogg France SA and Cie de Construction Kellogg SA, both of which are based in Paris.

** THE AUSTIN CO, Cleveland, Ohio (plant construction and development, industrial architects - see No 396) has strengthened the financial position of its Milan subsidiary AUSTIN-ITALIA SpA (capital reduced and then raised to Lire 60 m) so that the latter can continue its expansion with the opening of a branch in Rome.

** The West German manufacturer of clock and watch parts, CARL HAAS SPIRALFEDERNFABRIK KG, Schramberg, which employs some 1,100 persons, has formed a Swiss sales company called INTERTECH AG, Rheinfelden. With a capital of Dm 20,000, this has the owner of the founder, Herr Carl Haas, as its president.

** The West German engineering company ABS PUMPEN VERTRIEBS GmbH, Scheiderhöhe, Siegburg (pumps) has formed a Zurich subsidiary ABS PUMPEN AG (capital Sf 50,000) with Herr Albert Blum, Siegburg, as president. The latter formed the German company in July 1968 with capital of Dm 100,000.

** KNORR-BREMSE GmbH, Munich (see No 507) has established a second subsidiary in Vienna under Herr Albert Suess. The founder, which makes brakes, automatic couplings, compressors and pneumatic controls, established its first subsidiary in Vienna during September 1968 (see No 494). With some 7,000 employees, it has direct and indirect foreign interests in France, Denmark, Spain, United States, Brazil and Iran.

June 12, 1969.

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** The French mining company DENAIN-ANZIN MINERAUX SA (a subsidiary of the DENAIN-NORD-EST-LONGWY SA, Paris, group - see No 505 - fireclay and fluorspar) is about to take over four companies. These are DALPA SA, Paris (capital F 100,000), MATERIAUX & PRODUITS INDUSTRIELS SA, Fleury-sur-Loire, Nièvre (capital F 450,000), COMPTOIR DE TERRES REFRACTAIRES DE NORMANDIE, ANC. ETS. VEUVE LA POSTOLLE, GALABERT & VAUCHEL Sarl, Gournay-en-Bray, Seine - Maritime (capital F 16,000) as well as STE AUDOISE D'EXTRACTION-SAUDEX Sarl, Toulouse, Haute-Garonne (capital F 500,000). Total gross assets of these four companies are estimated at F 2.278 million.

** A 50-50 link-up signed between two Rotterdam firms NV METALEN & GRONDSTOFFEN ONDERNEMING "GRONDMET" (see No 390) and NV ROTTERDAM LABORATORIUM VOOR SPECIAALLEGGERINGEN, has resulted in the formation of a subsidiary to refine, process and smelt nickel, minerals and alloys called NICKEL REFINING GRONDMET-NIREF NV, Rotterdam. With an authorised capital of Fl 500,000 (20% issued), the new company will be run by Mr. W.C. van 't Wout.

In early 1969 Grondmet backed the formation in Paris of the metal trading concern Comptoir Commercial du Nickel & Alliages Grondmet Sarl.

** The French company TRADEX INTERNATIONAL SA - STE TRANSATLANTIQUE D'EXPORTATION & DE DEVELOPPEMENT ECONOMIQUE TRAMAC, Clichy, Hauts-de-Seine (international trading in heavy engineering equipment - see No 485) is about to take over a civil engineering equipment firm, DERRUPPE SA, Bouscar, Gironde (capital F 4.2 m - see No 371). Tradex already distributed its new subsidiary's products and this move will result in its own capital being raised from F 2 to F 10 million following the acquisition of gross assets valued at F 26.38 million.

Tradex, which already has subsidiaries in Italy, West Germany, Belgium, Britain, Austria and the United States, will also strengthen its foreign interests by the acquisition of a subsidiary in Frankfurt, Derruppe Baumaschinen GmbH, and the branch at Agrate Brianza, Milan, established by Derruppe.

** The Rotterdam company SCHEEPVAART & STEENKOLENMIJ NV (see No 500) has sold its building subsidiary WELGELEGEN SCHEEPSWERF & MACHINEFABRIEK NV, Harlingen to AMSTERDAMSCHER DROOGDOK-MIJ NV, Amsterdam (see No 507). This will cooperate with its new subsidiary in the ship repair sector.

** A manufacturing and sales agreement covering metal plastic joints has been signed between the Cheltenham group DOWTY GROUP LTD (see No 490) and the West German group KLOCKNER-WERKE AG, Duisburg (see No 506). A joint subsidiary called KLOCKNER-DOWTY GmbH, Castrop-Rauxel, will be formed.

The British company already has a West German subsidiary, Dowty GmbH, Darmstadt, specialising in hydraulic equipment, and it is also linked to the French company Messier SA, Paris, in Dowty-Messier Ltd, London (see No 490). The German group, which has some 40,000 employees, is a 45% interest of the Dutch holding company Internationale Industriële Belegging Mij. "Amsterdam" NV, Voorburg (see No 339).

FINANCE

** The Paris BANQUE WORMS & CIE SA (see No 514) is to rationalise its interests by making over its investment subsidiary STE FISAB SA, Paris (capital F 5.8 m - gross assets F 7.6 m) to its affiliated engineering investment company SA DES ATELIERS MOISANT, LAURENT SAVEY, Paris. The latter will as a result raise its capital to F 4.45 million and will increase its own stake in the insurance group La Fonciere-La Nation SA, Paris (see No 462) through the acquisition of the 8.77% shareholding held by Fisab. SA des Ateliers Moisant, Laurent, Savey is also a shareholder in the Strasbourg company Pechelbronn SA (see No 461).

** A further re-organisation of the interests of the Paris group ETS. LAINIER MOCH & ODELIN SA (see No 513) involves its 75% subsidiary, the mortgage concern STE DE FINANCEMENT IMMOBILIER MOCH & ODELIN-FINAMO SA, Paris (formed in 1965 - capital at present F 10 m). This will absorb its 25% shareholder (direct and indirect), IMMOBILIERE CONSTRUCTIONS DE PARIS SA, Paris (capital F 20 m), which is itself a 20% affiliate of Moch & Odelin, and will raise its own capital to F 185 million after receiving assets valued at F 235.36 million including shareholdings in Residence la Cadenelle SA and Ste Immobiliere du Bois de Boulogne SA, both in Paris, as well as interests in several other property companies and design consultancies. Immobiliere Constructions has recently formed in Paris a concern called Etablissement Financier de la Construction & des Travaux Publics E.F.C.T. SA (property credits and mortgages - capital F 5 m) with M. Georges Bonin as president, and run by M. Marcel Faure. The latter concern has represented on its board Banque de la Construction & des Travaux Publics (B.C.T.) SA, Paris, which intends to increase its capital to F 53 million in return for the banking assets to be made over by Finamo.

** The Turin company SAIFI FINANZIARIA SpA (see No 480) will be responsible for issuing certificates in a new open-end Luxembourg trust dealing in Italian securities called CAPITAL ITALIA SA (authorised capital \$ 10 m). This has been established with the backing of the Los Angeles finance group CAPITAL RESEARCH & MANAGEMENT CO and is assisted by CAPITAL ITALIA INTERNATIONAL ADVISORY CO SA and CAPITAL ITALIA REPURCHASE CO SA.

The board of the new concern includes Finimsa SA, Luxembourg (see No 515), Sig Franco Bobba (director general of I.F.I. - Istituto Finanziario Industriale SpA, Turin - see No 509), Sig Pastrovich (director of S.A.I. - Soc. Assicuratrice Industriale SpA, a 32.9% subsidiary of I.F.I. - see No 487), Mr. J.B. Lovelace Jr. (director of Capital Research & Management Co) and Mr. K. Mathysen-Gerst (managing director of Capital Management Services SA, a subsidiary in Geneva of the Los Angeles group). Saifi Finanziaria was formed in late 1968 by S.A.I. (70%) with the remainder shared 20/10 between I.F.I. and its 62.5% subsidiary I.F.I.L. - Istituto Finanziario Italiano Laniero SpA, Milan, itself a 29.5% shareholder in S.A.I. (see No 385).

** The Belgian bank BANQUE O. DE SCHAEZTEN & CIE Scs, Liege (see No 428) has formed a subsidiary called SOCIALE LEENKAS NV, Brasschaat (mortgages and property deals - capital Bf 5m). The first directors are MM. Philip de Schutter, Joseph and Robert Cavents.

FOOD AND DRINK

** The French manufacturers of cognac, JAS HENNESSY & CO Sarl, Cognac, Charente (see No 502) and of champagne, VEUVE CLIQUOT PONSARDIN SA, Rheims, Marne, have jointly taken a considerable stake in the Spanish concern J. PECASTAING SA, Madrid, (capital Pts 5m) which imports drinks and foodstuffs.

** COOPERATIEVE VERENIGING TOT HET VERWERKEN & VERHANDELEN VAN MELK "COOPERATIEVE MELK CENTRALE" C.A. (C.M.C.), The Hague, (see No 484) is re-organising its structure and intends to make over its four main shareholdings to a holding company which is now being formed. This will control 86.5% (with 13.4% held by the ALBERT HEIJN NV, Zaandam, group) in NEDERLANDSE MELK-UNIE (N.M.U.) NV, The Hague (see No 498), as well as interests in CENTRALE MELK MIJ. NV, Rotterdam (whose main subsidiary is NV MELKINRICHTING "DE COMBINATIE", Rotterdam) and MELKCENTRALE GOUDA NV and MELKCENTRALE AMERSFORTIA NV. With the new holding company, C.M.C.'s 28 factories will be re-grouped into three divisions handling consumer dairy products, dairy products, ices and beverages whose respective share of the group's turnover Fl 500m) will be 60%, 35%, and 5%. The group employs some 4,000 persons and handles around one-tenth of the country's milk supply.

* A close manufacturing and sales cooperation agreement has been signed in West Germany between KAISER'S KAFFEE-GESCHÄFT AG, Viersen (see No 447), which handles coffee, tea, spirits and biscuits, and XOX-BISKUITFABRIK GmbH, Kleve (see No 465) which specialises in chocolate, confectionary and biscuits. The latter (capital Dm 1.5m) belongs to the Dutch businessmen Messes Manta and Arius van der Loeff, Nymegen. During the 1967-8 financial year, Kaiser's Kaffee-Geschäft (capital Dm 20m) had a turnover of Dm 691 million.

* The London brewery group COURAGE, BARCLAY & SIMONDS LTD has signed a distribution agreement with the Paris UNION DE BRASSERIES PARISIENNES SA, Paris (see No 494) with the aim of promoting sales in France of its "John Courage London Beer". The French firm, which is a 57% interest of Brasseries & Glacieres d'Indochine SA, Paris, is in the process of merging with other subsidiaries or affiliates (direct and indirect) of its parent company Bieres Slavia, Brasseries de la Comete SA, Union de Brasseries Yonnaises Rinck - S.N.B.M. SA and Brasserie de Phenix SA.

Since early 1969 (see No 501) the British group has been linked through a reciprocal distribution agreement covering their aperitifs and whiskies with the French group Berger A, Marseilles.

** The French dairy group GERVAIS-DANONE SA, Courbevoie, Hauts-de-Seine (see No 512) is about to increase its French production capacity following the takeover of ANCE & GAILLOT, LAITERIE DE HAMPONT SA, Hampont, Moselle, and as a result will raise its own capital from F 191.44 to F 194.32 million. The group has nine factories in France and seven in other European countries. During the 1968 financial year, it had a pre-tax consolidated turnover of F 964.13 million.

** The West German company G.C. KESSLER & CO oHG, Esslingen, has taken a 25% stake in the formation of the Swiss firm RUDOLF ZEHNDER GmbH, Rüschtikon (capital Sf 20,000). This will import and sell spirits and is controlled by its managing director, M.R. Zehnder.

INSURANCE

** The Aachen fire insurance group AACHENER & MUNCHENER FEUER-VERSICHERUNGS-GESELLSCHAFT (see No 501) has signed an agreement with CIA DI ASSICURAZIONI DI MILANO SpA (see No 511) appointing the latter as the West German company's representative in Italy. The Aachen firm has opened a branch in Milan with an operating capital of Lire 10 million based in the premises of its new partner.

** The Italian insurance group LA FONDIARIA, Florence (headed by Dr. Alberto Perrone - see No 469) is to rationalise its interests by having its subsidiary LA FONDIARIA INCENDIO SpA take over a property company in the SISTINA - SOC. EDILIZIA PER AZIONI SpA, Rome, group. As a result, La Fondiaria Incendio will raise its capital to Lire 2,200 million.

OIL, GAS AND PETROCHEMICALS

** With the aim of re-shaping its Belgian interests, the Glasgow-based oil group BURMAH OIL CO LTD has had its subsidiary BURMAH TRADING NV, Borgerhout-Antwerp, (formerly Trading - Ste de Transport & de Commerce SA) take over two other subsidiaries, STE BELGE DE LUBRIFIANTS CASTROL SA, Molenbeek-St-Jean, and COMPTOIR DES PRODUITS CHARBONNIERS - C.P.C. NV, Antwerp. These have made over to Burmah Trading (which is directly controlled by BURMAH EUROPE SA, Molenbeek-St-Jean) gross assets valued at Bf 56.7 million and as a result its own capital has been raised to Bf 48.15 million. Burmah Oil has also strengthened its British sales network by acquiring Gem Petroleum Ltd, London. Until now this was the joint subsidiary of the London investment company Sempah (Holdings) Ltd and the Utrecht group S.H.V. - Steenkolen-Handelsvereniging, NV (itself closely linked to Burmah Oil - see No 511). This has added its 33 "Apex" service stations to Burmah Oil's 1,260 service stations. When Burmah Oil dropped its Far East expansion plans, it started to build up its British network by acquiring Lobitor Oilfields Ltd, London (see No 473), Curfew Petroleum Co Ltd (see No 453) and in January 1969 Major & Co Ltd, London. Burmah Oil is also the leading shareholder (with 24.53%) after the British government in British Petroleum Co Ltd (see No 512) and it also holds a 3% stake in Royal-Dutch-Shell (see No 510).

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OPTICAL & PHOTOGRAPHIC

** The West German firm WILHELM WILL KG OPTISCHES WERK, Nauborn, Wetzlar (optical equipment, microscopes, photographic lenses and measuring instruments) has formed a sales subsidiary in Basle called WILL OPTIK GmbH (capital Bf 20,000 - managers Herren Willi and Erich Will). The German company (share capital Dm 1.4 m) has some 200 employees and had a 1968 turnover of Dm 5 million.

PRINTING & PUBLISHING

** The Hamburg publishing concern JAHRESZEITEN-VERLAG GmbH (capital Dm 20,000) has bought the woman's monthly magazine "Petra" (50,000 copies) from GRUNER & JAHR GmbH & CO KG DRUCK- & VERLAGSHAUS, Hamburg. The latter's main shareholder (36.5%) is Herr Richard Gruner, who recently sold his 25% stake in Spiegel-Verlag Rudolf Augstein GmbH & Co KG, Hamburg, to Herr R. Augstein (see No 500).

Jahreszeiten-Verlag (capital Dm 20,000) is run by Herr Kurt Ganske. At present its main publication is the monthly magazine "Fur Sie" (1.1 m copies).

SERVICES

** The British firm PARKING INTERNATIONAL LTD, London, has formed a Rotterdam subsidiary to manage car-parking facilities. Called PARKING INTERNATIONAL (NEDERLAND) NV (authorised capital Fl 150,000 - 20% issued) this has Messrs R.F. Hobson, F.D. Gosling, G. Layton and J.G. Flack, all from London, as its first directors.

** American interests in the person of Mr. Ronald J. Lutz, New York, have backed the formation in Paris of TECHNOLOGY RESOURCES Sarl (capital F 20,000). Managed by Mr. Lutz, this is intended to promote contacts between Common Market firms in advanced technological sectors, between plant construction specialists and also provide assistance in the development of new plants.

** ADIA-INTERIM SA CENTRE BELGO-SUISSE DE SUPPLEANCE, St-Josse-ten-Noode, Brussels, has opened an Antwerp branch - under M. B.J. Veth - in addition to those it already has in Ghent and Liege. Adia is the Belgian subsidiary - through Ste Financiere Sofiga SA, Lausanne (capital Sf 1 m) - of the Swiss temporary personnel group Adia Interim Sarl, Lausanne, which is run by M. Henri Ferdinand Lavanchy.

The Swiss concern has some thirty offices throughout Europe and their operations are coordinated by another subsidiary, Adia Internationale SA, Lausanne, while national operations are under Adia GmbH, Hamburg; Adia-France, Ste Franco-Suisse de Suppleances du Personnel de Bureau Sarl, Lyons; and Adia (Danemark) SA, Lausanne.

** The Munich market survey INFRA TEST GmbH & CO KG MARK-FORSCHUNG-WIRTSCHAFTSFORSCHUNG-MOTIVFORSCHUNG-SOZIALFORSCHUNG (see No 497) has taken a 40% stake in the marketing and opinion poll firm SCHMIDT & POHLMANN, Hamburg.

Infratest, recently bought from Cresap, McMormick & Paget, New York its stake in Infratest-Invest GmbH, Munich. Its main foreign interest is in Roc Marketing Nederland NV, Amsterdam (see No 448).

TEXTILES

** The re-grouping within the French cotton group DOLLFUS-MIEG & CIE SA, Paris (see No 511) which has been under consideration for some time (see No 499) of J. DEMEESTERE-DEMEESTERE SA, Halluin, Nord (capital F 6.16 m) and DESCAMPS L'AINE SA, Lille, will involve the latter taking over the Halluin firm. As a result of acquiring assets valued at F 17.8 million gross, it will raise its own capital from F 9.1 to F 19.34 million.

The group is also aiming at strengthening its household linen interests (the speciality of both Demeestere and Descamps) through the acquisition of a 36% minority shareholding in the linen twill weaving concern ETS. ANDRE HUET Sarl, La Madeleine-lez-Lille, Nord. This employs some 350 persons in its factories at head office and St-Philbert-sur-Risle, Eure, and has an annual turnover of around F 20 million.

** The French firm CREATION GADGING Sarl, Strasbourg, has formed a Brussels subsidiary called GADGING BELGIQUE SA (capital Bf 200,000) with MM J. Bader, P. Grevillot, J. Hirtz and Mme. I. Pinkus as its first directors. The new subsidiary will manufacture, represent and sell all types of textile, knitwear and ready-to-wear goods.

** The British company KLINGER MANUFACTURING CO LTD, London (special textile machinery and textured synthetic yarn - see No 303) has linked with the Belgian textile firm DAPHICA-ILE ADAM SA, Lambermont (formerly SA de l'Ile Adam, Filature de la Laine Peignee - see No 438) and the French FILATURES PROUVOST-MASUREL & CIE - LA LAINIERE DE ROUBAIX SA (see No 509) to form a joint subsidiary in the U.S.A. This is called CONCORDE-FIBERS INC and will draw on the British firm's technical knowledge in the fibre production sector. In an additional move the British company has formed KLINGER (NORTH AMERICA), which will run its interests in the United States (including its main subsidiary Kling-Tecs Inc, New York) and in Canada.

Klinger, which is a 20% affiliate of the I.C.I. - Imperial Chemical Industries Ltd, London, group (see No 500) signed an agreement in early 1969 with E.I. Du Pont de Nemours & Co Inc, Wilmington, Delaware (see No 493). This covered the manufacture and sale in Britain of "Dacron", which will be made under licence by its Klinger Yarns Ltd subsidiary even though this competes with I.C.I.'s "Crimplene" fibres. The Belgian group has been linked since 1968 with the British company Robert Clough (Keighley) Holdings Ltd, Keighley, Yorks (see No 454 - also its associate in Philippart International SA, Tournai - see No 438) and the Spanish firm James Ribo SA in a joint synthetic fibre processing concern Fisa Iberica SA.

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** The West German chemical group FARBENFABRIKEN BAYER AG, Leverkusen (see No 515) intends to invest the equivalent of Dm 50 million in building a "Dralon" textile plant with an initial capability of 6,000 t.p.a. in Peru. This will be run by BAYER INDUSTRIAL SA, Lima, a 70% interest of the Canadian holding company BAYFORIN-BAYER FOREIGN INVESTMENTS LTD, Toronto, with the remainder held by Peruvian interests.

The group already has an existing subsidiary in Peru, Bayer Quimicas Unidas SA, Lima.

** The French textile concern STEINLEIN-DIETERLEN; G. MARCHAL FILS SA, Rothau, Bas-Rhin, has opened a branch in the Saar at Ommersheim under M. Raymond Klaeyle.

The founder (capital F 12m) has recently linked with Manufacture Hartmann & Fils SA, Munster, and Ets des Heritiers de Georges Perrin SA, Cornimont, Vosges, to establish the coordination concern Steinheil-Hartmann SA, Rothau (see No 505).

** A merger between two Northern Italian cotton textile concerns, COTONIFICIO GORIZIANO SpA, Gorizia, S. Andrea and COTONIFICIO DE SAN GIUSTO SpA, Trieste will result in the formation of a new Trieste company called UNIONE COTONIFICIO SAN GIUSTO & GORIZIANO SpA.

TRADE

** The Milan store group LA RINASCENTE SpA (1968-69 consolidated sales Lire 213,000m) has gained outright control of MINIMAX SUPERMARKETS SpA, Rome (see No 508). Its former owner, the American sales promotion group E. F. Macdonald Co., Dayton, Ohio, had recently decided to close down the Rome firm.

Minimax Supermarkets, which has five supermarkets in Rome and a capital of Lire 800 million, will be taken over by a subsidiary of the Milan group S.M.A. SUPERMERCATI SpA (1968-69 sales Lire 32,500m), which has 53 sales outlets, and the latter as a result of this move will raise its capital to Lire 1,500 million and then to 5,000 million. La Rinascente (president Senator Borletti) is affiliated to S.M.E. - Sta Meridionale Finanziaria, Naples (see No 511) and to Mediobanca SpA, Milan (see No 497).

** The West German interests of the Luxembourg holding company GENERAL SHOPPING SA (see No 496) have been strengthened by the acquisition of a Düsseldorf subsidiary called GENERAL SHOPPING GmbH (capital Dm 1.55m) with Herren Alexander Sieben and Hanns Lettner, Luxembourg, as managers. The group's other shareholdings in West Germany include the mail-order concern Neckermann Versand KGaA, Frankfurt (see No 500) and Otto Versand KGaA, Hamburg (see No 486), the Düsseldorf bank Kundenkreditbank KGaA, (consumer credit - see No 432) and the Hamburg holding company Gesellschaft für Handelsbeteiligungen mbH (see No 486).

The group's most recent foreign move took place in January 1969 (see No 496) when it linked 33.3/66.6 with the Stuttgart company G. Bauknecht GmbH (electric motors and domestic appliances) to form the Zurich concern Bauknecht Holding AG (capital Sf 9m).

TRANSPORT

** The rationalisation of the Belgian interests of the Mannheim shipping company FENDEL SCHIFFHARTS AG (a member of the VEBA - VEREINIGTE ELEKTRIZITATS & BERGWERKS AG, Bonn and Berlin, group through BERGWERKGESELLSCHAFT HIBERNIA AG, Herne) will strengthen the position of the Antwerp transport, despatch and warehousing concern RHENUS BELGIE NV. This will take over AGENCE MARITIME ANTVERPIA NV, Antwerp (which was originally intended to be the main company in the move - see No 509) and will change its name to RHENUS ANTVERPIA NV (capital raised to Bf 50m). Rhenus Belgie is the joint subsidiary of the German company and of the Antwerp shipping, transport and port holding concern HAVEN- & SCHEEPVAART BELEGGINGSMIJ NV, (see No 515), itself controlled 50-50 by Ste Nationale d'Investissements S.N., Brussels and the Ahlers NV, Antwerp group. The latter also has a direct token shareholding together with its subsidiary Delta Algemene Scheepvaartonderneming NV (see No 452) in Rhenus Belgie.

** The Iranian international transport and commission agency ACTIVE & CO LTD Teheran (capital Rials 10.5m) has opened a branch in Munich under Mr. Khanian Seyed.

** The British concern HUDSONS LTD, Brighton, Sussex has formed a forwarding and finance subsidiary called HUDSONS INTERNATIONAL NV (authorised capital F1 65,000 - 20% issued) which will be run by Mr. L.P. Serier, Rotterdam.

** The Rotterdam UNILEVER NV group (see No 513) has strengthened its interests in the transport sector by gaining control of GEBR. VAN OEVEREN TRANSPORT VEEMBEDRIJF NV, Vlaardingen. A cooperation agreement establishing a regular weekly container service between Britain and the continent has been made by two of the group's transport subsidiaries ALGEMEEN VRACHTKANTOOR NV, Rotterdam, and GENERAL FREIGHT CO LTD, Liverpool and London (which is under direct control of UNILEVER LTD, London) and the transport concerns EUROFREIGHT LTD, London, and NV APPELS, Waalwijk.

VARIOUS

** CIE GENERALE DE SCIERIE & MENUISERIE SA, Paris (see No 510 - a member of the Paris SA DES POMPES FUNEBRES GENERALES group - capital F 57.6m) has absorbed SCIERIES & PARQUETERIES DE VAUVRILLY SA, La Charite-sur-Loire, Nievre (capital F 813,000). As a result Cie Generale de Scierie & Menuiserie will raise its own capital from F 4.71 to F 5.1 million following the acquisition of assets valued at F 4.08 million including a woodworking concern and sawmill at La Charite-sur-Loire and various other properties.

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** The Dutch group NV OVERZEESE GAS- & ELECTRICITEITMIJ. - O.G.E.M., Rotterdam, has strengthened its interests by gaining control of the furnishings manufacture and sales concern NV v/h FA. VAN SCHAIK & BERGHUIS, Waddinxveen (150 employees). O.G.E.M. recently acquired a stake in the firm making and selling electro-technical equipment, TECHNISCHE UNIE NV, Amsterdam.

** The Portuguese cork import and sales concern AMORIM & IRMAOS SA, Santa Maria de Lencas has formed a West German sales company called AMORIM IRMAOS GmbH, Bodenheim. With a capital of Dm 20,000 this has Srs. A. de Amorim and Coelho as managers.

** The Swedish firm HANS-AGNE JAKOBSSON A/B, Markaryd (lampstands, candelabra, flower stands, ashtrays etc) has signed an agreement with the Dutch concern INDUSTRIE- & HANDELMIJ. R.J. WORTMANN NV, Wildervank. This has led to the formation of a 50-50 subsidiary manufacturing and selling accessories for the lighting, furnishing and textile industries, called HANS-AGNE JAKOBSSON NEDERLAND NV, Wildervank (capital Fl 650,000).

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CORRECTION

ENGINEERING & METAL: It was incorrectly stated in these pages (see No 511, p.J) that the American COGSDILL TOOL PRODUCTS INC, Oak Park, Michigan, had two British agents: Henry Challis Ltd, London, and Douglas Kane (Sealants) Ltd, Welwyn Garden City, Herts. It has since come to our notice that the former no longer trades on behalf of the American firm, nor has any other links with it. The latter continues as the firm's sole British agent, although it now operates under the name, DOUGLAS KANE GROUP LTD.

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