

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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May 1, 1969,

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THE WEEK IN THE COMMUNITY

April 21 - April 27, 1969

THE COMMON MARKET

The \$ 53 Million Object Lesson

In the wake of the visit to Europe of U.S. Secretary of Commerce Mr. Stans, and at a time when the Six are about to tackle in earnest the major problems that their agriculture poses (see p. 5), there has this week come to notice one of those anomalous situations that, though tinged with absurdity, shed much light on the magnitude of the rationalisation that the Six have still to carry out.

What has happened is that there has been announced the payment to France out of Community funds of some \$ 53.16 million, as restitution on the export of 800,000 metric tons of low-price soft wheat to the People's Republic of China. The decision was taken, although China offers barely half of the world market price for this commodity, because other means of disposing of this grain, which comes out of the Community's seven or eight million tons cereals surplus this year, would have proved even more costly to effect. Not only is there this considerable sum of money involved, however, for into the bargain it has been agreed that a portion of the payment for the grain on China's part will be made in the form of pigmeat, despite the fact that shipments of this commodity out of China are extremely suspect, and to say the least unlikely to meet the approval of health authorities in the Community.

In the first instance, this case shows to what extremes the incompleteness of the Six's common policies can drive them: that there is farm price support partly accounts for the surplus in the first place; that it takes the form of export rebates explains why it goes to such a blatantly uneconomic market; and that in these circumstances "any deal is better than none" is the only line of thinking to which we could possibly attribute the acceptance of such a form of payment.

At this point, the provisos must be offered: that when new farm structures are under way, the surpluses problem should largely fade, and with it, that of hefty price support from FEOGA. Moreover, in this case itself, there is every chance that the deal will be prevented from going through, on account of the doubtful nature of the pigmeat in question.

Nevertheless, the makings of a very costly exercise are before us, and its ramifications touch on far more than just the state of integration of the Six. In particular, we have the resentment that packages of this sort stir up amongst other trading partners - in this instance especially other signatories of the International Wheat Agreement, such as Canada and the United States - and the accusations of trade distortion and protectionism, and possible retaliation that this can bring. Even inside the Community,

feelings can again run very high, for the acceptance of payment in kind is always a risky business, and in this instance to take pigmeat in return is to undermine in some measure the home Community pork and bacon market, and thus risk the wrath of breeders in Belgium and the Netherlands in particular.

One hopes that the imminent Council round of debates on the Mansholt Plan, and indeed talks on integration in other fields will take full account of cases like this, that the Six may never lose sight of the dangers and expense of continuing to pursue policies that were only ever conceived as interim phases in the task of unifying the Economic Community.

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FRANCE

The Will of the People

After almost eleven years of power, President de Gaulle, who has dominated the French political scene since the war, has resigned following the rejection of the referendum on reform of the Senate and France's regional structure. By deciding to attach his own political future to the outcome of the referendum, when this was not necessary, he turned the question into a plebiscite. Possibly this was to prove to himself that the massive Gaullist majority obtained during last summer's election reflected support for his remaining as President, rather than a vote for stability. In the event it now seems clear that the people of France are more interested in stability than in continuing the often hard struggle of maintaining French prestige through grandiose ideas and utterances. If, as seems likely, M. Pompidou is successful in his bid to become the next President of France, the country stands the chance of being run for several years by a strong but less spectacular government. Even if the General had won his vote of confidence, the country would have gone through a difficult time until 1972, as the various political factions in France have been manoeuvring for the best possible position for "l'apres-gaullisme". By going now and accepting the will of the people, the General has given France the opportunity of having several years of stability, even though the problems he has left behind will test the mettle of his successor.

The full implications of the week-end's events in France have still to be digested, both in the country and throughout the rest of the world. Obviously no sudden changes in either domestic or foreign policy can be expected, and it may well be that few new initiatives will occur till after the summer holidays. The presidential elections seem likely to take place during the first half of June, which means that the new government will spend the summer settling in. If a candidate from the Left or Centre were elected, it would almost certainly mean another general election with an even greater delay. For the time being therefore, a moderate line of action is likely to be followed by the acting

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government under M. Couve de Murville. The indications are that EEC Ministers' meetings will be attended, as the matters they have to deal with in the agricultural and economic spheres can hardly be put aside any longer. Again the situation in Europe is complicated by the West German Federal elections which take place in September.

Turning to the question of Europe, the preliminary signs after the withdrawal from the political scene of General de Gaulle are that progress towards further European integration may play an important part in the coming campaign. Whatever happens, the likelihood of the new President, whether he be from the Left or the Right, following a policy as uncooperative as that of General de Gaulle, is slight. A mood of qualified optimism seems to be justified for the time being, but the coming months will show the true worth of such an approach. Even so, increased cooperation does seem likely because of the need to ensure monetary and economic stability within France, and in any case France's partners may find it easier to assist the new government when it is installed.

One of the chief concerns is the situation of European currencies and the international monetary system. The contribution of last November's crisis, arising out of a lack of confidence in the franc after the May-June troubles, to the General's downfall cannot be overlooked. But the threat of an imminent devaluation of the franc seems unlikely, as France's monetary partners do not want the system to undergo a further major test. This will be a delicate problem for the new president, but a change in the franc's parity rate as part of a general realignment of currencies seems quite possible, especially since the West German Finance Minister, Herr Strauss, has indicated that provided his country did not have to make a unilateral revaluation of the DM, there was no fundamental opposition to a currency realignment. Such an operation was not expected before the West German elections unless it became an absolute necessity, but this may now have changed.

Reactions to the General's departure have been cautious, for a period of uncertainty has begun and will continue for some months to come. Community circles in Brussels feel that the long-term outlook for progress on the problems facing the Six has been improved, but that France will have to be careful in her domestic policies, and be backed up by the other member countries in order to prevent a fresh monetary crisis, especially in the period till the new government is installed. Any devaluation would have a serious effect on the EEC, and create major problems for the common agricultural policy. Nevertheless, no one is expecting any radical departure from the present lines of French policy concerning Europe in the immediate future. The Belgian Press pays tribute to the General's past and his contribution to the restoration of France, "but one may wonder", writes *Le Soir*, "whether General de Gaulle had not become like his traditional enemies on the Left, a man of the past, and whether he has not like them, fallen prey to the need for change". The *Libre Belgique* considers that Frenchmen, who voted for the General previously, did not mind voting "No" since either M. Pompidou or M. Poher should be able to succeed him. *La Dernière Heure* considers that France will

now cooperate much more closely with her partners in the Common Market and the Atlantic alliance. In the Netherlands, the feeling is that the new president will be unable to adopt quite the same style as General de Gaulle, and if he is more realistic the scope for increased European integration is considerable.

The West Germans, who are preoccupied by their coming elections and the situation of the DM reacted in a cautious manner to the news from France. Herr Ahlers, a deputy government spokesman said that through the Franco-German Friendship Treaty, the General has strengthened the links between their two countries. Furthermore the change in the leadership of France would not mean any lessening of the links between Paris and Bonn, since these were essential for the future of Europe. At the same time, Herr Brandt the Foreign Minister expressed the hope that there might be "new progress in Europe".

The Italian President, Signor Saragat has been on a state visit to Britain with the Foreign Minister, Signor Nenni. As both are strong supporters of British integration within Europe, the decision by General de Gaulle to resign as President gave an added impetus to the final talks with the British government. On Monday both sides issued a joint declaration which reaffirmed their intention to work for European unity with "other European governments which share their ideas and goals". The talks showed that both have a similar approach towards the question of European unification, which should be based on the framework of the existing Communities as well as using the Western European Union as a forum for political consultations. Mr. Stewart, the British Foreign Secretary and Signor Nenni also discussed the possibility of postponing the next WEU Ministerial Council in The Hague on June 5th. This would allow the new French government time to reconsider the existing boycott, and enable her partners in the organisation to readjust themselves to the new situation in France. An agreement was also signed between Britain and Italy covering cooperation in pure and applied science, in the application of technology to industry as well as work on licences and patents.

In Rome, the result of the referendum did not come as a complete surprise, and as in other capitals most observers felt that the scope for the integration of Europe and of the Common Market in particular was widened once again, although time was the essential element. However, the question of France's political stability has been raised once again, and given the present situation in Italy, few would wish for fresh upheavals across the Alps. During the next two months the EEC will have to wait and see what happens in France, whilst pushing ahead where possible. But the General's resignation and the West German elections mean that any major initiatives by the Community are unlikely before the autumn.

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AGRICULTURE

Farm Prices: Six Dodge the Column

Yet again, the fact that they have managed to reach agreement at all appears to have given the Six satisfaction at the outcome of their latest agricultural Council meeting (April 21 - 22 in Luxembourg). As far as the Commission is concerned, the arrangements decided upon completely avoid the main objective at this time in EEC agriculture, which is to get restructuring under way, to attack the surpluses problem at its base. For the most part, the meeting served only to formalise the continuation into the 1969-70 season of the prices that have obtained during the present season. This goes for wheat, sugar, rice and oilseeds. That mere "pegging" should have been the recourse may not necessarily be a bad thing: this was originally the suggestion of the Belgians, who held that no real price structure modifications should be attempted until this was coupled with forthright action of the sort envisaged in the Mansholt Plan.

However, there is hope of better balance in the market next year when it comes to barley and maize, on both of which the Council agreed slight price increases. It is to be hoped that this will help to see an end to the trafficking on the futures market (in effect) that has been going on, especially between France and Germany. In fact, German farmers have been suffering lack of outlets because importers have been allowed to buy francs at reduced rates to buy French grain three months or more ahead. What has now happened - and this should also improve the Six's protection against imports from third countries of course - is that \$ 1 has been tagged on to the threshold price of maize and barley, bringing the cost up to \$ 95.94 and \$ 95.44 respectively per ton. In addition, the intervention price of barley rises by fifty cents, to come to \$ 88.47 per ton (that of maize remains constant, at \$ 79.31).

Again, with sugar it was decided that while the price would remain the same (at \$ 17 guaranteed per ton of sugar beet), there should now be a quota limit on the amount of sugar that can be produced under conditions of full price guarantee. This, being 105% of estimated consumption, comes to 6,325,500 tons, and when production goes beyond this, producers going into excess may find prices dropping to \$ 10 per ton only.

Left aside at the meeting, however, were the all-important topics of beef and dairy products prices, although it was agreed that the former should be thrashed out at the next Council meeting on May 12 and 13, and the latter by the end of this month. The butter surplus problem was blessed with no more than a token gesture of corrective action, in that "whole", as opposed to "skim" milk powder may now be used for animal feeds, and a \$ 26.25 per 100 kilos subsidy, valid until the end of June (by which time an agreement on the dairy sector must be reached) was agreed for skim milk powder used in pig feeds.

It is now known that the orientation price of beef will be raised on July 1 next, though whether it will be by the 3% recommended by France's M. Boulin is another question. Also, further measures are likely to be adopted at the next meeting to the end of increasing beef production in the Community.

At this meeting, the basic position was that Herr Hoecherl was faced with persuading the Dutch and Italians to accept the need for maize and barley price increases: this done, M. Boulin for France gave his assent, and this concession was met with the resolution on beef prices and production. The French argument against the increase was that the Community is already in surplus in the crops in question, and added incentives were hardly the answer to this, and also that higher prices would tend to favour already secure producers, while stockbreeders, already in straitened circumstances, would be even worse off. Not obvious, however, was the reason for the ease with which Italy appears to have dropped her original spirited opposition to the German proposals (motivated by the need to keep southern farmers happy in electoral year). It is generally assumed that some sort of "deal" has been worked out in the wings, but it may take some weeks before it comes to light what concessions Bonn has made to Rome: it may well be in the wine and tobacco sectors that we shall see a change of position for Germany. It was not only by this, however, but also by the amenable attitude of the Italian delegation towards the idea of raising the beef price that some surprise was occasioned.

By and large, the meeting achieved nothing of moment, although even Dr Mansholt, asserting that it had completely failed to broach the real issues, had to admit that it "was not bad under the circumstances". What is so frustrating to the Commission is that the dairy problem has still not been attacked, despite the fact that it is four months since the Mansholt Plan was forwarded to member governments. The sort of arrangements agreed at this meeting are safe enough - they avoided the friction that all-round price-freezing could have caused - but with the dairy sector there can be no half measures, restructuring has to come into the solution, and it is the question of how far the Ministers will admit it that really determines the whole drift of agricultural planning in the Community in the coming months. With half of FEOGA expenditure going to dairy products support, there can be little more procrastination over remedial action, still less any half measures when moves are made.

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EURATOM

Pluri Annual Budget Adopted

Last Wednesday, the Commission adopted and then transmitted to the Council of Ministers, its new draft pluri annual budget for Euratom. The Council is due to discuss and adopt this before July 1, in accordance with the decision taken on December 20 when the present transitional budget was adopted. Although the new programme Opera Mundi - Europe No 510

is not overexpensive financially, it does have a number of new aspects. Overall it reflects the changes which have occurred in the field of nuclear energy both within the Community and in third countries, as regards research and manufacturing techniques, which are now coming to fruition or are about to do so. The changes which have taken place mean that the nuclear industry can now go ahead with existing projects, whilst Euratom undertakes fresh technological research. For the Commission the new pluri annual programme is above all a reflection of economic and industrial factors, whilst the Joint Research Centres are considered from the angle of research requirements.

Turning to the question of reactor types, the draft programme considers that research into tried reactors such as heavy water and light water reactors can now be limited to ensuring that no serious manufacturing problems arise. As for high-temperature and fast-breeder reactors, the Commission considers it is still too early to limit work to one particular type, but that there should be a great increase in cooperation and the exchange of information between the nuclear industries of the Community, so that in the long run, the Six can decide to build only one particular reactor type of between 600 and 1,000 MW. In this particular sphere, the Commission has decided to drop the idea of building its own reactors, but instead will aim at coordinating national and industrial programmes. It is also hoped to carry out specific research - at cost - for both industry and national institutes, which will help to ensure an optimal use of the personnel and installations of the Joint Research Centres.

All of the research programmes that the Commission has submitted to the Council are joint programmes, and should therefore be financed by all EEC member states. The Commission does not consider itself to be specifically involved in drawing up the so-called "supplementary programmes", which involve only the member states who have a particular objective in mind, and whose financial structure is the responsibility of those member states alone.

The programme also makes it clear that the Commission wants the Six to encourage further measures aimed at creating a "Nuclear Common Market", for despite the work done by Euratom and other bodies, there is a considerable duplication of effort. Other obstacles to be overcome are different technical standards and administrative barriers. During the period it has spent in drawing up the new pluri annual programme, the Commission has already set in motion the system it intends to follow by discussing the problems and possibilities involved with industry, with national research organisations, governments, electricity boards and producers. It has also set up specialised groups who will be able to supervise implementation of the programme.

The total cost over five years is some \$ 395.6 million, considerably less than that spent on agriculture. But at the same time, the Commission has taken into account the previous criticisms made with regard to the cost of Euratom, whilst trying to ensure optimal use of the Joint Research Centres.

FREEDOM OF ESTABLISHMENT

Foreign Companies in France

The Commission has just sent a "reasoned opinion" to Paris requesting the modification within 45 days of the decree of January 1967, aimed at regulating foreign investment in France and French investment in other countries. Since the decree was introduced, there has been a considerable exchange of views between both sides as to its validity, but so far the Commission has been unable to make much progress with its case. The decree gives the French Finance Ministry powers, - apparently incompatible with the Rome Treaty - whereby investment in a new concern or the acquisition of a stake in an existing firm has to be submitted for prior approval, which the Ministry can postpone if it sees fit.

According to the Treaty, the nationals of all member states should receive the same treatment as the nationals of the member state in question, and the French government has maintained that "the right to postpone" would be not invoked with regard to investments from a Community concern, but the trouble arises when one attempts to define what is or what is not a Community firm. The Commission wants "the right to postpone" to be abolished for Community firms, as well as for those cases where there is no transfer of funds, whilst its opinion or the demand for "prior authorisation" can only be requested for companies based outside the EEC.

The narrow approach adopted by the French government towards foreign investment (e.g. Jeumont-Schneider and Westinghouse, the Metra-Leasco computer programming deal) has meant problems for investments by other EEC countries (e.g. Fiat-Citroen), while investments in France by third countries through firms established in other EEC member states, or through French subsidiaries under foreign control, have been treated as third country investments. In the Commission's view, companies which have their headquarters within the EEC are Community firms, and this obviously includes many leading non-European firms.

If France does not make the necessary changes, which are 1) no "postponement" rights for EEC "Community companies" and 2) abolition of controls when no movement of capital takes place, the matter will probably come before the European Court.

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Lawyers' Freedom Ahead

A draft directive has just been adopted by the Commission dealing with the freedom to practice for lawyers. This should enable lawyers who belong to one member state to practice and appear in courts throughout the Community, although there

are a number of limitations, such as when lawyers have certain specialised public functions to fulfill. A lawyer working in a different member state from his own will have to observe the rules of the country he is in, and when it comes to appearing in court, he will present his case in association with a lawyer from the country in question.

In any case if effective freedom of establishment for lawyers is to be introduced, some progress concerning the recognition of qualifications will have to take place along with increased coordination of the profession's rules and regulations.

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E.C.S.C.

German Steel Merger Approved

Hoesch AG., one of the Common Market's leading steel concerns, has acquired 26% of the capital of Stahlwerke Südwestfalen, one of the largest firms producing special steels in Germany, and has gained control over Südwestfalen by joining forces with two other large shareholders. Südwestfalen has also leased the Niederschelden steelworks from the Hoesch group.

These operations amount to a combination, which requires prior authorisation by the Commission under Article 66 of the ECSC Treaty.

The Commission's inquiries have revealed that the transaction meets the tests of Article 66(2). Since the firms involved account for only 10% of the total production of special steels in the Common Market, and in view of the structure of the market, these firms will not have the power to restrain effective competition. The Commission has therefore decided to grant the necessary authorisation.

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TRADE

Commission's Findings on "Elettrodomestici"

On April 24 the Brussels Commission issued its findings on the studies a team of its experts have been making, for the best part of a year, on the Italian electric domestic appliances industry in particular, and export aids in the general engineering and assembly sectors (see No 506). The enquiry was carried out at the behest of Belgium and France, who were seeking the Commission's sanction to impose counter-vailing duties against what they deemed to be unfair export support for goods produced

by these industries in Italy. Britain also, it will be recalled (see No 474) was compelled last year to retaliate, in a modest way, against the flood of Italian appliances coming on to its market.

However, after fairly exhaustive examination, the Commission has found that to a very large extent the inroads Italy is making into the domestic appliances sectors of many European countries are attributable to the high efficiency and productivity records this sector continues to achieve. The report unequivocally finds "the electrical domestic appliances sector, and the mechanical industries in general, to be the best, structurally speaking, in Europe". To this extent, the Commission found the French and Belgian claims unwarranted, and has therefore rejected their request to impose countervailing duties.

Indeed, Italy has already complied with a Commission request that she annul export rebates granted under Italian Law 639, at least by removing 80% of these towards EEC partners, though it seems that the problem now resides in one or two rebate items that still wield undue favourable influence on behalf of engineered products. In conflict with the Italian law in question, we have Article 112 of the Rome Treaty, upon which the Commission bases its case, and which states that, before the end of the transitional period (December 31 of this year), member states' "measures to aid exports to third countries shall be progressively harmonised . . . to the extent necessary to ensure that competition between enterprises within the Community shall not be distorted". This forms part of the all-important Community legislation for the creation of a common commercial policy.

In its report, the Commission states what it thinks should now be done to bring Italy "back into line". First, it must endeavour to harmonise its export aid system with that of the other member states of the Community, and it is given until the end of 1970 to do this. This means bringing down the present export rebate rates - those applying inside the Community on the one hand (i.e. the 20% that remains of the 1958 rates), and those still being applied to exports outside the Community (e.g. refrigerators to Britain), the removal of which would, under GATT rules, demand the removal of any countervailing duties that may have been set up by export customers.

The question of rebates on items exported to the Community is now in the hands of the Court of Justice of the Communities (see No 506), and it does seem that on certain items still the level of rebates is falsifying the pattern of competition. When it comes to exports outside the Community, the Commission can take no direct corrective or disciplinary action, only to quote Article 112 at the authorities in Rome. This being so, it has called upon the Council of Ministers to adopt a "directive", in which the other member states will invite Italy to eliminate certain of the rebates, that are affecting their own competing exports to the countries in question, although others may be allowed to remain for the time being.

Technical Barriers: Plastic Tiles in France

The Association of German plastic flooring tile manufacturers has just submitted to the Commission a memorandum complaining of unfair practices, constituting a barrier to trade, in the system whereby these goods are selected for use in state sponsored building works in France.

The whole problem resides in the matter of the test equipment used, and the criteria and standards according to which any particular tile is approved. Indicative of the effects this system has upon trade is the fact that of the 22 manufacturers of composition flooring tiles in France, 20 have approval as purveyors to the State, while of the 44 manufacturers in the rest of the EEC a mere 5 have this approval.

At the heart of the controversy is the C.S.T.B. - the Centre Scientifique & Technique du Batiment, which is responsible for vetting and testing building materials. Without receiving approval from this body, no materials may be incorporated in official buildings in France. "Official Buildings" in fact covers all state construction as such, plus all those projects that benefit from some degree of state aid or sponsorship - and this in fact covers no less than 80% of all new buildings. What renders the system so prohibitive is that heavy duties are payable on receipt of CSTB approval, that constitute a strong disincentive to any company wanting to get established on the French market - small firms from outside rarely so much as try.

Apart from the duties, however, the complainants here are critical of the practices involved: the test equipment used in this case is not standardised, for one thing, nor is it sold on the open market, in addition to which the minimal norms expected of the material question are not even published, so the offerer of a new product is working completely in the dark. Again, because there is such a strong element anyway of expert appraisal, as opposed to machine testing, in the vetting process, there is no way of determining how objective or otherwise the CSTB's tests may be.

Furthermore, the CSTB is altogether too exacting in its requirements: it not only asks to test materials, but also to be apprised of details of the manufacturing process, and to receive leave to visit factories and take samples of the materials in question - not only from the shop floor, but also from the laboratory. All well and good ... but it just so happens that most of the French manufacturers are represented on the technical commissions of the CSTB, and thus have access to complete inside knowledge as to what foreign competitors are seeking permits to enter the market, and what manufacturing processes they plan to use (plus some detail of these). Not only this - they actually have a say in the decision whether or not to approve the goods offered by that same manufacturer.

One can only draw one's own conclusions from the figures given above, but that aside, it is clear that this is but one instance of the sort of barrier to free trade that can subsist beyond the customs union in any sector in any member state. The

Commission may be expected in the near future to issue a directive against the CSTB for the modification of its procedures in this field. Just how far that directive will be extended through subsequent complaints to other governments and other permit-issuing authorities, we must wait and see.

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COMMISSION

Rumbling in the Ranks

The Brussels Commission has just published the findings of a survey taken amongst its own staff, from a sample of four hundred representative personnel. This brings to light the startling fact that some 60% of all those working for the Commission are discontented with their lot, and would prefer to move to similar posts in their own national administrations or in industry, if the opportunity were to present itself. Moreover, no less than 98% of the sample agreed that there was to be felt an atmosphere of malaise within the corps diplomatique of the Communities.

This "something rotten" in Brussels is traced by half of the Commission's staff back to the political crisis of 1965-1966, during the period of the "empty chair" policy adopted by France - her boycotting of the Community over the agricultural issue. To the other half of the staff, the trouble seems to have started with the merger of the Communities on July 1, 1967, when all their original offices and sections were pruned and reshuffled under the single, fourteen-man Executive. Whatever is felt to be the specific point of departure for the disaffection of the Commission (for the feeling seems to pervade the organisation from the very top), however, the real sore point is that the hard work done receives so little requital in the form of positive steps towards the construction of Europe on the part of the Six. There is a widespread feeling in fact that the Commission as a force has been cowed, despite the efforts to make its voice heard even more clearly by its President Jean Rey and his colleagues, that it still lacks the teeth that would give its staff the amour propre they long for, and that, to quote, nobody within its ranks, "now even dares to think anything other than what he thinks the governments want him to think".

It seems that nothing short of a new burgeoning of the European idea will satisfy the Commission, which moreover on April 29 planned to hold a two-day strike in protest against pay conditions, especially against the differential between what its officials are paid, and what salaries are received by the Council of Ministers' secretariat.

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TRADE UNIONS

European Confederation formed

Last week members of EEC Free Trade Unions meet in The Hague and decided to form the European Confederation of EEC Free Trade Unions, whose aim will be to coordinate the activities of the member unions. The decision was almost unanimous, but the discussions which took place illustrated the difficulties involved. The new organisation is not intended to replace the existing national structures and its power will be limited.

It was agreed that British and Scandinavian unions could only become members of the new organisation, when their countries had joined the EEC, but that the role of unions within the EEC was to back the admission of the candidate countries. Relations with Christian and Communist union organisations revealed a split between the two hundred representatives taking part with the French and Dutch delegates opposing links with the Communists. On the other hand, Belgian and Luxembourg as well as a number of Italian and West German delegates favoured the establishment of links with the French (C.G.T.) and Italian (C.G.I.L.) Communist unions. In the end a compromise resolution was adopted leaving each national union free to follow its own policy.

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STUDIES AND TRENDS

The Development of the Free Gold Market

by Philippe de Weck

Director-General of the Union Bank of Switzerland, Zurich

Part II

Price Trends

Keen interest was shown all round the world in the level at which the price of "free" gold would settle: there had been endless surmise and comment about this, and a great deal of speculation was riding on it (see part I). In the event, when the free market was instituted, price fluctuations were on the whole fairly inconspicuous, and not rising to anywhere near the ceilings that had been suggested. In Zurich when the market opened, the leading banks had fixed the price at \$ 43 an ounce (demonstrating in effect that Anglo-Saxon standards still obtain - an indication of the strength of the London market) - albeit a somewhat arbitrary figure, but one calculated to stimulate sales. And stimulate sales it did, as speculators moved in to claim their booty, with such alacrity and in such numbers that the very same day the price collapsed to \$ 36.5, to waver between \$ 36 and 39 from then until mid-May, 1968.

When the French crisis blew up in May, the effect was to boost the free market price of gold up to the \$ 43 mark by the 21st of the month, whereafter it dropped again by the end of the month to \$ 40. As the situation began to cool off, in early July, we had the massive aid from the central banks for both France and Britain. The monetary situation was stabilised as a result, and a corollary to this was the further decline in the price of free market gold to \$ 37. In next to no time, however, we were into August and the crisis in Czechoslovakia, and again the political tension was reflected in the gold market, with the price rising again to \$ 40.

In November, the major source of uncertainty was in the monetary sphere itself - whether or not the pound and the franc were to be devalued - but this had little or no effect, ironically enough, on the price of free market gold. Indeed, the flight of capital from the franc and the pound redounded not to gold, but to the Deutschemark, which it was thought was to be revalued. Against this background, the almost continuous rise in price that we have witnessed since November looks as though it is attributable for the most part to holders of gold, who are hanging on to their stocks in the belief that prices cannot fail to go up eventually. Normal demand on a market where supply is scarce leads by the laws of elasticity to rising prices. The following would appear to be the salient factors in this price trend:

- a) "Normal" consumption of gold, by jewellers, dentists, industry and savers in those countries where it is customary to store "golden nest eggs", has continued as usual, and indeed in these sectors little influence is likely to be wielded against

prices. After all, the jewellers and goldsmiths, who are the bulk consumers of the metal, have not the wherewithal to stockpile on a falling market: this is the classic case of a product where cash cannot be tied up in stocks of raw material. Furthermore, there has not been any run on the market by would-be purchasers since it was thrown open, in contrast with the situation that obtained previously. But this does not alter the fact that with every monetary crisis, or even the semblance of one, and every period of political tension, purchases increase in volume and prices rise. Illustrative of this were the events of May-June in France last year and the invasion of Czechoslovakia

- b) On the selling side of the equation, it is true that with the exception of but minor supplies from producer countries, the market since it was thrown open has been "fed" almost solely from private holders. In almost all cases these were people who, for speculative purposes, bought large sums of gold at the height of the crisis. In the event, many felt that speculation had in fact really fallen rather flat, in view of the way prices were going, and that there was little to be gained from holding out much longer. Loss of interest resulting from this unproductive investment persuaded many to sell, and it is reckoned that of the 3,000 or so tons that "disappeared" during the crisis the best part of 1,500 tons has filtered back into the market through this mechanism.

Of course this still leaves 1,500 tons or thereabouts to put pressure on the market, being saleable still. What is possible and what is likely are two different things, however, and chances are that some 1,000 tons more of this gold has in fact gone the way of "permanent savings", leaving say 500 tons only for possible sale back to the market. One proviso must be added here, however, and that is the fact that their sales having been so modest in recent times, the producer countries are probably tending to build up their own stocks, that could come on to the market yet.

At this point, one should perhaps pause to reflect that during a crisis period, before the free gold market came into being, the gold pool saw some 3,000 tons safely into the hands of private individuals. More to the point, this was both a timely measure and a worthwhile sacrifice. Had this sum not just passed into the keeping of the general public of the gold world, which by its nature is not safe keeping, there might have been a very good chance, given the conditions we have described and the fact that "normal" demand is in excess of "normal" supply, of prices soaring far higher on the freeing of the gold market than in fact they did. As far as the central banks are concerned, therefore, their reluctance to see gold revalued can only have caused them to accept with equanimity this particular loss of gold.

The Market Flow

According to estimates, the amount of gold passing through the free markets since these were opened comes to something like 30-40 tons a week for Zurich,

7-10 tons for London and 2-4 tons for Paris, which will yield a total trading volume by the end of the year of the order of 1,500 to 2,000 tons. Before the Paris market stopped trading, the breakdown between the three was something like 65% for Zurich, 20% for London and 15% for Paris. Now, the trade divides about 3-1 between Zurich and London.

Future Prospects

1) In normal circumstances - i.e. if there are no general monetary crises, or difficulties in any key countries, nor any political tensions of any magnitude, the price of gold should remain more or less within its present bounds.

Of course, "normal" demand is still in danger of being distorted by the 500 tons of "disappeared" gold still in the hands of private individuals likely to sell it, and by the minehead stocks one assumes are building up in producer countries, especially South Africa, and which could find their way on to the market. In the Soviet Union, the policy seems to be that gold should only be used in the last extreme, especially for food supplies.

2) In exceptional circumstances (monetary or political crises) there is a danger of the price rising dramatically. In such circumstances it could well for a while become a buyers' market. Private individuals certainly, and quite probably producer countries also would stop selling.

3) The long-term outlook, however, is far from promising. We have seen that the normal production-stocks situation in the market is on the whole fairly balanced, but that there is a tendency for demand to exceed supply. Since production is not rising, and indeed could even go into decline, and since industrial demand never ceases to increase, we have all the makings of a serious problem of disequilibrium in the future.

What buffers this situation at the moment are hoarded stocks and the producer countries, with their potential for putting pressure on the market - but once these stocks have dwindled, this restraint will no longer function. Nevertheless, to temper this disquieting thought, there is the consideration that in time another restraining mechanism would appear spontaneously in the system: if the price of gold continued to rise steadily, one could reasonably expect a stage to be reached where consumption of gold for jewellery at least would begin to fall away.

Thus there are various factors weighing upon the situation, and it is impossible to make any sort of concrete prognostications, although we can at least say that if all other things remain reasonably equal, the price of gold should not fluctuate very much in the near future. Those factors that tend to push the price up, however, are part and parcel of the system, and we should never discount them.

Swiss Problems

At one and the same time, Switzerland is a country where monetary stability resides very much in gold, but where private individuals show little or no interest in holding stocks of gold themselves.

1) Switzerland's monetary situation is straightforward: the country is ready to take part in any move towards international monetary cooperation, and has demonstrated this on several occasions. At the same time, it is very much in favour of the gold standard system, for one reason especially - that this is the only system that it feels can possibly instil minimal discipline into current international relations. On this score at least - for on many others they are completely at loggerheads - there is complete agreement between the Swiss National Bank and the Swiss commercial banks.

2) Swiss bankers do not favour investments in gold now, many more than they have done in the past, despite the impression that sometimes seems to be held: there is just a minority of portfolios where they might see this as the best procedure to follow. Apart from that, they have for twenty years past been consistently advising their customers against holdings in gold, and events have borne witness to the wisdom of their counsel. With the exception only of a few short-term speculations that have paid off, gold holdings have clearly been a very bad proposition indeed in the long term, at least compared with other forms.

This being so, it may perhaps seem strange that Zurich should have become by far the most important centre of the free gold market, but in fact there are two main reasons for this:

- a) All non-speculative buyers are concerned that the gold market should be as stable as possible, and that prices should remain reasonable. The leading Swiss banks, with their experience and consensus provided the conditions for the establishment of a well administered market, and they have little or no fear of having to intervene in the market themselves in order to keep it steady, which is not always the case elsewhere. Obviously, established buyers will gravitate towards such a market.
- b) Switzerland entertains a far greater international investment clientele than any other country, and while the banks avoid recommending these investors to operate in gold, there still remains a goodly number that wants to use gold for its transactions, and this again redounds to the Zurich market.

The two-tier gold price system, and thus the free gold market, has now been operating for rather over a year, and for all the fact that it started in such straitened circumstances, it has so far at least coped most adequately with the terms of reference laid

down for it. To this extent at least we have silenced the doubting Thomases who maintained that it was impossible to have two gold markets, one between the central banks and the other free, working side by side.

At the same time, there are of course still problems to be solved, and top of the list comes the question of the producer countries putting their gold on the market, which has scarcely been broached, as yet. South Africa, for the time being, seems to have settled for a non-committal strategy of alternating between various types of marketing action. But nobody really knows which way the free gold market will go if the world finds itself faced with another full-blown monetary crisis.

Although the lion's share of this market is now handled by the Swiss banks, they in fact have no very ambitious pretensions. Since a market there must be, they see no good reason why it should not continue to function through their good offices, providing an additional source of revenue that helped to account for the satisfying balance sheets of 1968. They are doing what they can to prevent any appreciable rise in the price of gold, in the interests of monetary stability, and equally they are making every attempt to stabilise the market, in the interests of their customers.

With but a few modifications, in fact, the free gold market could well evolve into the gold commodity market as such, when the time comes for the public to forget most or all of the monetary considerations that currently surround the metal. Indeed, one can already foresee the time - perhaps twenty years hence - when, because of extreme market imbalances, gold will no longer be able alone to sustain its role as the basis of the international monetary system.

May 1, 1969.

A

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ADVERTISING

** The American agency THE GRISWOLD-ESHLEMAN CO, Cleveland, Ohio has formed a subsidiary in West Germany named THE GRISWOLD-ESHLEMAN GmbH, Angermund, with Dm 20,000 capital and Mr. Charles Farran of Cleveland as manager.

The parent company, which in 1968 turned over \$ 35 million, also last year (see No 472) made an association agreement with the Dutch agency NV Reclamebureau Gelder, Amsterdam, which has as its two main subsidiaries Gelder Publicite Sarl, Paris and Gelder Sprl, Brussels.

AEROSPACE

** The West German aerospace group MESSERSCHMITT-BOELKOW GmbH, Ottobrunn is to strengthen its position as the country's leading concern in the sector as the result of a technical and financial agreement signed with HAMBURGER FLUGZEUGBAU GmbH, Hamburg (see No 471). Owned by the Blohm family, the latter concern has a capital of Dm 10 million and an annual turnover of Dm 280 million. Apart from a New York subsidiary, Hansa Jet Corp it has a 40% stake in Erno Raumfahrttechnik GmbH, Bremen (see No 448) in association with VFM - Vereinigte Flugtechnische Werke GmbH, Bremen as well as a 20% stake in the Deutsche Airbus GmbH, Munich (see No 488) along with Messerschmitt-Bölkow, VFM and Dornier Werke GmbH, Friedrichshafen.

Messerschmitt-Bölkow (12,000 employees) is a 16.6% affiliate of The Boeing Co. Seattle, Washington and is also affiliated to Nord-Aviation SA, Paris. It recently formed Panavia Aircraft GmbH, Munich (see No 505) to build a supersonic fighter for NATO during the seventies - the Multi-Role Combat Aircraft - in association with Fiat SpA, Turin, NV Kon. Ned. Vliegtuigenfabriek Fokker, Amsterdam and BAC - British Aircraft Corp. It has also formed a joint working party in conjunction with Nord-Aviation SA and Sud-Aviation SA (see No 509) to study a military jet trainer, for which target sales amount to 500.

BUILDING AND CIVIL ENGINEERING

** The Dutch civil engineering group INTERNATIONALE BOUW CIE v/h FA. H. VAN HESSEWIJK (I.B.C.) NV, Best has acquired a 50% stake in another firm in the same sector NV AANEMINGSBEDRIJF C. VERWATER, Breda, which employs some 300 people in its headquarters as well as at Emmen and Oitsbeek.

I.B.C. has an annual consolidated turnover of Fl 70 million, and controls some fifteen subsidiaries employing around 1,150 persons. Recently it gained control of Aannemersbedrijf v/h L. Tummers NV, Maastricht. The American firm, Temcor, Los Angeles, California has granted I.B.C. a licence to manufacture its geodesic domes. The Dutch firm already exploits a considerable number of foreign licences.

** CERABATI-CIE GENERALE DE LA CERAMIQUE DU BATIMENT SA, Paris (glazed earthenware tile, ceramic coatings and conduits for the chemical and building industries - see No 462) which had a 1968 turnover of F 112.86 million is going to take over its subsidiary CERABATI-CHATEAUROUX SA, Paris (capital F 12.6 m) which during 1968 had an own turnover of F 22.2 million.

The later company was formerly known as Cerabati Richard Ginori SA (decorated tiles at Chateauroux, Indre) and it was during June 1968 that Cerabati acquired the 50% stake held by the Italian ceramics group, Sta Ceramica Italiana Richard Ginori SpA, Milan.

** The UNITED STATES STEEL OVERSEAS CAPITAL CORP, New York, a subsidiary of the steel group UNITED STATES STEEL CORP, Pittsburgh, Pennsylvania (see No 501) has formed a Brussels subsidiary called UNISYSTEMS SA (capital Bf 15 m). This manufactures and assemble pre-shaped pannels, as well as prefabricated houses and buildings. The group intends to build a factory for this purpose near Liege.

The American group makes prefabricated houses in the United States through its United States Steel Homes Division, New Albany, Indiana and also makes cement through Universal Atlas Cement Division, Pittsburgh, Pennsylvania.

** The Italian CEMENTIFERA SEBINA SpA, Milan (plant at Tavernola, Bergamasca), which has Sig Daniele Milesi as chairman, is currently taking over and absorbing another cement works, F. MILESI-FABBRICA CEMENTO BIANCO SpA, Tavernola Bergamasca, Bergamo, and thus raising its capital to Lire 1,290 million.

** The Zurich portfolio company HOLDING RODIO AG, an affiliate of the Italian soil consolidation group ING GIOVANNI RODIO & CO, Milan (see No 503), has taken 30% in the formation in Paris of ORDISOR SA (see No 509), for project studies in administration, building and civil engineering, site preparation and hydrology. The new firm (chairman M. J. Loiseau - capital F 500,000) is controlled by SOLETANCHE SA, Paris (headed by M. E. Ischy) and by two companies in this group, IGEBE, Paris (capital F 30 m - see No 508) and CERNEF Sarl, Montereau, Seine-et-Marne.

Holding Rodio, a minority shareholder of Soletanche (see No 487), shares with it control of two other firms set up in Paris recently, Locasol SA (capital F 100,000) and Socosor Sarl (F 50,000). Soletanche's other main French subsidiaries are: the oil prospection concern Forasol SA, Paris (see No 488), a 26% affiliate of the group Union Industrielle Blanzy-Ouest SA (see No 489); Samsol Sarl and Solexpert International; SA (see No 469).

** The Milan MONTECANTINI-EDISON-MONTEDISON SpA group (see No 507) has again rationalised its building and civil engineering interests (see No 496) by having ICAS-BONNA-STA PER COSTRUZIONI STRADILI EDILI & IDRAULICHE SpA, Milan (see No 449) absorb STA SVILUPPO PREFABBRICAZIONE EDILIZIA SPRED SpA, Milan (formed in 1962 with Lire 300 m authorised capital, in association with the former VETROCOKE SpA, Venice - see No 303).

** MOBIL OIL FRANCAISE SA (of the New York MOBIL OIL CO group - see No 489) has negotiated the purchase of a minority holding in the public works concern ENTREPRISE JEAN LEFEBVRE SA, Neuilly-sur-Seine (see No 504). In this operation, Mobil has been advised by BANQUE FRANCAISE DE DEPOTS & DE TITRES - B.F.D.T. (Paris subsidiary of WHITE, WELD & CO of New York - see No 445).

In 1968, Mobil Oil Francaise covered 5.3% of the French oil products market, thus ranking fourth amongst foreign groups operating there (after Shell - 16.9%; Esso - 12.2%, and B.P. - 11.1%). Entreprise Jean Lefebvre specialises in bituminous sealing compounds and floor coverings, and in 1968 had a turnover of F 249.3 million.

CHEMICALS

** The Ludwigshafen group B.A.S.F. - BADISCHE ANILIN - & SODA FABRIK AG (see No 508) has taken over the Columbian QUIMICA PROCO SA, Medellin, which makes chemical products for paper-making, textiles, varnishes, colourings, adhesives etc.

B.A.S.F. (see No 495), recently reorganised its Latin American interests by forming BASF Brasileira SA, Sao Paulo, and BASF Mexicana SA, Santa Clara, Mexico, to supervise its interests in these two countries. Also in the area, the group has purchased shares in the Argentinian SULFISUD - Fabrica Argentina de Hidrosulfito y Afines SA, Buenos Aires, in which it is linked 50-50 with the local group Bunge & Born.

** The Rotterdam concern BENELUX CHEMICALS NV (authorised capital Fl 45,000, 20% paid up), which specialises in consultancy and expert services in the field of energy and water utilisation, has opened a Brussels branch under M. Gilbert I. Crespi.

The parent company is itself a joint subsidiary of the groups I.C.I. - IMPERIAL CHEMICAL INDUSTRIES LTD, London (through I.C.I. - Holland NV, Rotterdam - see No 506) and NALCO CHEMICAL CO, Chicago, Illinois (through Nalco Italiana SpA, Rome - see No 324), in association with their joint water treatment subsidiary Nalfloc Ltd.

** Negotiations have begun between the French oil groups, E.R.A.P. ENTREPRISES DE RECHERCHES & D'ACTIVITIES PETROLIERS (state-controlled - see No 500) and C.F.P. - CIE FRANCAISE DES PETROLES SA, (in which the state is a minority shareholder - see No 505) with the aim of cooperating on a technical level in the petrochemical sector. This cooperation will centre on the production of base materials for the chemical industry such as ethylene, bensine etc.

E.R.A.P.'s 51.04 % subsidiary, S.N.P.A. - Ste Nationale des Petroles d'Aquitaine SA (see No 507) will be involved whilst C.F.P. will be represented by its 50.36% subsidiary, C.F.R. - Cie Francaise de Raffinage SA (see No 492) and by its subsidiary controlled 50-50 with E.R.A.P., Total Chemie SA (see No 489).

May 1, 1969

E

** An important merger is planned in the French organic chemicals, minerals and petrochemicals sectors, whereby RHONE-POULENC SA (see No 504) is to take over PROGIL SA (see No 503).

Progil is a member of the "GILLET" group (through Pricel SA and Navis SA, which also hold shares in Rhone-Poulenc - see No 497), and in 1968 had a turnover of F 383.69 million (non consolidated) and F 1,000 million consolidated, while Rhone-Poulenc achieved F 5,927.89 million, F 3,936.33 of it in France. Once it has made over its manufacturing interests to a new subsidiary and has become a new subsidiary and has become a holding company, Progil will be absorbed completely by Rhone-Poulenc. It has a research centre at Decines, Isere; six factories and thirteen sales agencies in France, as well as numerous sales subsidiaries abroad: Allgemeine Chemie GmbH - C.C.G., Frankfurt; Cominplex, Brussels; Sopaci SpA, Milan; Progil (Suisse) SA, Basle; Comercial Química SA - Coquisa, Madrid; Progil Inc, New York, and S.P.C.P., Casablanca.

** The Utrecht chemical concern ALBATROS SUPERFOSFAATFABRIEKEN NV (see No 429) has linked with the British companies FISONS LTD, Felixstowe, Suffolk (see No 462) and COMMONWEALTH DEVELOPMENT & FINANCE CO LTD as well as the South African concerns FEDERALE KUNSMIS BELEGGING BEPERK, INDUSTRIAL FINANCE CORP. OF SOUTH AFRICA (PTY) LTD and the INDUSTRIAL DEVELOPMENT CORP. OF SOUTH AFRICA (PTY) LTD to concentrate their fertiliser interests in a South African holding company now being formed. The founders will make over to the holding company their interests in FISONS (PTY) LTD (mainly affiliated to Fisons Ltd and Albatros), BOSVELD KUNSMIS (EDMS) BEPERK (Beperk has 36.7%) and OPTICHEM KUNSMIS BEPERK & CHEMIESE NIJWERHEDE VAN SUID-AFRICA (EDEMS) BEPERK.

The Utrecht concern is the subsidiary of Verenigde Kunstmestfabriek Mekog-Albatros NV, Utrecht, whose own shareholders include the three groups Kon. Zout-Organon NV (see No 509), Royal Dutch-Shell (see No 508) and Kon. Ned. Hoogovens & Staalfabrieken NV (see No 509).

** INTERNATIONAL COATING MATERIALS (I.C.M.) SA has a holding company to head the new group formed by the recently arranged merger between the Dutch varnish, lacquer and paint groups NV VERNIS & VERFFABRIEK v/h H. VETTEWINKEL & ZONEN, Amsterdam (see No 509) and VAROSSIEAU & CIE NV, Alphen, Rijn. The new group is expected to have a turnover around Fl 61 million for some 1,000 employees and about one-third of production is exported.

CONSUMER GOODS

** The German furniture concern WELLE GmbH & CO KG, Paderborn, has formed a manufacturing subsidiary in France, WELLE SA, Boulay, Moselle, with F 1 million capital and M. Helmut Wedderwille as chairman.

The parent company, which employs 300 people in its three factories (head office, Alsfeld and Detmold), already has a sales subsidiary in Paris, Welle-France Sarl, formed

in June 1962. In Britain, in 1968 (see No 470), it negotiated a link-up with the London concern BEAUTILITY LTD for the establishment of a joint production subsidiary, Alfa Furniture Ltd (factory at Blyth, Northumberland) and it also has a shareholding in Switzerland: Howelpa GmbH, Zug (see No 286).

COSMETICS

** By taking over PARFUMERIE MONT-ST-MICHEL PAUL-ANDRE SERRE, St-Ouen, Seine-St Denis (see No 509), the Courbevoie, Hauts-de-Seine pharmaceuticals group DELALANDE SA has also gained control of the former's subsidiary STE VIGNY - LES PARFUMS DE LUXE SA, Paris, which will also be chaired by M. Jean Collet.

** Having had its capital increased, the champagne group MAISON MOET & CHANDON SA, Epernay, Marne (see No 484) is now in a position to increase from 34 to 50% its holding, acquired in June of last year, (see No 467) in the Paris cosmetics and beauty preparations concern, PARFUMS CHRISTIAN DIOR SA. This firm has as its other shareholders Miradia SA and Desgenetais Freres Sarl, both of Paris, while the balanceholder is the BOUSSAC group, which has outright control of the sister fashion company, Christian Dior Sarl, Paris.

Late in 1968 Parfums Dior doubled the capital of its Zurich subsidiary Parfums Christian Dior SA, formed a few months before, to bring this up to Sf 1 million, while in the U.S.A. it is established with Christian Dior Perfumes Corp, New York.

ELECTRICAL ENGINEERING

** UHER WERKE MUNCHEN K.G. (see No 449) which makes tape-recorders etc, has backed the formation of UHER ITALIA SpA, Genova Sampierdarena (capital Li 5 m) under Signor Michele Marangachi.

Uher Werke has several foreign distributors including Robert Bosch (France) SA, Paris and Saint-Ouen (see No 510) as well as Radiofabrik Ingelen Figer & Co KG, Vienna (a member of the I.T.T. group through Standard Elektrik Lorenz AG, Stuttgart).

** Herren Ernst A. Rüeger and Rolf E. Rüeger, chairman and director respectively of the Lausanne measuring and control instruments concern RUEGER SA, have taken equal interest in forming RUEGER NEDERLAND NV, Oirsbeek, with 120,000 capital (50% paid up), for similar activities to those of the Swiss firm.

The latter has been established in West Germany since early 1955 with Rüeger GmbH, Stuttgart, which is managed by Herr Ernst A. Rüeger.

** Under a rationalisation agreement in the electrical equipment field signed between BACO, CONSTRUCTIONS ELECTRIQUES SA, Strasbourg-Meinau and CIE DE CONSTRUCTION - C.C.E.SA, Issy-les-Moulineaux, Hauts-de-Seine, a subsidiary of the CIE DES COMPTEURS SA group, Paris (see No 497) the two companies have decided to concentrate production of domestic switches - and possibly related equipment - in the former's Strasbourg works. These will now be run by a 66-34 subsidiary being formed with M. Georges Baumgarten as president - he holds the same post in Baco-, whilst its production will still be marketed separately by the two founders.

With a capital of Bf 1.45 million, Baco employs some 400 persons in the manufacture of auxiliary control and signalling equipment, low-tension electrical equipment. C.C.E. (capital F 5.9 m - 800 employees) makes electric meters, transformers, moulded insulators and relays.

** GRETAG AG, Regensdorf, Zurich, 50-50 joint subsidiary of the groups PHILIPS GLOEILAMPENFABRIEKEN NV, Eindhoven (see No 508) and CIBA AG, Basle (see No 487), has taken over the latter's 49% stake, just acquired in the electrical concern APAG APPARATEBAU AG, Goldach, St-Gall.

This company, with Sf 2 million capital, was until now the subsidiary of the New York GENERAL ELECTRIC CO group (see No 503), which made it over to the 51% control of the textiles group HEBERLEIN HOLDING AG, Wattwill, St-Gall (see No 498), the balance of the capital being held by Ciba.

ELECTRONICS

** The London concern SCIENTIFIC CONTROL SYSTEMS LTD (see No 467), which provides data processing facilities for company administration systems, has sponsored the formation in Hamburg of UNTERNEHMENSBERAETUNG FUR INFORMATIONSVERRARBEITUNG GmbH (capital Dm 100,000), with Herr Eberhard Elsässer as manager.

The parent company (formerly C.E.I.R. Ltd) is a member of the London group THE BRITISH PETROLEUM CO LTD, (see No 501), and has a subsidiary in The Hague named C.E.I.R. NV.

** M. Charles Sarthou, Marly-le-Roi, Yvelines, who is president of the Luxembourg investment and management concern I.G.A. - INTERNATIONALE SA (capital Lux F 130,000), is manager of a new company called I.G.A. FRANCE Sarl, Versailles, Yvelines. With a capital of F 32,000, this will manufacture and trade in data processing equipment.

The Luxembourg company was formed in December 1968 by French interests which included M R. Masse, M. Gaillard J. de Rancourt and A. O'Connell. Its president has made over to the company a patent dealing with programming equipment.

** The French company CIE GENERALE D'AUTOMATISME Sarl, Paris (automatic electronic equipment - see No 496) has made an agreement with the Spanish concern DUBIFER SA, Madrid, which has resulted in the formation of a joint subsidiary in Madrid. Called CIA ESPANOLA DE SISTEMAS SA (capital Pts 1 m), this will carry out technical and financial surveys.

The French company recently formed a 98% West German subsidiary, Cie Generale d'Automatisme GmbH, Frankfurt, in which the remainder is held by C.I.T.E.C. - Cie pour l'Information & les Techniques Electroniques de Controle SA, Paris, its own parent company. C.I.T.E.C. is itself the joint subsidiary of the C.G.E. - Cie Generale d'Electricite SA (see No 508) and Thomson - C.S.F. groups (see No 506).

** The cooperation agreement recently signed (see No 503) between HONEYWELL GmbH, Frankfurt (a member of the HONEYWELL INC, Minneapolis, Minnesota group) and two West German firms based in Mülheim, Main, FRITZ DIENES GmbH and DIENES APPARATEBAU GmbH, has resulted in COMPUTER CONTROL CO GmbH, Frankfurt, being re-named DIENES HONEYWELL HOLDING GmbH. The latter's capital has been raised from Dm 50,000 to Dm 8.6 million, and American interests now have a 75% stake with the remainder held by Herr Fritz Dienes.

Computer Control was formed in January 1968 (see No 347) by the manufacturer of computers and electronic equipment COMPUTER CONTROL CO INC, Framingham, Massachusetts, which has since been taken over by the Honeywell group.

** The New York ADVANCED COMPUTER TECHNIQUES CORP, which was formed in 1962 and is headed by Mr. Oscar H. Schachter, has extended its interests by forming a Milan subsidiary called INTER-ACT SpA (capital Lire 35 m) under Sig Ugo Dreatta.

The founder which provides data processing and software services, has been represented in Britain since 1967 when it opened on the premises of Berwin & Co a branch under Mr. Colin V.K. Williams. Its Swiss interests have been represented since 1964 by the Zurich company Act AG under M. E. Gürber.

** The American manufacturer of electronic equipment for the nuclear industry ORTEC INC, Oakridge, Tennessee, has backed the formation in France of the sales company ORTEC Sarl, St-Maur, Val-de-Marne, whose manager is M. J. Dognien. He holds a 2.5% interest in the capital of F 20,000, whilst the remainder is held by the Munich subsidiary Ortec GmbH.

The latter (capital Dm 20,000) was formed in October 1967 (see No 434) and it also controls the Milan subsidiary Ortec Italia SpA, which was formed during November 1968 (see No 496).

** British, American and West German interests represented by Messrs G.H. Dickson, London, and W. Baker, North Beverly, Massachusetts and Herr D. Waver, Cologne, have linked 59-10-20 to form a new company in Brussels called EUROTECH SA (capital Bf 500,000). This will design, develop, manufacture and sell electronic equipment.

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I

** The Paris data processing, software, company management, market research and industrial marketing group SEMA (METRA INTERNATIONAL) SA (see No 500) has formed METRA (U.K.) Ltd in London with £ 50,000 capital to supervise its British interests. This is a 50-50 Franco-British venture. The new firm will control the consultancy company, Metra Consulting Group Ltd - M.C.G. (formerly Metra Sigma Martech Ltd - see No 419) and its subsidiary S.I.A. Ltd - Services in Informatics & Analysis (which owns the CDC 6600 administrative systems computer built by CONTROL DATA CORP, Minneapolis), which will become a sister company.

The Sema group, headed by MM. Marcel Loichot and Robert Lattes made an agreement early last year with the American Leasco Data Processing Equipment Corp (see No 500), giving the latter a 20% stake in Sema (Metra International). While it now withdraws from this arrangement, Leasco will nevertheless go on working with the French group on certain assignments. In addition, it is to make an agreement with the groups Control Data Corp and Texas Instruments Corp (which each have plant in France) covering European sales of computer peripherals, mostly for equipment assembled at Ferney Voltaire, Ain - Control Data - and Villeune - Loubet, Alpes Maritimes - Texas.

ENGINEERING AND METAL

** The "Midalinex" stainless steel coated aluminium extrusions recently launched on the British market by MIDLAND EXTRUSIONS LTD, Birmingham, a subsidiary of the GUEST, KEEN & NETTLEFOLDS LTD group (see No 503), are to be manufactured in Belgium by a new company called INOXAL SA, Manage. With a capital of Bf 6 million, this is a 33% interest of the Belgian company LAMINOIRS DE LONGTAIN SA, La Croyere, Bois d'Haine, in association with a group of Belgian industrialists (including several members of the Lambilliotte family), as well as an 8% stake held by B.K.L. Alloys Ltd, Birmingham, also a subsidiary of Guest, Keen & Nettlefolds..

** The Belgian firm K-LITE NV, Antwerp (see No 396), which makes and sells presses, moulds and other equipment for the plastics industry, has opened a branch in London under Mr. Michael R. Aust.

With a capital of Bf 1 million, the founder is a subsidiary of the American company, K.S.H. St Louis, Missouri, directly and through Roldan Products Corp, St Louis, which formed it during January 1967, when a minority shareholding was taken by the Belgian company Rotimex NV, Antwerp. The latter also has a 20% stake in Chicago Metallic Continental NV, Antwerp, which sells steel moulds and sections and in which the main shareholder (50%) is Chicago Metallic Corp, Chicago, Illinois.

** The American group KAISER ALUMINIUM & CHEMICAL CORP, Oakland, California (see No 509) has decided to close down its Belgian sales subsidiary, KAISER REFRACTORIES SA, Auderghem, handling industrial refractory products, and Mr. William J. Cartwright has been put in charge of this move.

Kaiser Refractories was formed during December 1964 (see No 287) in Liege and had a capital of Bf 1 million.

** The French company GENERALE D'EQUIPEMENT B.V. SA (see No 495 - a member of the ETS BOUCHAYER & VIALLET SA, Grenoble group), which specialises in milk handling equipment and refrigerated tanks, will be represented on the Italian market by the newly-established B.V. ITALIANA Srl, Milan. With an initial capital of Lire 200,000, this has M. H. de La Place, Montbonnot, Isere, as president, whilst the directors are M. Jean Walrave and Sig A. Torrusio, Milan.

** The Rotterdam group MAATSCHAPPIJ VAN BERKEL'S PATENT NV (meat cutting equipment, scales, measuring instruments, kitchen and cool storage equipment - see No 488) has strengthened its Italian sales network by opening a branch in Genoa under Mr. P.R. Zwart to its Milan subsidiary BREVETTI VAN BERKEL SpA (see No 371). This has several subsidiaries or branches in Italy, including those in Prata, Sondrio, Naples and Chiavenna. Another was opened during 1968 in Turin under Sigs T. Castiglioni and F. Negri.

** The Swiss firm POLIGRAT CORP LTD, Zug, which acquired and manages patents, processes, trade names and licences, has formed a French subsidiary called POLIGRAT FRANCE SA, Puteaux, Hauts-de-Seine (capital F 100,000). With M. J.M. Avezou as president, this will specialise in surface treatment for metals, alloys and plastic materials.

The founder also controls the West German company Poligrat Corp GmbH, Munich, which was formed in April 1968 with a capital of Dm 20,000, under the management of M. Bruno Siegel.

** The French company FORGES DE CRANS SA, Crans Gevrier, Hauts-Savoie (see No 466), which specialises in aluminium extrusions, has gained control of the firm manufacturing aluminium evaporators and condensers for the refrigeration industry, RUBANOX SA, Neuilly-sur-Seine (capital F 4 m), the leading firm in its category in France and which exports a large part of its production.

** The West German company S.M.S. SAMESREUTHER MÜLLER SCHUSS GmbH, Hüttental-Wiedenau (boilers and plant for the chemical, pharmaceutical, food and metal industry - see No 261) has formed a sales subsidiary in Milan called S.M.S. ITALIA Srl (capital Lire 900,000) with Herr Franz Walter Schumann as president and run by Sig Ottorino Motta.

The founder was formed in 1964 by the merger of the manufacturer of boilers, storage tanks and pipes, Müller-Schuss, Weidenau, Sieg, and Samesreuther, Butzbach, Essen. Its four main production facilities are at Berleburg, Butzbach, Siegen and Hüttental-Wiedenau.

** Mr. John H. Alexander controls almost all of the Bf 250,000 capital of the newly-formed Brussels company CHEMCON Sprl, selling pumps and similar equipment, in which M. Philippe G.D. Monmarche, Paris, also has a token shareholding. Mr. Alexander runs the American firm CHEMCON INC, Modfield, Massachusetts, which make pumps principally for the chemical industry.

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K

** The re-organisation of the Dutch KON. NED. HOOGOEVENS & STAALFABRIEKEN NV, Ijmuiden group's (see No 508) pipe and steel tube interests will now be centred on a new company being formed in Ijmuiden (with branches in Arnhem and Oosterhout) under the name of NV VERENIGDE BUIZENFABRIEKEN - V.B.F. (and not Verenigde Nederlandse Buizenfabrieken NV). With Mr. G.F. Rijnders as president, this will head the companies making thin steel tubes, NV Rijnstaal, Arnhem and Blericksche Buizenfabriek NV, Blerick, Venlo, whose production and sales department will be based on the Arnhem branch, whilst the thick welded steel tubes Verenigde Buizenfabrieken Excelsior - de Maas NV, Oosterhout and Maastricht, will also come under Verenigde Buizenfabrieken's control, although sales will be controlled by the Oosterhout branch.

** BANQUE DE SUEZ & DE L'UNION DES MINES SA (a member of the CIE FINANCIERE DE SUEZ & DE L'UNION PARISIENNE SA group), and MORGAN GUARANTY TRUST CO OF NEW YORK, acting on behalf of the British office equipment concern RONEO LTD, Croydon, Surrey (a member of the London VICKERS LTD group - see No 479) have made a takeover bid for 63% of the capital (F 6 m) of the Paris company CIE DU RONEO SA (see No 312).

The latter became independent of the British concern in 1924 but as well as manufacturing and selling metal office fittings, it has continued to use the "Roneo" trade name and sell certain of the British company's products in France. It has three French subsidiaries, Spes SA, concerned mainly with selling under the "Ormo" trade name a range of filing equipment and office furniture; Sefamo - Ste d'Etudes & de Fabrication d'Articles Modernes d'Organisation Sarl, Les Lilas, Seine-St-Denis; and A.T.M.B. - Ste d'Application des Techniques Modernes du Batiment SA. Abroad it controls C.A.F.M.O. - Cie Algerienne de Fabrication de Materiel d'Organisation SA in Algeria, S.D.E.B. SA in the Ivory Coast and S.I.C.M.E.O.S. - Ste Industrielle & Commerciale de Material d'Equipement, d'Organisation & de Securite SA in Senegal.

** As a result of the re-organisation of the Dutch PLOUM group (see No 328), INDUSTRIELE ONDERNEMING GEBS. PLOUM NV, Kerkrade, has been made a holding company, re-named PLOUM VERENIGDE BEDRIJVEN NV (authorised capital Fl 500,000 - about 21% paid up). The new holding company heads the commercial concerns INDUSTRIELE ONDERNEMING GEBR. PLOUM NV, Kerkrade (second of the name - authorised capital Fl 200,000; 50% paid up), for installation and manufacture of air conditioning and heating equipment; the new MAASTRICHTSE VERWARMINGSINDUSTRIE NV, Maastricht (Fl 100,000 - 50% paid up) - similar activities; and the new VENTAIR NV, Maastricht (Fl 550,000), which will make and assemble ventilation and air conditioning plant.

The latter has a sister company in Belgium, Ventair-Atelier de Construction d'Installations Aero-Techniques SA, Cornessea, a founding interest in which has been held since 1962 by Ploum GmbH Installations- & Heizungsbau, Cologne, itself formed in 1959.

** The French precision engineering and watch concern LIP SA D'HORLOGERIE, Besancon-Palente, Doubs (a 25% affiliate of the Swiss company EBAUCHES SA, Neuchatel - a member of the ASUAG - STE GENERAL D'HORLOGERIE SUISSE SA, Bienne - see No 404) is about to take over its subsidiary making rectifiers and automata machinery STE ORNANAISE DE CONSTRUCTIONS MECANQUES - SOC SA, Ornans, Doubs (capital F 500,000).

Lip is the leading French manufacturer of watches and had a 1968 pre-tax turnover of F 73.54 million (with F 59.15 m from its watch interests), and it employs 1,500 persons in its factories at head quarters and at Issoudun, Indre. Its foreign interests include subsidiaries in Brussels (Ste Europeenne d'Importation Horlogere Lip Universal SA), in Milan (Sta Italiana Montres SpA), in Geneva (SA des Montres Lip), in Athens (Lip Hellas SA) and in New York (American Lip Corp).

** The West German heavy engineering group KLOECKNER-HUMBOLDT-DEUTZ AG, Cologne (see No 507) has extended its South African interests by forming a wholly-owned subsidiary, SOUTH AFRICAN DIESEL ENGINE MANUFACTURING (PTY) LTD, Pietermaritzburg. This will organise the construction of a factory to make diesel engines and assemble lorries and buses.

The group already has a South African sales subsidiary Deutz Southern Africa (Pty) Ltd, The Cape.

** The West German concern KOERVER & LERSCH oHG, Krefeld (thermal equipment - 700 employees) holds a 49% stake in a Paris company which is being formed, CIE INDUSTRIELLE & TECHNIQUE D'ECHANGEURS DE CHALEUR Sarl. This will take over the heat exchanger production facilities until now managed by CITEC - CONSTRUCTIONS & INSTALLATIONS TECHNIQUES Sarl, Paris (factories at Bonneval, Eure & Loire).

Other shareholders in the new concern are STE FINANCIERE DES CONSTRUCTIONS METALLIQUES DE PROVENCE SA (46% - a holding company controlled by Constructions Metalliques de Provence - C.M.P. SA - see No 456) and SEQUIPEC - STE POUR L'EQUIPEMENT DES INDUSTRIES PETROLIERES & CHIMIQUES SA, Paris (5%).

** The newly-formed Swiss company TEAMFINANZ AG, Zug (capital Sf 3.70 m - president M. Rudolf Florie) has acquired assets worth Sf 3.7 million of shareholdings in HEUSSER-DELMAG AG, Cham, Zug (capital Sf 600,000), a subsidiary of the West German civil engineering machinery concern DELMAG MASCHINENFABRIK REINHOLD DORNFELD, Esslingen, Neckar.

The latter, which has some 500 employees, also holds a 40% stake in the engineering plant concern Gebr. Lindenmeyer KG Maschinenfabrik, Gersthofen, Augsburg, and has two other foreign subsidiaries Delmag France Sarl, Maurepas, Yvelines, and S.C.M. - Special Construction Machines Ltd, Toronto, Ontario.

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M

** The British ASSOCIATED ENGINEERING LTD, Leamington Spa, Warwicks has formed a West German sales promotion subsidiary ASSOCIATED ENGINEERING LTD GmbH, Essen, with Messrs Simon Harris and Victor Shelford as managers. Within the Common Market the founder already has an interest in Pistone A.E. Borgo SpA, Turin, in Associated Engineering France SA, Ivry, Val-de-Marne (formerly Ste E. Demolin), in Ste Industrielle des Coussinets SA, Paris and in Ste Francaise du Piston Borgo SA, Carrieres-sur-Seine, Yvelines.

** The French APPLICATIONS MECANIKES & ROBINETTERIE INDUSTRIELLE - A.M.R.I. SA, Paris (butterfly valves for gases, fluids, powders and vacuum - plant at Lizy-sur-Ourcq and La Roche-Chalais, Dordogne) has formed an Italian sales subsidiary, AMRI - APPLICAZIONI MECCANICHE RUBINETTERIE INDUSTRIALI SpA (capital Lire 1 m) at Basa Puzzo, Alessandria, with its own chairman, M. Georges Rivals, as director in association with MM Cl. Cucuron and Terenzio Raffaghello.

Amri has for four years had acting for it on the Spanish market a Madrid affiliate, AMVI - Aplicaciones Mecanicas Valvulas Industriales SA (formed in association with Rivals Srl, Boulogne, and Gasquet Iberica SA, Madrid, subsidiary of Ets. G. Pepin & Fils Aine & Ste du Filtre Gasquet SA, Bordeaux, Gironde). Its other main foreign agents are Interindustrie SA, Brussels, C.F. Nienstoedt, Bremen, and Alink, Amsterdam.

** The metal assemblies concern KONINKLIJKE FABRIEK F.W. BRAAT NV, Delft (see No 451), after re-organising, has now become a holding company, having made over its manufacturing assets to three new subsidiaries in Delft, with Fl 2.5, 1 and 0.25 million capital respectively (20% paid up in each case). Metal construction as such will now be handled by RAMENFABRIEK F.W. BRAAT NV, while galvanisation and anti-corrosive coatings fall to THERMISCHE VERZINKERIJ F.W. BRAAT NV and acoustic equipment, heating and air conditioning plant will now be produced by FRENGER NEDERLAND NV.

The new holding company has also taken control of Fritz M. Beukers Verwarming Mij. NV, Schiedam, together with its sales subsidiary Handelsmij. Schiedam NV, control of which was acquired early last year, and also Constructiewerkplaats & Machinefabriek AG, Nijhuis NV, Alkono-Aluminiumconstructies Nijhuis Oosterbeek NV, NV Service-Dienst Voor Centrale Verwarming.

** The Rome I.R.I. group is again concentrating its steel interests (see No 509) by merging the business of two Genoese concerns, ISTITUTO INDUSTRIALE LIGURE SpA and ANSALDO COKE SpA (former subsidiary of Ansaldo SpA), with that of ITALSIDER SpA, Genoa. The latter will survive the move, and with Lire 262,000 million capital is controlled by I.R.I., both directly and through its Rome holding company FINSIDER - STA FINANZIARIA SIDERURGICA SpA (see No 489).

** The West German manufacturer of hydraulic equipment G. L. REXROTH GmbH, Lahr, Main has appointed VAN RIETSCHOTEN & HOUWENS TECHNISCHE HANDELMIJ NV as exclusive Dutch representative for its hydraulic pumps. The Dutch firm is a member of the INTERNATIONALE CREDIET - & HANDELSVEREENIGING "ROTTERDAM" - INTERNATIO NV group through VAN RIETSCHOTEN & HOUWENS NV (see No 449). Rexroth's other engineering and hydraulic equipment will continue to be handled in the Netherlands by G. E. J. Bruinhof Beheer Mij NV, Rotterdam.

The move follows the cooperation agreement made in the West German hydraulic equipment sector (see No 449) with the Mannesmann AG group, Düsseldorf (see No 500), which has also taken a 50% stake in Rexroth. The latter will now make "Mannesmann" hydraulic equipment and pumps under its own name.

** The Oakland, California group WALWORTH CO has strengthened its European interests by forming an industrial plumbing subsidiary in Frankfurt under the name GROVE GmbH (capital Dm 20,000). This will be managed by M. Guntars Abols, Le Vesinet, France, and comes under the direct aegis of the subsidiary Grove Valve & Regulator Co, Oakland.

In this sector, the group has a subsidiary in France, Grove SA, Ivry, Seine, with Fl 150,000 capital. Its other European business is conducted mainly in Italy, the Netherlands and Britain (see No 501).

FINANCE

** The Swiss investment company PROJFIN SA, Lausanne, has formed a subsidiary in Milan called PROJECT SpA (capital Lire 5 m), headed by Sig Giuseppe Pavan, Sesto S. Giovanni. This will represent both Italian and foreign companies and will carry out all types of financial and property moves.

** The re-organisation of the credit sales financing interests of SOGENIN - STE DE GESTION & DE PARTICIPATION DE LA HENIN SA, which was decided upon several months ago (see No 490), will strengthen the position of its 47.4% subsidiary SOFINCO - STE DE FINANCEMENT POUR LE CREDIT A LA CONSOMMATION SA, Paris. Sogenin is also a 15 % affiliate of Cie Financiere du Suez & de l'Union Parisienne SA and Union Financiere & Miniere SA.

Sofinco had a turnover in 1968 of F 27.26 million for credits granted of some F 1,182 million, and it will take over a 52.6% subsidiary of Sogenin, Cie Centrale de Credit & de Participation SA, Paris (capital F 6.5 m - 1968 turnover F 11.78 m), as well as its own subsidiary Ste Armagnacaise de Credit SA, Toulouse, which has a branch at Condom, Gers (formerly Ste Armagnacaise de Credit - Le Credit Moderne SA), and a capital of F 7.15 million. Sofinco's other shareholders include the insurance company La Paternelle SA and Ste Francaise des Combustibles Liquides SA.

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** The Cologne merchant bank BANKHAUS I.D. HERSTATT KGaA (see No 466), which has just increased its capital from Dm 25 to Dm 30 million, has extended its interests in Bavaria by forming HERSTATT-GERLING BANK AG, Munich (capital Dm 4 m). Its partner in the new venture is the Hamburg merchant bank GLOBAL BANK GERLING & CO KG (see No 505), which like Bankhaus I.D. Herstatt, is controlled by the insurance group GERLING KONZERN (see No 507).

** The association agreement signed between a number of European banks in August 1968 (see No 477) will result in the formation in Zurich during September 1969 of ANGLO NORDIC BANK AG. Founders of the new concern will be the Hamburg merchant bank CONRAD HINRICH DONNER KG (15%), the London CHARTERED BANK LTD (35%), CHRISTIANIA BANK & KREDITKASSE, Oslo (25%) and GOTEBOG BANK A/B, Gothenburg (also 25%).

** The Paris finance company SEFIPAR - STE D'ETUDES FINANCIERES & DE PARTICIPATIONS ROUTIERES Sarl (see No 328) has increased its capital from Bf F 3 to F 3.89 million, following the absorption of STE FINANCIERE & DE PARTICIPATIONS Sarl, Neuilly, Hauts-de-Seine (capital F 3.95 m - assets valued at F 4.37 m - see No 354).

** BANK OF AMERICA NATIONAL TRUST & SAVING ASSOCIATION, San Francisco, California (see No 498) has strengthened its Luxembourg interests with the formation of a finance and banking subsidiary BANK OF AMERICA SA (capital \$ 2.5 m), whose first directors are Messrs R. Pierotti, S. Mersman Jr. and F. van der Sleen. The group was already represented by an indirect subsidiary Finabai SA, through Banca d'America & d'Italia SpA, Milan (see No 503), as well as by a joint subsidiary with Banque de Paris & des Pays-Bas SA, Ameribas Holding SA (see No 391).

** The Brussels group BANQUE LAMBERT Scs (see No 506) has backed and taken a direct token shareholding in the formation of a new Luxembourg investment management concern called GULF FUND SERVICES SA (capital \$ 60,000). It will be especially concerned with the management of GULF INVESTMENT FUND SA, which is being formed. The new company is directly controlled by the Brussels group's subsidiary SOGES SA (see No 489), with token shareholdings held by Cie Lambert pour l'Industrie & la Finance SA, Immobiliere d'Egmont SA, Ste Immobiliere Urbaine & Rurale de Belgique-Simurbel SA, Interocean SA (all in Brussels) and Banque Lambert-Luxembourg SA, Luxembourg.

** The BASTOGI - STA ITALIANA PER LE STRADE FERRATE MERIDIONALI SpA, Florence group (see No 508) has sold its 12.75% interest in the Milan group DE ANGELI FRUA SpA (see No 473), which has become an investment and property management company since it has made over its textile interests to COTONIFICIO CANTONI SpA (see Nos 509 and 473).

Bastogi already has an interest in the property sector through Istituto Romano Beni Stabili SpA, Rome (see No 482), in which it has a 45.8% stake.

** BANQUE DE L'UNION EUROPEENNE & FINANCIERE SA, Paris (see No 508) has extended its foreign interests by opening a new office in Melbourne, Australia. The French bank (balance sheet total end 1968 F 1, 930 m) was until now represented in New York, Montreal, Tokyo, Buenos Aires, Montevideo, Bogota and Cali, as well as in Beirut and Madrid.

** The Paris property credit company STE DE FINANCEMENT IMMOBILIER MOCH & ODELIN-FINAMO SA (capital F 5 m) is to make over its banking activities to BANQUE DE LA CONSTRUCTION & DES TRAVAUX PUBLICS (B.C.T.) SA, Paris (see No 492) before becoming an investment company. Finamo was formed in late 1968 as a 75-25 subsidiary of ETS LAINIER MOCH & ODELIN SA, Paris (see No 359) and IMMOBILIERE-CONSTRUCTIONS DE PARIS SA (see No 502).

B.C.T. which is headed by M. Claude Alphanbery, will now raise its capital from Bf 50 to 53 million.. Formerly called Seffico - Ste Francaise de Financement de la Copropriete SA, it acquired its new name (see No 365) when it took over the banking interests of Immobiliere-Constructions de Paris, to which it is also affiliated.

** The Dutch bank AMSTERDAM-ROTTERDAM BANK NV (see No 508) and the Düsseldorf COMMERZBANK AG (see No 501) will underwrite along with six other European banks the increase in capital from Sf 20 to Sf 50 million of the Swiss company STE FINANCIERE VIKING SA, Fribourg. This was formed in 1958 by eight European companies to finance the building of Norwegian ships and its headquarters will be moved to Zurich, whilst the company will now operate internationally.

The other companies involved, which may later be joined by various German firms specialising in financing ship-building, are The Union Bank of Switzerland SA (see No 501), Lazard Brothers & Co Ltd, London (see No 477), Fellesbanken A/S, Oslo, Andresens Bank, Folke-Realbanken A/S, Oslo (see No 354), Bergens Privatbank, Oslo and Stockholms Enskilda Bank, Stockholm (see No 494).

** The Paris company AMERICAN EXPRESS SECURITIES SA, a subsidiary of the New York group AMERICAN EXPRESS CO (see No 504) through W.H. MORTON & CO INC, New York, has backed the formation in Luxembourg of a similar company called AMERICAN EXPRESS SECURITIES LUXEMBOURG Sarl (capital \$ 10,000), which is directly controlled by W.H. MORTON.

** The New York concern GRANITE EQUIPMENT LEASING CORP (leasing of industrial plant, automobiles, trucks, aircraft, computers etc.) has formed a subsidiary in Frankfurt, GRANITE LEASERVICES INTERNATIONAL GmbH (capital Dm 20,000) with Mr. James Beardsley as manager.

The American company, whose business is centred in Garden City, New York, has its main agencies in Boston, Atlanta, Chicago and Los Angeles.

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** An agreement has been signed in Paris between CHASE MANHATTAN BANK, New York (see No 495) and B.N.P. - BANQUE NATIONALE DE PARIS SA (see No 505) covering the formation of a joint investment company which will also establish and manage savings and investment schemes. This work will be carried out by a subsidiary called ESSOR GESTION SA (capital F 100,000) with M. Ph Aubin as president and managed by Messrs J. Celier and J. de Demandolx.

Recent European moves by the American bank include the formation in Geneva of Chase Manhattan Bank (Suisse) SA (capital Sf 25 m) and the opening of its 8th European branch in Milan (see No 479). The latter was backed by initial funds of Lire 300 million.

** BANQUE PASCHE SA, Geneva (see No 454), which is a subsidiary of STE LYONNAISE DE DEPOT & DE CREDIT INDUSTRIEL SA, Lyons (a member of the C.I.C. CREDIT INDUSTRIEL & COMMERCIAL SA group - see No 503) has backed the formation in Milan of the investment company SIMINVEST ITALIANA SpA (capital Lire 1 m). This is run by Sigs A. Sigismondi, Milan and U. Baldi, Rome.

FOOD & DRINK

** The French wine exporter, Charles Letzelter, Strasbourg, who already has an agency at Kehl named CHARLES LETZELTER VINO-FRANCE, has formed FRANCOMAR LETZELTER GETRANKEHANDELS GmbH in Vienna with Sch 100,000 capital and Mme Lucienne Letzelter as manageress.

** The interests of the Milan textile group GIOVANNI BASSETTI SpA (see No 449) in the food and dietary products industry will be rationalised as a result of DE-BI-DERIVATI BIOLOGICI SpA, Milan (capital raised to Lire 510 m) taking over SPLUGA SpA, Piuro di Chiavenna, Sondrio (see No 447). Giovanni Bassetti's subsidiary in this sector, Poretti SpA, Milan and Induno Olona, Varese ("Splügen" and "Coppa d'Oro" beers), has direct control of Spluga (mineral waters and "Frisia" sparkling drinks). Earlier last year, Poretti took over Bras SpA, Milan (the first to have this name) and another company with the same name was then formed in Milan with a capital of Lire 50 million to manufacture beer and soft drink distribution equipment. It also controls the Milan company S.B.A.V.A. SpA and through Poretti the manufacturer of non-alcoholic drinks, Sta Imbottigliamento Bevante - S.I.B. SpA (factories at Florence and Rimini).

INSURANCE

** VERENIGDE NILLMIJ. NV, The Hague (see No 504), which is currently merging with EERSTE NED. VERZEKERING MIJ. OP HET LEVEN & TEGEN INVALIDITEIT NV, The Hague, has formed three property subsidiaries in The

Hague, directly controlled by its subsidiaries NILLMIJ LEVEN NV and NILLMIJ VAST GOED NV. These are called Nillmij Woningen Breda NV (capital Fl 1.5 m), Nillmij. Woningen Delfzijl NV (Fl 1 m) and Nillmij Woningen Amersfoort NV (Fl 5 m).

The group has also formed a new finance concern called NILLMIJ. FINANCIERING TWEE NV, The Hague. This has Fl 5 million capital and follows the conversion of the original Nillmij Financiering NV into Nillmij Participaties Twee NV, with Fl 10 million authorised capital, 20% paid up.

** The London insurance broking concern PRICE, FORBES (HOLDINGS) LTD (see No 494) has raised its stake in its Brussels affiliate, PRICE, FORBES, SCHLENKER SA to almost 50% by its sole subscription (through its Geneva subsidiary Price, Forbes Continental Ltd) of an increase in its capital to Bf 500,000..

The Brussels concern, formerly Comptoir d'Assurances S.R.D.V. Schlenker, Ruys, de Vooght SA, acquired its London shareholder late last year, after the forging of an agreement in the Netherlands between the latter and its own parent company O.W.J. Schlenker, Amsterdam, which led to the formation of a joint Amsterdam subsidiary Price, Forbes, Schlenker NV, Amsterdam.

OIL, GAS & PETROCHEMICALS

** The British BURMAH OIL CO LTD, which has recently strengthened its Dutch interests (see No 506), has now rationalised its Belgian subsidiaries and thus strengthened the position of TRADING - STE DE TRANSPORT & DE COMMERCE SA, Borgerhout-Antwerp, which is controlled directly by its subsidiary BURMAH EUROPE SA, Molenbeek-St-Jean. Trading has taken over Burmah Trading NV, Borgerhout, which until now was directly controlled by Ste Belge des Lubrifiants Castrol SA, Molenbeek-St-Jean, which has made over assets valued at Bf 45.76 million and thus raised its capital to Bf 45.62 million.

** STE FRANCAISE DES PETROLES BP SA, Courbevoie, Hauts-de-Seine, a member of the London oil group BRITISH PETROLEUM CO LTD (see No 501) intends to acquire a large shareholding in STREICHENBERGER Sarl (see No 465).

BP is considering the construction of a new refinery in the area around Grenoble and by this move it will strengthen its position in the Rhone-Alpes region, where its new affiliate has a well-developed storage and sales network.

** The Rotterdam company ANKER UNION MIJ. NV (distribution of refined oil products - see No 286) has formed a company trading in and handling hydrocarbons called ANKER -UNION SALLAND NV, Rotterdam (capital Fl 500,000 - 20% issued). The founder is a subsidiary of the ANKER KOLEN MIJ. NV, Rotterdam group (see No 507) and is also a 30% affiliate of the Paris State group ELF UNION SA (a member of the E.R.A.P. group - see No 485).

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PAPER & PACKAGING

** The Norwegian paper company NORDENFJELSKE TREFOREDELING A/S, Skogn, which is affiliated to the A/S BORREGAARD, Sarpsborg and A/S UNION, Oslo groups, as well as having the Norwegian State as one of its shareholders, has linked with the Dutch concern PAPIERMIJ. POLAK & VAN BERG NV, Amsterdam, to form a joint subsidiary selling newsprint and other papers. Called NORNEWS HOLLAND NV (authorised capital Fl 100,000 - 50% issued), this has Messrs B. Polak, L. Leibbrand, G. Sandborg and R. Lindseth as directors.

PHARMACEUTICALS

** The Hanover metal group PREUSSAG AG (see No 509) has diversified its activities by taking over the pharmaceuticals, chemicals and cosmetics concern DEUTSCHE MILCHWERKE DR. A. SAUER KG, Zwingenberg, Bergstrasse. The latter, wherein a one-third stake is still held by Mme Doris Kinzinger, employs 200 people in its factories at head office and at Stockheim, Oberhessen. It is best known for its "Fissan" products.

In the same sector Preussag has complete control (through Kiag-Kohlensäure Industrie AG, Düsseldorf - see No 446) of LINGNER WERKE AG, Berlin (see No 344), which itself heads abroad several companies specialising in "Odol" products (Belgium, the Netherlands, Switzerland, Austria etc.).

** The Italian manufacturer of chemical, pharmaceutical and dietary products PIERREL SpA, Naples (see No 453), which has had a Luxembourg investment company since 1964, PIERREL INTERNATIONAL SA (see No 244), has now extended its interests in France by forming a 70% subsidiary in Lyons called TECHNOMED SA (capital F 200,000) with Mr. C. Somaruge as president.

Headed by Prof. Niccolo Visconti, the Italian group (1968 sales Lire 1,234 m) has three main Italian subsidiaries entirely under its control, Pierrel Associate SpA, Milan (see No 451), Avim - Antibiotici & Vitamine per l'Industria Mangimistica SpA, Naples and Fermentzoo SpA, Milan.

** The German plastics processing concern PAMPUS KG, Schiefbahn, Düsseldorf, has taken over the British FLUORPLAST LTD, Stoke-on-Trent. Pampus, with a 1968 turnover of Dm 25 million, already has two foreign subsidiaries: Fluorplast SA, Sartrouville, Yvelines (formerly Ste Fluorcarbone France), acquired in April 1968 (see No 458) and Pampus Italiana Srl, formed in Milan in 1965 (see No 431).

PRINTING AND PUBLISHING

** PLANAPRINT PUBLICATIONS LTD, Kingston-upon-Thames, Surrey (printer and publisher of technical works) has made its Dutch subsidiary PLANAPRINT EUROPA NV, Amsterdam, responsible for the expansion of its Italian interests. The latter has therefore backed the formation in Milan of PLANAPRINT INTERNATIONAL SpA (capital Lire 3 m), headed by Mr. H.C. van Schijndel, Amsterdam. The Amsterdam company, whose director is Mr. Ian D.C. Smith, was formed in late 1961 and it controls a sales subsidiary, Planasale International NV, Amsterdam. Its parent company has had a Swiss subsidiary since 1963, Planaprint AG, Zurich, which is headed by Messrs. I.D.C. Smith and J.D. de Vroede.

RUBBER

** An exclusive licence and technical assistance agreement has been signed in Italy between FIRESTONE TIRE & RUBBER CO, Akron, Ohio (see No 458) and the Italian manufacturer of rubber goods for the car and other industries TECNOGAMA D'AGOSTINO SpA, Rivoli, Torino (see No 503). This has strengthened the position of Tecnogama d'Agostino, which is also an affiliate of the Turin investment group FINANZIARIA REGIONALE PIEMONTESE SpA (see No 489).

The American group recently made its Rome office responsible for its trade in Eastern Europe and it formed another subsidiary there during 1968, Firestone Europea SpA, which is headed by Mr. Martin E. Holt. An investment company, Firestone Finanz AG (capital Sf 250, 000) was later formed in Zurich.

** The French rubber trading concern S.A.F.I.C. - ALCAN & CIE SA, Puteaux, Hauts-de-Seine (a 47% affiliate of the CHARGEURS REUNIS SA, Paris group through the London company HECHT, LEVIS & KAHN LTD, SAFIC-ALCAN - see No 483) has signed an agreement with PROMOCI - PROMOTION & CULTURES INDUSTRIELLES Sarl (see No 321) with the aim of expanding the latter's interests in the rubber producing countries. Promoci, which is a member of THE BANQUE DE L'INDOCHINE SA group (see No 505) through Ste Indochinoise de Plantations d'Hevas SA, Abidjan, Ivory Coast, specialising in processing plant for natural rubber, whilst its new shareholder will have a considerable stake.

SERVICES

** The Dutch NV INTERNATIONALE HANDEL- & EXPLOITATIEMIJ. IBERHOLA, Roermond (headed by Mr. Dirk Ykelenstam) has formed two subsidiaries at Roermond. The first is called HALLCO HOLLAND NV, has Fl 50, 000 authorised capital (40% paid up), and will specialise in consultancy and industrial development zones (choice of site, scope of investment, selection of company statutes etc.). The second

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takes the name CONTINENTAL WAREHOUSING SERVICES NV, has Fl 10,000 capital (20% paid up) and is to lease warehouses as well as transport merchandise.

TEXTILES

** The West German knitwear group FALKE has backed the formation in Paris of the sales company FALKE FRANCE Sarl, manager of which is M. Gerard Grevent. The founder, which is headed by Herren Paul and Franz Falke, controls at Schmalleberg, Saueri, the manufacturer Franz Falke-Rohen Strumpfwarenfabriken GmbH (stockings - capital Dm 980,000 - 800 employees), the ladies' clothing concern Franz A. Falke GmbH Strickwarenfabrik (capital Dm 400,000 - 600 employees), J. Meisenburg Nachf GmbH and the lingerie concern Uhli-Fein-Strumpfwerke GmbH, Lippstadt (capital Dm 2 m - 1,000 employees.) Abroad the group has taken part in the formation of the Swiss company Redeco SA, Fribourg, which carries out research and development for the knitwear industry (see No 450), along with the French company Vitos-Ets Vitoux SA, Troyes (see No 472) and a number of Dutch, Swedish and American companies.

** As a result of the agreement recently signed (see No 504) between the Belgian group U.C.B. - UNION CHIMIQUE SA and the Dutch group A.K.U. - ALGEMENE KUNSTZIJDE UNIE NV (see No 506), with the aim of U.C.B. selling off for Bf 1,900 million its "Fabelta" textile interests (38% of all business) at A.K.U., the latter has now formed a holding company in Belgium called FABELTA NV, Bruxelles-St-Gilles (capital Bf 250,000). The new concern is run by Mr. Jean P. Ghosez. The founder shares control in the Netherlands with six other companies: Enkalon NV, Hollandsche Kunstzijde Industrie NV, Handel- & Exploitatie Mij. "Astra" NV and International Rayon Trading Co NV (all in Arnhem), Artsilk NV, Breda and Chemie-Silk NV, Amsterdam.

** The West German textile concern NICKEL & MUELLER GmbH TUCHFABRIK, Aix-la-Chapelle is intending to build a textile weaving and finishing plant in the Netherlands at Kerkrade in association with the State concern, NEDERLANDSE STAATSMIJNEN NV. This will cost some Fl 5 million and run by a company called DUTCH FINISH GmbH & Co CV should employ 100 persons.

The West German firm (capital Dm 650,000) has 125 employees and is represented in Amsterdam, Paris, Oslo, Vienna and Zurich.

** The West German textile firm C. CONRAD MERZ BAUMWOLL-SPINNEREIEIEN & TRIKOTFABRIK KG, Mössingen, Württemberg has established an Austrian manufacturing subsidiary called C. CONRAD MERZ GmbH (capital Sch 1 m.) whose manager is Herr Otto Merz.

With a share capital of Dm 5 million, the founder has some 500 employees and an annual turnover exceeding Dm 15 million.

** BURLINGTON TEPPICHWERKE GmbH, Paderborn (see No 488) a member of the American textile group BURLINGTON INDUSTRIES Inc, Greensboro, North Carolina (see No 504) has appointed the new Paris company BELUSA SA, Paris (capital F 100,000) as its general agent for France. The latter's president is M.P. Renaudin and it is affiliated to the Franco-American concern DELTEC-STE FRANCAISE D'ETUDES, DE REALISATIONS & D'EQUIPEMENT SA, Paris (formerly S.F.E.R.E. SA headed by Mme C. Steiner and J. Moscovic.)

The Paderborn firm makes tufted carpets in nylon and Vestan polyester (made by Bayer). Exclusive European distribution rights for 3 of the six qualities of carpet made by the American group at Paderborn have been acquired by the French firm, WEST SA, whose capital has recently been doubled to F 1 m. The latter has as president M. Jacques Drancourt, who is also vice-president of Vinylunion SA, Paris.

** Messrs Harry Romer, New York and Gerald Lobo, Paris who are joint-managing partners of the Lille textile firm ROMER FRANCE & CIE Sarl (capital recently raised to F 400,000) have again joined in forming SOGETEC -STE GENERALE DE TEXTILES & CONFLECTIONS Pvba (capital Bf 250,000). This will trade in ready-made clothes, knitwear and textiles.

M. Gerald Lobo is also managing partner in GERALD LOBO, S.I.F. C.A. - STE D'IMPORTATION DE FRIPERIE CREDENTIAL AMERICAINE Sarl (ready-made clothes and knitwear).

** The recently decided merger within the Italian wool group MANIFATTURA LANE G. MARZOTTO & FIGLI SpA, Valdagno, Vicenza will in fact strengthen the position of LANOR SpA (see No 368) whose capital will be raised to Lire 1,500 million, and not AULAN SpA, S. Giorgio Novaro. The other company involved is Ausapelli SpA.

** The Japanese textile concern KANEGAFUCHI SPINNING CO - KANEBO LTD, Osaka and Tokyo (see No 436), which in Europe has long been linked with the Milan group SNIA VISCOSA SpA (see No 509) has wound up its Hamburg subsidiary KANEBO EUROPE GmbH, formed in 1962 with Dm 200,000 capital.

TOBACCO

** The Dutch coffee, tea and tobacco concern DOUWE-EGBERTS KON TABAKSFABRIEK & KOFFIEBRANDERIJEN-THEEHANDEL NV, Utrecht (see No 509) has linked on an equal basis with its subsidiary PANTER SIGARENFABRIEKEN H. & J. VAN SCHUPPEN NV, Veenendaal to form a Belgian company. This is called CITACO SA, Etterbeek-Brussels (capital Bf 2 m) and will import, and sell tobaccos with M.H. Stoffels as president and M.G. Mindlin as managing director.

TOURISM

** The British group FORTE'S (HOLDINGS) LTD, London (see No 490) will strengthen its interests in the Italian tourist sector by linking with S.A.I.A. - STA PER ATTIVITA INDUSTRIALI & ALBERGHIERE SpA, Cagliari (see No 411) to build a tourist village at Santa Margherita di Pila in Sardinia. A joint subsidiary called MITA - MEDITERRANEA INIZIATIVE TURISTICHE ALBERGHIERE SpA will be formed to carry out this operation.

In 1967 the British group formed a study group Tourist Towns Sud Italia SpA to carry out a similar scheme at S. Enfemia Lametia in Calabria (see No 386). Its partner in the new M.I.T.A. is a wholly-owned subsidiary (capital Lire 2,500 m) of the investment company S.E.S. - Sta Esercisi Sardi SpA, Cagliari (see No 439), which itself is controlled by the BASTOGI, Florence group (see this issue, Finance).

** The Franco-Belgian group CIE INTERNATIONALE DES WAGONS - LITS & DU TOURISME SA has strengthened its Italian hotel interests by forming a subsidiary in Milan called S.E.T.A. C-SOC. ESERCISI TURISTICI ALBERGHIERI & COMMERCIALE SpA (capital Lire 30 m). This has taken over the Hotel Cavalieri, Milan, which has 176 rooms. Wagons-Lits is already involved in STIFA-Sta Turistica Italo-Francese Delle Alpi SpA, Aosta and through it in ALPILA-SOC PER LO SVILLUPO TURISTICO DI PILA, Gressa, Aosta.

TRADE

** Swiss interests represented by M. Gaston Barras and Rene Antille (both are directors of numerous property companies, especially in Crans-sur-Sierre, Valais) have backed the formation of LA MAISON DU VALAIS SA. With M. Marc Pampuzac (capital F 400,000) this will encourage increased trade and tourism between France and Switzerland and also promote products from the canton of Valais and run a cafe -restaurant.

** The Belgian company COLIBEL SA, Ixelles-Brussels (mail-order sales of textile goods, furniture and domestic appliances) a subsidiary of SOFIPAR SA, has itself formed a subsidiary engaged in the import-export business and sales of finished goods. This is called STE BELGE D'IMPORTATION- SOBIMPORT SA (capital Bf 500,000).

** A link-up between Dutch and Belgian trading interests, HANDELSONDERNEMING SARECO NV, Oosterbeek and ANWTERPSE HANDELSMIJ DECOVAN NV, Antwerp has resulted in the formation of a joint subsidiary (47.2% each) to manufacture and trade in building materials. Called HANDELSONDERNEMING SARECO BELGIE NV, Antwerp (capital Bf 250,000), a 4% stake is held by West German interests represented by Herr Wilhelm Bader, Dissen.

** GRANITA SA, Luxembourg has formed a Belgian brokerage, commission and agency firm, COMPTOIR COMMERCIAL JEAN DELVAUX SA, Antwerp (capital Bf 1 million). President and director of the new concern is M. Jean Delvaux.

TRANSPORT

** American interests represented by Mr. Alexandre Floch, Leonia, New Jersey have backed the formation in St-Gilles-Brussels of the passenger and goods transport concern ALL TRAVEL INTERNATIONAL-ATI SA (capital Bf 1 m) Mr. Floch is president of the new company.

At the same time a similar company has been formed in Antwerp called UNIVERSAL TRADING LTD PvbA (capital Bf 250,000) whose main founder is Mr. Bernard Walter Gross, New York.

** The Italian investment company, S.G.E.S.-STA GENERALE ESERCISI SICILIANI SpA, Palermo (see No 318) - and a 41.4% affiliate of the Bastogi-Soc. Italiana Per Le Strate Ferrate Meridionali SpA, Florence (see Finance) - has increased to 85.6 % its controlling stake in the shipping company NAVI TRAGHETTO SpA, Palermo (see No 439) which operates a regular service between Palermo and Naples.

** The American GLOBAL INTERNATIONAL FORWARDING INC, Anaheim, California has opened a branch in Ghent under M. Rudolf de Mayer.

** Messrs. A. Normandean, Arlington, Vancouver, and J. Mason, Silver Springs, have joined 50-50 with Belgian interests in the persons of MM. M. Kilian, R.W. Wijffels and E. Schoonloven, Antwerp, in forming a company in Ixelles-Brussels for research, development and publication concerning transport, as well as the planning and presentation of tariffs and other matters allied to transport. This is called INTERNATIONAL TARIFF SERVICE EUROPE - I.T.E. SA, and has Bf 300,000 capital.

** CIE DELMAS-VIELJEUX SA, Paris (see No 488) has strengthened its West German business by joining with WIERMANN-LINIE AG, Hamburg-Altona, for the exploitation of shipping links with West Africa. A joint subsidiary has therefore been formed in Hamburg under the name FRANCALL AFRIKANISCHE SCHIFFAHRTS GmbH (capital Dm 100,000), with Herren Harry Bouscasse, Willi Wassmann and Ludwig Bielenberg as managers.

Wiermann-Linie has two sister companies in Hamburg, the shipping concerns Sal-Deutsche Afrika-Linien GmbH & Co KG and Deutsche Ost-Afrika Linie GmbH. The French group is already established in Hamburg with a shareholding in RICKMERS LINIE GmbH (capital Dm 10.14 m - see No 352).

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** The Mainz freighting firm TRAPOFA LEONHARD SPEDITIONS GmbH, formed in 1967 with Dm 20,000 capital and headed by Herr Wolfgang Leonhard, has opened a branch at Hallein, Salzburg, under Herr Erich Schallhammer.

VARIOUS

** The French forestry, timber, woodworking and parquet concern CIE GENERALE DE SCIERIE & MENUISERIE SA (capital F 4.71 m) is about to take over STE SCIERIES & PARQUETERIES DE VAUVRILLY SA, La Charite-sur-Loire, Nièvre (capital F 813,000).

** A world wide agreement in the salvage industry has been signed between MURPHY PACIFIC MARINE SALVAGE CO, Emeryville, California, the West German ULRICH HARMS GmbH & CO KG, Hamburg and the British RISDON BEAZLEY LTD, Southampton.

The two European concerns recently decided to establish a joint British subsidiary, Risdon Beazley-Ulrich Harms Ltd (see No 495). The American company, which also heads Haviside Marine Inc, has an annual turnover around \$ 500,000.

** The German jewellery and watchmaking concern GEBRUEDER HUMMEL, UHREN- & SCHMUCKWARENFABRIK, Pforzheim, has just formed Gebrüder Hummel (Nederland) NV at Raalte, with Fl 10,000 capital, to handle its sales interests in the Netherlands.

** The American company SCRIPTO INC, Atlanta, Georgia (see No 403) has strengthened its European interests through the formation of a new company in Paris called SCRIPTO FRANCE Sarl (capital F 150,000). This will make and trade in pens, pencils, lighters, marking equipment and copying machines.

The American concern has been linked since early 1967 by a technical and sales agreement with ATELIERS ROGER POUILLAIN, Les Mureaux, Yvelines. It already has a subsidiary in Turin, Scripto Europa Srl and one in London, Scripto Ltd.

** The French group ROUGIER & FILS SA, Niort, Deux-Sevres, which is also the leading EEC manufacturer of plywood, has acquired a large shareholding in the Paris firm in the same sector, MUSSY SA (see No 339).

The latter (capital F 8 m), which employs some 1,200 persons (factories at head office, at Mauze, Deux-Sevres and Salbris, Loir-et-Cher), makes wood packaging materials and chipboard. As well as controlling a Spanish manufacturing subsidiary, Embalajes Mussy Espanola SA, Silla, Valencia, it also has a stake in Ste Algerienne des Bois SA, Algiers, in Cie Marocaine des Emballages Mussy-Comamussy SA, Casablanca, in Tecar SA, Tunis, in Ste Camerounaise des Bois SA, Douala, and in Ste Forestiere & Industrielle de la Doune SA, Dimako. For its part, Rougier (capital F 20.88 m) has three factories making "Okoume" plywood and "Betonex", "Uti-Betonex" and "Plasti-Betonex" shuttering, and there are two factories making "Roufilux" and "Roufipan" chipboard. Another factory makes adhesives, whilst the group also has timber interests in Gabon and French Guiana.

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