Opera Mundi EUROPE

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY

March 24 - March 30

THE COMMON MARKET

Closer Links with North Africa.

After some five years of long and difficult negotiations, Tunisia (on March 28) and Morocco (on March 31) have signed partial association agreements with the European Community, lasting for a period of five years. Formal adoption of the agreements is expected by the EEC Council of Ministers in May during their Luxembourg meeting, and once the agreements have been in force for three years, it is envisaged that fresh talks will begin with the aim of renewing them and enlarging their scope to cover financial aid from the EEC to both countries and the free movement of labour between both partners, terms which would have been included in a full association agreement. Both Rabat and Tunis, when they first asked for links with the Community in 1964 under Article 238 of the Rome Treaty had hoped for a full agreement covering the creation of a free trade zone, but this fell through because of opposition within the Community, with the result that they accepted - perhaps grudgingly - the Common Market's proposals. The working of both agreements is supervised by an Association Council comprising representatives of the Six, the Commission and the country in question. Part of their work includes approval of any safeguard measures admitted by the agreements. These include those allowing either country to withdraw concessions, provided they are replaced by other concessions capable of generating an equivalent amount of trade, and measures to protect regions or industrial sectors in difficulty. Safeguard measures are also allowed to be used to cope with balance of payments problems.

The concessions made by the Six with regard to manufactured products will enable the two countries to send their exports to the Community free of duty and without quantitative restrictions, except for cork and products covered by the ECSC Treaty (iron and steel products). Nevertheless the Community reserves the right to impose duties on some refined petroleum products if there are major market difficulties in one or other of the Six, or if imports exceed 100,000 tons p.a. The non-agricultural products covered by the concessions amount to 40% of Moroccan and 55% of Tunisian exports to the EEC.

For agricultural products, crude olive oil is exempt from the $ 5 per 100 kg duty provided the EEC's minimum price is observed, and there is also a further 50c preference per 100 kg, whilst refined olive oil is freed from the fixed element of the import levy. Moroccan hard wheat is given a preference of 50c per ton, whilst the 15% tariff on pasta and a special flour is waived. Tinned fruit, vegetables and fish products also receive preferential treatment. With regard to citrus fruits - an important export for both countries - there is an 80% preference, provided certain price conditions are met. At the same time a 40% preference under similar conditions is granted to exports of citrus fruits from Turkey (an existing associate of the EEC) Spain (negotiating an agreement with the EEC) and Israel. The latter has asked for full association with the Common Market, but various problems - largely of a political nature - have prevented much progress being made. In a comment on this 40% reduction, which he called unsatisfactory, an Israeli spokesman stressed that his country wanted at least an agreement with the EEC which would bring about a substantial cut in tariffs, and added that with the exception of France, the countries of the Common Market had agreed in principle to 60% global reduction in the duty on both agricultural and industrial imports from Israel.

In return for these concessions, the Maghreb countries have also made a number of concessions. For Morocco these include the following: a 25% "erga omnes" reduction in the tariff on certain products (7% of total imports from the EEC) and the confirmation of exemption from duty for other products (3% of total imports from the EEC). It will also open a series of quotas, (expected to be increased annually), covering 44% of imports (in volume) from the EEC and 35% of sales. Nevertheless Morocco is entitled to apply special quotas to certain products in order to stimulate its own industrialisation.

Tunisia has made concessions covering 40% of imports from the Six by making reductions equivalent to 70 % of the preference now granted to France for the same products. These reductions will be phased in over three years. Furthermore, Tunisia has confirmed existing quotas covering 60% of the EEC exports and will open new quotas covering 11% of EEC exports. As with Morocco annual increases in the size of the quotas are expected, whilst similar rules regarding the introduction of safeguard clauses and the protection of new industries also apply.

Moroccan external trade (1967)

Origin or destination	Imports		Exports	
	$ m.	%	$ m.	%
Total	517.7	100	424.0	100
E.E.C. of which:	275.7	53.2	256.8	61.0
Germany	46.6	9.0	34.4	8.1
Belgium/Luxembg.	5.7	1.1	13.0	3.1
France	193.6	37.4	175.1	41.4
Italy	18.2	3.5	16.9	4.0
Netherlands	11.6	2.2	17.4	4.1

Tunisian external trade (1967)

Origin or destination	Imports $ m.	Imports %	Exports $ m.	Exports %
Total	261.1	100	149.3	100
E.E.C. of which:	126.9	48.3	77.6	52.0
Germany	19.8	7.6	14.3	9.6
Belgium/Luxembg.	3.2	1.2	0.9	0.6
France	82.8	38.8	41.7	27.6
Italy	16.2	6.2	19.9	13.3
Netherlands	4.9	1.9	0.8	0.6

COUNCIL OF MINISTERS

EEC Foreign Ministers' Meeting

Last week's meeting of the EEC foreign Ministers, although not attended by the French or Italian Ministers, discussed the six-point plan put forward by the Commission's President, M. Jean Rey dealing with the tasks confronting the Community which need to be completed by January 1, 1970 - the possible end of the transitional period - or by the end of the next three years, if an effective economic union is to be established by the Six. The tasks listed for this year include 1) the coordination of economic policies and monetary cooperation 2) the establishment of the common commercial policy 3) the financing of the agricultural policy 4) the reform of the structure of EEC agriculture, i.e. the Mansholt Plan 5) the reform of the European Social Fund 6) the establishment and acceptance of a multi-annual programme for Euratom and the putting into effect of the report by the Marechal-Aigrain group on technological cooperation. This is now before the permanent representatives of the Six, and may be extended to include the countries which have applied to join the Common Market.

All of the Six with the exception of France stressed the need for a parallel between the internal strengthening of the Community and its enlargement. M. Harmel, the Belgian Foreign Minister stated the question of enlargement covered all aspects of the Community's external policies, and he hoped that the Council during its Luxembourg session on May 12-13th would study the problem in greater detail. The Council also referred back to the permanent representatives the study of the technical aspects of the proposed trade arrangement between the EEC and the candidate countries. It is however extremely uncertain whether anything will now come of these proposals. They have been criticised by the Commission and United States, whilst

Britain has shown no great enthusiam. The problem is further complicated by an apparent disagreement between France and West Germany as to what should be the exact form and content of the proposed arrangement.

* * *

AGRICULTURE

EEC Price Decisions Postponed

At their meeting on March 24 and 25 the agricultural ministers of the Six decided to postpone the start of the 1969/70 season for dairy products and beef until July 1 instead of April 1 and it is possible that they will be extended for a further period. Though this had been forecast, it had been expected that the ministers would show their goodwill by adopting a resolution outlining the measures to stabilise livestock products markets they intended formulating before July. The Belgian and Italian representatives favoured the extension of the 1968/69 dairy prices for a further season while the German and the Dutch ministers felt something should be done to stop the ever increasing build-up of butter and skimmed milk powder stocks. Butter stocks are expected to reach 500,000 tons by the beginning of the season while the position for skimmed milk powder is as catastrophic - present surpluses are about 250,000 tons and could reach 500,000 tons in a year. Accordingly they again proposed a reduction in the guaranteed milk price as well as the abolition of the corrective adjustments which, as French market observers point out, would offset the lower milk price for German and Dutch farmers. The French refused any formula likely to penalise the milk producer at least not until a full programme had been launched for the whole of the livestock sector. Measures proposed by M.Boulin, the French minister, were: modification of the ratio between prices for milk fats and proteins, measures to encourage milk consumption and increased use of milk in animal feedingstuffs, a policy to encourage beef production and the stabilisation of prices for fats, i.e. by means of the proposed tax on vegetable oils and oilcake. Certain of these measures have already been agreed, i.e. EEC aid for the incorporation of butter oil or whole milk powder with a fat content of 26 per cent in calf feeds by means of a FEOGA subsidy of $ 55 per 100 kg. These proposals failed to meet with any enthusiasm from the other ministers - West Germany and the Netherlands were decidedly against any plan providing for a tax on oils and oilcake.

Nor was agreement reached on the 1969/70 prices for cereals, rice, rapeseed and sugar. Most of the ministers were in favour of simply extending the present prices for a further season. West Germany called for an adjustment in the ratio of bread grain prices to those for feed grains by leaving the guide and intervention prices for wheat unchanged and by raising the guide price for feed grains or at least maize, the latter by as much as $ 2 per 100 kg. This formula has little chance of success since the Italians were firmly against it. Discussions on this item will continue at the next meeting of the Council in Luxembourg on April 21 and 22.

Dr. Mansholt Defends His Plan

In recent months Dr. Mansholt in contrast to his former reticence has made a number of public appearances. The official explanation is that he is sounding agricultural circles as to their reactions to the EEC reform plan presented last December for consideration in the Commission's final report. The unofficial version is that Dr. Mansholt wishes to keep his Plan alive.

At a recent conference held by the (Centre International de Formation Economique des Agriculteurs) Dr. Mansholt defended the Plan. The Commission had felt that agriculture was now ready for reform whereas ten years ago the Plan would have provoked a revolution. Classical agricultural policies had proved too costly. In 1969 the Six would spend Fr. 11,000 m. (£928.3 m) on structural improvements and Fr. 11,500 m. (£970.5 m.) on market support with an anticipated future growth rate from one year to the next of Fr. 4,000 to 5,000 m. (£337.6 to 422 m). However this high level of support had had little effect since never had the state of European agriculture been so alarming. Dr. Mansholt illustrated the present under-development of agriculture with various relevant statistics: on 7 out of 10 farms the farmer was only employed 75 per cent of his "working" time and farm incomes were 25 to 30 per cent behind those in other comparable socio-professional groups. Agricultural subsidies, of which there were about 600 different varieties in the EEC, had not made up the gap but instead had encouraged farmers to modernise and intensify production. These improvements too costly on a small acreage, had brought a decline in income. The situation now called for urgent attention. According to the Commission wages generally would double over the next fifteen years, and consequently to obtain any parity farm incomes would have to treble. Dr. Mansholt commented on the two main tenets of the Plan. Firstly, the retirement of 5 million farmers or half the present number: it would be up to the authorities to control this exodus either by helping farmers to find other employment or by granting them pensions of at least Fr. 5,000 (£422) per annum. Secondly as regards the enlargement and amalgamation of the remaining farms, the crucial point would be to concentrate all financial aid after 1975 on the economically viable farms. It would be a mistake to continue, as the national governments were doing, to pay out subsidies which it was clear in advance would serve no purpose. For example 60 per cent of West German government aid for some years had gone to farms which did not produce an income equivalent to 9/10ths of that of an industrial worker.

Answering questions on the cost of the Plan Dr. Mansholt replied that the Commission wished to bring the annual costs down to Fr. 10,000 m. (£844 m), i.e. Fr. 6,000 m. for structure and Fr. 4,000 m. for market support by 1980. Meanwhile due to reform measures expenditure would rise to a ceiling in 1975 when they would represent 5.4 per cent of the national budgets of the Six compared with 4.8 at present. At the end of the Plan this percentage would be down to 2 per cent which was a fair proportion. The proposed policy was admittedly costly but it would at least lead to a solution. The Plan should not be regarded as a final document but rather as a statement of policy intended to stimulate discussion. In a few months time the Commission would analyse reactions and probably produce a revised report.

E.C.S.C.

Commission's Report on Coke Market

Quantitatively, world reserves of coking coal are sufficient to cover the increase in world demand anticipated up to 1980, and it will be American deposits that will be called upon most to cover needs, though of course expectations vary from one country or economic area to another. Thus Japan, now ranking second amongst steel producers in the free world, will continue to look to the United States for its marginal needs, but at the same time it will be able to diversify its sources by increasing imports from Australia, Canada and the U.S.S.R. unfortunately, such a course for the Community has to be ruled out on grounds of cost. It will of course be in a position to import some Russian and Polish coking coal, but next to its own production capacity, it is very much dependent on American coking coal supplies for getting its needs covered, and so there is little chance of seeing any appreciable degree of diversification for the Community in this regard.

This, broadly, is the message contained in the Commission's report on coke and coking coal prospects for the EEC steel industry, a report requested by the Council of Ministers.

While in quantity there is unlikely to be any coking coal supply problem for ECSC steel up to 1980, however, there is certainly some danger of price difficulties on the American market if the Community ceases most ot its coking-coal production, thus raising demand on that market. As far as existing plant is concerned, the Commission estimated that between now and 1980 production costs for American coking coal should increase by 1-2 dollars a ton. To meet additional demand from the Community therefore, the United States must increase considerably its extraction capacity. In turn, the fresh investment costs that will result from this will mean an additional cost increment of about a dollar a ton, such that a 1980 price of anything up to \$ 3 c.i.f. more than the present one may be expected.

More important than the coking-coal problem, however, is that of coking plant capacity (see No 503, p.8), and here the first thing to be said is that U.S. and British coke prices are much higher than those in the Community, as both these countries' coke plants must ask high prices to cover coking costs. Until a few years ago, the economics of the industry were such that one could reckon that returns on coke covered the cost of the coal charged, and returns on by-products that of the coking process itself, but since then coking by-product prices have steadily deteriorated, and no longer cover the cost of coking. Hence the need for U.S. and British coking plants to ask rather high prices for their furnace coke. On the other hand, in the Community most coking plants run at a loss, but at least manage to keep their prices at the relatively low lever of \$ 20 per ton or less. With an ex-plant price of \$ 20 a ton c.i.f. in the United States or the United Kingdom, and at least \$ 7½ per ton shipping costs on top of that we find prices of the order of \$ 27½ a ton for U.S. coke and \$ 26 a ton for British coke in the Community.

Therefore, while the cost of coal for charging is fairly high in the ECSC, the Community's steel industry does at least get fairly cheap coke from coking plants inside the Six. This is because coking costs remain modest, because prices fetched by coking by-products tend to be a lot less disappointing than in the United States, for instance, and because most of the Community's coking plants are barely run as viable businesses.

At such cost incentive, the Community must have adequate coking plant capacity of its own in the years to come. Coke requirements for 1980 are reckoned at around 55 million tons for the Community, which would mean having a good 58 million tons capacity, to meet steelmakers' requirements alone. But in 1968, some 16 million tons more of coke went for consumption elsewhere, most of it for industrial and domestic heating.

However, most of the Community's coking plant is fairly old, and at the present rate of obsolescence the overall capacity of batteries now in existence should fall to 60 million tons of coke by 1975 (i.e. just enough to cover the needs only of the steel industry), and to a mere 40 tons by 1980 - nothing for it but quite hefty investment. But investment in the coking sector has in fact been steadily dwindling, from 0.63 dollars per ton in 1960 to only 0.39 in 1967. This is explained by the fact that capital invested in the coking sector tends to stay frozen for long periods of time, and this is coupled with all the uncertainty that hangs over the technical and economic future of the steel industry.

One of the factors that could change the complexion of the steel coke problem entirely is the work now being done on processes for the direct reduction of iron ore. All such processes revolve around the principle of temperatures far lower than those achieved in blast furnaces, and doing away with the need for hard, well calibrated cokes. Nevertheless, the experts still feel that unless a complete revolution in the sector takes place, iron-sponge will not in fact replace blast furnace pig iron, but will be used instead of scrap in electric furnaces for the production of special steels. The expectation is that between now and 1980 world capacity for directreduction will increase by some 29 million tons, which amounts to only 5% of the crude steel production expected for the same period.

*

TRANSPORT

Special Rail Tariffs in the Saar

The Commission has decided to suspend temporarily the action it was pursuing under Article 169 of the Rome Treaty with regard to Germany's bringing in of special rail freight rates for the Saar (see Nos 367, 448), while it consults member governments before taking the decisions demanded of it under both the Rome and Paris Treaties.

This move on the part of the Commission follows the Federal Government's undertaking in principle to link the Saar Basin with the inland waterway network feeding the Rhine, and its consequent decision to drop its argument, held until then, that the tariffs to which the Court of Justice in particular had taken exception were not support tariffs but designed for potential competition. The Bonn Government, it would appear, came up with this nice legal point, which in fact washed with neither the Commission nor the High Authority, by way of avoiding the need for prior authorisation of the tariffs in question, as laid down in Article 70 of the ECSC Treaty. Nevertheless, the Hugh Authority did pronounce an authorisation, only to have this quashed by the Court, on the grounds that no time limit was place upon the authorisation, whereas the main objective of granting any such support devices was to overcome passing difficulties, and not to atone for them as much and as long as they might continue. The Court's last move, therefore, was to call upon the ECSC executive to formulate a new decision, bearing a time limit on validity.

The German Government's reaction to this was that the very act of setting a time limit upon the authorisation of its special tariffs would in fact deprive these of a great deal of utility, as it would deter fresh industries from investing in the Saar Basin and getting established there.

Now that it has been decided in principle to build a canal, the whole argument goes up in smoke, for this means that the geographical, infrastructural location of the Basin will certainly become more appealing to industry. Indeed, when the canal is in use, what are now deemed subsidising rail tariffs will in fact become true competitive tariffs - not the "potential" ones cited in the legal wrangle, when the presence of a canal was but a hypothetical convenience.

* * *

COMPETITION

Restrictive Practice Ended

As a result of action by the Commission, insurance companies in four European Community countries have agreed to end a restrictive trading practice. The companies, which operate in a specialised insurance field, had, through their national trading associations, entered into an agreement primarily concerned with increased rates of premium that would be charged when a company in one country took over a contract already made by an insurance company in another country. These increased rates were abolished after a first intervention by the Commission.

In addition, however, the agreement provided for a comprehensive exchange of information when responsibility for covering a risk was transferred from one country to another. The company taking over the risk was required to ask the previous insuring company for items of information which are normally treated as business secrets and are not exchanged among geniune competitors: rate of premium charged, the effective rate obtained, the financial results of the contract being taken over. As this was liable to distort competition between companies engaged in these special lines of insurance within the Common Market, the Commission notified the organisations concerned of its objections. At the companies' general meetings it has now been decided to cancel the agreement entirely.

* * *

FREEDOM OF ESTABLISHMENT

Proposed directives for doctors and dentists

The Commission has laid before the Council six proposals for directives introducing freedom of establishment for doctors and dentists. These entail the removal of restrictions on entering and exercising these professions, mutual recognition of degrees and diplomas and co-ordination of the conditions in which a doctor or dentist may practise. As the Commission's first proposals relating to the medical professions, they are designed to clear up the immediate problems raised by freedom of movement for doctors and dentists. They provide all the guarantees necessary to ensure that the two professions may be practised anywhere in the Community by EEC nationals; the statutory rules concerning training and discipline will be the same throughout the Community.

The main objective of the proposals is to ensure freedom of movement for doctors and dentists, so that they will be able not only to set up in practice in any Community country but also, and especially in the case of doctors, to supply their services anywhere in the EEC without having to change the permanent location of their practice. Such freedom of movement, is also a means of attaining much more important objectives, i.e. to ensure that the medical profession plays its full part in the Community and that everything is done to improve the conditions governing the medical and dental professions.

For both doctors and dentists, the proposals contain the usual provisions on the application of the right of establishment,and list the principal restrictions in the national legislations which must be removed. Further provisions relate to the special nature of medical work; they are more detailed than directives relating to trade and industry. This, for instance, applies to membership of a professional association and to rules of professional conduct. Thus, provisions are required governing the contact practitioners must maintain with medical or dental associations when supplying services. In addition, certain stipulations are needed to regulate exchange of professional information about practitioners between professional associations. Besides this, the proposed directives make arrangements for the mutual recognition of degrees and diplomas. The directives on co-ordination lay down minimum conditions of training, with the aim of ensuring that this is of equivalent standard in all member countries. The use of titles is also covered. Special arrangements are to be made for the degrees and diplomas awarded in East Germany since the end of the war.

These joint arrangements are important and will have wide repercussions on the Community's medical profession, but as already stated, this represents no more than a first step towards greater harmonization.

Arrangements have also been made to solve certain problems peculiar to one or other of the two professions. For doctors, there are detailed arrangements concerning the mutual recognition of the qualifications of specialists depending on whether the speciality exists in all the member states or only in some of them. The texts specify quantitative and qualitative criteria for the training period, which may be spent in any of the member states.

The proposals concerning dentists are aimed at solving the difficult problems resulting from the differences in training requirements between the various member states, especially between Italy and the other countries. The aim is that dental training will in general be kept distinct from medical training, though the two will be at the same footing, irrespective of whether a course of medical training is coupled with further specialized training or not. The proposals also provide, for the whole of the Community, that there shall be a sphere of activity for dentists similar to but quite separate from that of doctors.

The Commission also has under consideration a series of directives relating to pharmacy and it will soon have to draft proposals on other occupations in this field, including veterinarians, nurses and opticians.

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Oil Industry in the oil and natural gas sectors

The Council has recently adopted a directive on the application of the right of establishment and freedom to supply services in self-employed exploratory activities (prospecting and drilling) in the oil and natural gas fields. This supplements a Council directive dated 7 July 1964 concerning freedom of establishment in mining activities. In particular, EEC countries are obliged to remove in favour of the nationals and companies of any other member state all restrictions on the granting of concessions to prospect for oil and natural gas. It provides advantages for enterprises which engage in such prospection on their own account, provided they do not already hold concessions for the production of oil and natural gas and to enterprises that do exploratory work for reward.

This directive fits into the 'First Guidelines for a Community Energy Policy' which the Commission recently laid before the Council. However, the EEC enterprises will not be on a really equal footing until national procedures for granting concessions to explore for and exploit oil and natural gas fields are to some extent, harmonized.

There are no express provisions in the directive with regard to the continental shelf of the member states, as the Commission is studying the applicability of the EEC Treaty to the Community's continental shelf.

*

TRADE

Attack on Technical Obstacles.

Amongst the unspectacular but important decisions taken by last week's EEC Council of Foreign Ministers, which met under the presidency of the Luxembourg Minister, M. Thorn, was an agreement on a programme for the elimination of technical obstacles to trade in industrial products. Such a move was required in order to speed the introduction of the free movement of industrial products which has theoretically existed since July 1, 1968. The Council has therefore adopted a three stage programme, which may be modified if the Commission proposes that the order of priorities should be changed. The harmonisation envisaged is due for completion by the end of the next year. A wide range of products are covered from cars, tractors, lifts, heating equipment, fertilizers, and textiles through to food products, gas-lines and seismographic equipment.

The agreement was reached by all of the Six making a number of reciprocal concessions, and at the same time agreeing not to introduce new technical regulations or similar measures during a given period, so that work towards Community standards can be hastened. The Council also passed a resolution dealing with the mutual recognition of inspection procedures, and another on the adaptation to technical progress of directives on the elimination of technical obstacles to trade arising out of differences between the legislation of member states. This involves the use of a flexible procedure, based on a delegation of powers to the Commission, which is assisted by a special committee. In the most important cases however the final decision will be left to the Commission. An interesting aspect of this resolution, and one which may have further developments, was the unwillingness of the West Germans to delegate powers to the Commission.

The fact that the Council managed to agree is considered by some observers to indicate that the Community is not really paralysed, coming as it does after a number of apparently positive decisions during recent weeks. These include the fresh progress made by the Marechal-Aigrain Group on scientific and technological cooperation, the harmonisation of customs legislation, the work towards a European patents system and the decisions on the common transport policy as well as the increased efforts aimed at harmonising the social policies of the member states.

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Italian Export Refunds under Investigation

The Commission has asked the Court of Justice of the European Communities to reopen a case against the Italian Government concerning export refunds on engineering products.

The case dates from 1964 when the Commission took the Italian Government to the Court for violation of Article 96 of the EEC Treaty by making refunds under Italian law

No. 639/64. Article 96 states "Products exported to the territory of any member state may not benefit from any drawback of internal charges in excess of those charges directly or indirectly on them".

In a decision in December, 1965 the Court upheld the first part of the Commission's case (tax refunds in contravention of the terms of Article 96), but reserved its decision on the second part (the illegality of the Italian system of standard-rate refunds). At the same time the Court also called on the Italian Republic to prove that the tax refunded on the products concerned, and which was thus repayable under Article 96, did not exceed the taxes actually imposed. It was left open to the two parties subsequently to request the reopening of the case on the second point.

After the Commission had examined the relevant documents and completed its further discussions with the Italian government, it decided to request a reopening of the case.

* * *

EURATOM

Cooperation over Nuclear Technology

The Commission has replied to a suggestion from the Council of Ministers concerning the possibility of forming a number of consultative committees covering various aspects of nuclear research. According to the Commission, these committees should aim at establishing an effective link in the scientific and technical sectors between the work carried out under the Community's supervision and the actual or envisaged programmes run by the member states.

Acting on the basis of Articles 135 and 5 of the Euratom Treaty, the Commission has proposed that committees should be established to operate in the following sectors: 1) reactor development and reactor components. 2) nuclear physics. 3) fuel cycles and the study of materials used in nuclear energy. 4) direct conversion, radio isotopes etc. The Commission has proposed that it should chair and provide the necessary staff for the consultative committees.

*

Budget for 1969

Although the European Parliament rejected the proposed Euratom 1969 research and investment budget on March 13 because of its inadequacy, last week's meeting of the Foreign Ministers decided to adopt without making any changes, the draft budget which the Council had agreed to on March 4. Nevertheless, this is but a stop-gap move for the Six since they are due to work out a new multi-annual budget before the end of the year.

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AFRICAN ASSOCIATION

Trouble Ahead.

The problem of the Community's links with the developing countries, and in particular its relations with the 18 African states with which it is associated under the Yaounde Convention signed in 1964 came into the limelight on March 26. The convention, which includes Madgascar is due for renewal as it expires on May 31. Both the EEC and African states have been exchanging views between each other and with their partners for some time now, but the approach of the deadline gave an added interest to last Wednesday's ministerial meeting of the EEC and the 18, which took place in Brussels. Their next session is due for May 29, only two days before the convention expires, so the Association Council has now delegated powers to the Association Committee, which includes the ambassadors, to prepare interim measures to cover the period between June 1 and the date when the new convention will come into force. Some observers believe that this may be before the Community's summer break begins.

The main difficulties to be overcome involve questions of tariff preferences, along with the amount of financial aid provided by the Community to the 18. There are a number of facets to the tariff question arising largely as a result of the New Delhi UNCTAD conference during the spring of 1968. Under existing arrangements most products from the 18 have duty-free into the Community, and a reciprocal arrangement exists for EEC exports. The Dutch and West Germans have however come out in favour of the approach adopted at the UNCTAD conference, which is aimed at helping the Third World as a whole. This would however have considerable repercussions on the trading performance of the 18, for it involves the gradual phasing out of the so-called "reverse preferences" granted by the 18 to the EEC countries, who at the same time would make concessions to all developing countries and not just their associates. Furthermore the Dutch and West Germans, with some degree of support from the Belgian and Italians favour a reduction in the CET - Common External Tariff - on imports from the developing countries on a number of specific imports of particular interest to the 18. These include palm oil, coffee and cocoa and the chief beneficiaries of such a move would probably be Indonesia, Brazil and Ghana.

Strong opposition to such a basic change in the principle governing the Community's links with the 18 comes from the African states, the Commission and France. It is argued that under the present system of reciprocal tariff concessions, all the countries involved can consider themselves as equal partners, whilst the continued existence of the free trade area principle is one of the reasons for the massive flow of French aid. But even this is likely to be reduced as a result of France's own economic and political difficulties. Some commentators have suggested that the reason for the attitude of the Dutch and West German approach is possible pressure from American interests who find it difficult to get a foothold in the 18. Certainly, M. Konan Bedie, the Economics and Finance Minister of the Ivory Coast considers that the Community is too willing to bow to pressure from the United States and other developing countries. At the same time, the 18 now recognise that perhaps some concessions will have to be made to other members of the Third World in working out the new convention, as the Six appear to have accepted the principle of such a move. The questions remains as to the scope of these concessions.

Apart from tariff preferences as such, there are likely to be further clashes over the Six's attitude towards African agricultural exports. The EEC measures adopted or under consideration for dealing with its butter stocks through a stimulation of consumption may well reduce the market for oil exports from the 18. Furthermore the Six appear to have done little despite their promises to bear in mind the effect of other aspects of the common agricultural policy on exports from the 18, and certain internal taxes limit consumption of tropical products. Under the 1964 convention a system of "production aids" was established to compensate for the difference between the price of major African exports and world prices. The proposed replacement of this by "aid for special circumstances" backed by only limited funds and applicable to certain crops (cotton, groundnuts and bananas) with the aim of merely cushioning the effects of a sharp fall in world prices has also come in for criticism.

The aid granted so far under the present E.D.F.- European Development Fund total of \$ 800 million has amounted to some \$ 730 million. But for a variety of reasons including population growth, the greater cost of capital goods and poorer terms of trade, the African associates would like the funds available under the new convention to be increased. Last week's Brussels meeting produced a request for some \$ 1,500 million spread over five years. As a number of EEC countries have indicated that they do not intend to increase their contributions beyond the level of the existing convention, further difficulties are likely. Nevertheless it has been suggested in informed circles that \$ 1,000 million or \$ 200 million p.a. might finally emerge as a compromise figure. In addition the Africans are also pushing for complete freedom to apply the E.I.B.- European Investment Bank and they favour the use of grants rather than loans. The problem of African industrialisation is a major one, and the 18 would like greater help in establishing export industries rather than small industries supplying the somewhat limited demand of their national markets.

The desire for a new convention exists amongst the countries involved, but at the same time because of the evolution of the Third World since the previous agreement, allied to the various internal developments of the Common Market countries, there is a strong likelihood that the eventual contents of the new convention may well mark a radical departure from the Yaounde Convention of 1964.

* * *

Austria - EEC Links

Last week saw a three-day official visit to Austria by the West German Chancellor Dr. Kiesinger. Amongst the problems which he discussed with his Austrian counterpart, Dr. Klaus was the question of an Austrian trading arrangement with the Common Market. This has been under consideration for some years, but has run into difficulties arising largely from political factors. These include the question of Austrian neutrality and Soviet pressure, as well as objections by Italy as a result of the dispute over the Southern Tirol and France has also tended to be lukewarm because of her general policy towards any expansion of the Community.

In a communique issued after the talks, the West German Chancellor stated that his government would back the Austrian proposals for a link with the Community "as far as was possible", and during a press conference Dr. Kiesinger also said that he was surprised by American objections to the proposed Franco-German plan for a trading agreement with the candidate countries. These objections which were put forward by the Johnson Administration, dealt with the apparent conflict between the proposed trading arrangement and the GATT rules.

INTEGRATION

"Summer Summitry'

The idea of a second Messina conference, the aim of which would be to relaunch the work of European integration, both within and outside the existing Communities continues to gain ground and win over new supporters. If it does take place, there are likely to be differences of opinion and emphasis, as to what should be the exact objectives. Nevertheless it might well serve to stir public opinion and stimulate politicians to break-out of the stagnating circle in which they are trapped. Many leading Europeans with different political views now seem to be moving along this road to a second Messina, or at least to a major European summit conference.

The support given by the leader of the French Independent Republicans, M. Giscard d'Estaing, to moves to strengthen the economic and political integration of Western Europe, was stressed again last week during his visit to the Commission in Brussels. As a leader of a group on the right of centre of the political spectrum, and former Finance Minister allied to the possibility of a major role after General de Gaulle leaves the scene, his views are considered important both within France and outside. After his talks with the Commission, M. Giscard d'Estaing said the governments should call a second Messina to review what had so far been accomplished by the Community and at the same time "to decide how they might begin negotiations with Britain covering both the enlargement of the Community and the strengthening of its institutions". He made it clear that today the countries of Europe could best safeguard their independence and sovereignty by working through the European institutions. On monetary matters he pointed out that although the European states have reserves totalling more than those of the United States, their strength and effectiveness is limited and they are "monetarily dependent". The Six should make every effort to use the coming months, and the proposals by the Commission's vice-president, M. Raymond Barre for the creation of a "monetary mechanism"to strengthen their links in the sphere of monetary cooperation, as another crisis might well occur which they would be unable to ride out. As part of these moves he wanted the rapid implementation of the S.D.R. - Special Drawing Rights on the International Monetary Fund.

The former Finance Minister proposed that the second Messina should begin by including only Britain and the Six so that the main problems involved could be tackled, before other countries were invited to take part. One may well ask what the reaction to such proposals will be in the capitals of the other candidate countries, although presumbably they would be kept informed of what was taking place. His attitude to the future of the Communities obviously differs from that of the French President, but basically it represents a view which is finding increasing support in France.

Only this week the French Information Ministry issued a document claiming that the way Britain had used the talks which Mr. Soames had with General de Gaulle, was allied to a desire to create a crisis in the Western European Union so that London could continue its attempts to isolate France from the rest of her Common Market partners. France, it was stated, opposed efforts to make the WEU consultations "obligatory" since this might well result in the gradual inclusion of matters covered by the EEC Council. She would continue to boycott WEU meetings until the rule of unanimity was observed. This meant that she was absent from last week's London meeting of the permanent council on March 26, the fifth which she has not attended. Although the legal justification for the WEU meetings may be open to some doubt, the French do not strengthen their own case by accusing Britain of trying to isolate them from the rest of the Common Market, if they continue to boycott the WEU. Furthermore all of the Five and Britain have stated that they would welcome French participation. But there can be little doubt that fresh steps to strengthen the WEU's position as a link between the Six and Britain are intended. During a speech to the Political Committee of the WEU in Rome, the Italian Foreign Minister said that further efforts to this end would be made during the meeting of the WEU Ministerial Council in the Netherlands in early May. The present indications are the French representatives will not attend.

The conviction that something must be done to revitalise European integration, which nevertheless continues to make progress in many sectors without a great deal of attention being paid, and often without governmental assistance, is growing. It now seems almost certain that proposals to further this end will be made within the next few months, and a major French offensive to regain some of the initiative she has lost, may well result in France making the first move.

* * *

STUDIES AND TRENDS

"The Aluminium Industry of The Americas"

by
John D. Harper
Chief Executive Officer of Aluminium Company of America

I - PRODUCTION

Raw Materials and Refining

Great tonnages of bauxite have been mined in the Americas. This part of the world now produces about half of the world's total supply. And there, as elsewhere, geology has favoured the equatorial belt in the formation of aluminium-bearing ores. Bauxite is found in abundance in this area, particularly in the Caribbean Islands and in northern South America.

In the early days of the industry, proximity and convenience led to extensive use of high quality deposits in the U.S., and a few of these are still productive. Today, the United States produces less than 10% of the Hemisphere's bauxite while Jamaica produces 47%, or nearly a quarter of total world production. After Jamaica, in order of output, are Surinam, Guyana, United States, Dominican Republic and Haiti. Brazil, which at present has the smallest bauxite production, is currently making increasing use of ore deposits in the State of Minas Gerais. Other known deposits in Central America, South America and the Caribbean are not yet being worked, although the possibilities are constantly being explored and evaluated.

Refining facilities in the Americas roughly correspond to the needs of the industry's primary producers. Refining capacity is currently about 8 $\frac{1}{4}$ million mt with over 11 million mt projected in the near future. This is roughly 65% of the world total. By far the greatest proportion of capacity is in the United States and Canada, where there is a combined total of 6$\frac{3}{4}$ million mt. However, there is a large refining plant in Surinam which has recently been expanded to more than 1 million mt. And there are large alumina plants in Jamaica and Guyana, with much smaller ones in Brazil.

Aluminium Production and Fabricating

With regard to primary metal, North and South America together account for about half of total world aluminium production -- including that of the Eastern European countries. The combined total in 1967 was a little less than 4 million mt as compared with nearly 8 million mt for the entire world. Actually, all but a fraction of a percent of this Western Hemisphere total was from North America, with the United States alone accounting for 75% of it.

In view of its size, the United States aluminium industry is complex and highly developed. U.S. primary production in 1967 was about 3 million mt, and eight companies shared in this total. The three leading companies in this group are among the four largest aluminium producers in the Western World; the other is Canada. If all currently planned smelter projects are completed, there will probably be 12 or more primary producers by 1972 with a combined production capacity of about 4 million mt.

The larger producers are fully integrated, with their own mining, refining, smelting and fabricating facilities, and all are in various stages of integration. In addition, the U.S. alone has about 70 companies producing secondary aluminium from scrap; several hundred producers of wrought products and several thousand castings producers.

Canada also deserves special mention as the world's third largest aluminium producing country. Its 1967 total production of about 875,000 mt is exceeded only by the United States and the Soviet Union. Canada's smelters are based neither on local demand nor on their own local supplies of ore, but on an abundance of hydroelectric energy which offers favourable power costs. Considering the size of the local market, Canada's fabricating industry is quite active. However, its volume limits the variety of products that can be offered, and the market must import products of certain types, including those of a more sophisticated nature.

Other aluminium-producing countries of the Western Hemisphere -- Mexico, Brazil, Venezuela and Surinam -- have much smaller capacities and, except for Surinam, are geared to the requirements of home markets. The needs of these countries that have local markets are growing, and smelter capacity is being added in each case. Latin America is as yet far behind the highly developed countries of the world in manufacture and use of aluminium, but a full-fledged industry is beginning to emerge, especially in Mexico and Brazil.

Expansion

A subject which should be mentioned at this point because of its potentially far-reaching effects is that of industry expansion, for there has been considerable discussion of the dangers of over-capacity in recent months. First, continued growth is expected in demand for aluminium in many areas and it is the industry's responsibility to have the capacity to meet this rising demand. The critical problem is one of timing. While demand tends to rise on a straight line basis, capacity must be added in increments, much like the steps of a staircase. The challenge to the industry is to keep that top step at or above the growing demand line to encourage new uses of our products, yet close enough to avoid the costs of idle facilities resulting from over-expansion.

In the U.S. and Canada, something less than a million mt of additional primary capacity have been scheduled by 1972. Other projects have been publicly mentioned and some will no doubt be carried to completion. Elsewhere in the world, a similar trend is evident. New projects are being announced with a frequency that causes one to wonder whether all are equally well-considered decisions.

Each project must of course be evaluated on its own merits within the framework of industry trends. However, it would be prudent for every producer, or would-be producer, anywhere in the world to be reasonably sure of his market before bringing large increments of capacity into production. Because of the heavy investment required, it seems unlikely that anyone would become committed without adequate information as to market potential, and this must be true of the major producers. However, one must be cautious, and urge that everyone concerned be governed by the sense of responsibility which has characterized the major factors in this industry in recent years.

Fortunately, some expansion plans of the major companies in the U.S. currently have a measure of built-in flexibility. First is the fact that many announced plans for smelting expansion involve additions to existing facilities. The major participants in this industry are therefore able, within limits, to apply and release the brakes on construction schedules to relieve imbalances when such seem to be developing between supply and demand.

Another factor which happens to provide some flexibility in the U.S. aluminium supply situation today is the U.S. Government stockpile disposal programme. This programme was negotiated with the industry in 1965 to reduce the reserves of primary aluminium maintained in the event of a national emergency. Under this programme, seven primary producers agreed to buy back, over a period of not more than 14 years, a total of about 1.3 million mt of ingot for commercial use. Their contracts permit accelerating their buying programmes and applying these accelerated purchases against commitments for subsequent years. Under certain circumstances, the minimum annual purchase may be deferred. This arrangement has been used effectively by the industry to help smooth out the peaks and valleys of fluctuating demand.

Related Economic Factors

Related to this question of primary production in the USA are a number of other economic aspects. One is the composition of the industry.

In recent years, the internationalization which is apparent throughout the world is also becoming very evident in the U.S. aluminium industry. It is common to think of North American producers investing in operations elsewhere in the world, but less is known of the extent to which producers from other countries are developing an important stake in the U.S. If all publicly discussed projects materialize, companies from five countries (France, Germany, Canada, Switzerland and Japan) will within a few years have an equity position in about 750,000 mt of primary aluminium production capacity in the U.S. Companies from several of these countries already have a significant foothold in fabricating facilities, and a British company has a secondary smelter in the state of Ohio.

Another economic aspect of some significance is the change that has taken place in industry logistics. The location of plants has always been greatly influenced by such factors as the remoteness of ore, the availability of electric energy and the location of markets. Under the influence of technological change, and internationalization of production and marketing, arrangements have become considerably more flexible, with many resulting advantages.

For example, the bauxite refining process was frequently carried out long distances from the ore supply because many deposits were remote and it was preferable to do the chemical processing in an industrialized country. Now, previously remote bauxite deposits have become practical sites for refining and, in some cases, even smelting operations. Good examples, of course, are Surinam and Jamaica.

In much the same manner, technological developments have freed the industry from reliance on hydroelectric sites for smelting. Now, where logistics favour the use of thermal energy from solid fuels, the industry can take advantage of locational factors as in the case of combination smelter-fabricating plants located on the Ohio and Mississippi Rivers in the U.S.

A development which may in time give the industry even greater freedom of location is atomic energy. This source of electricity is still not generally competitive with thermal sources or hydro, but progress is being made. I have no doubt that it will eventually be used for aluminium industry purposes when the economic circumstances are right.

These developments all have far-reaching consequences for the industry, and are factors which must be borne in mind for the future. They are all very real to the United States, where they have already had an impact on production strategy and planning.

A final point with respect to production is the great increase in production efficiency which has been realized in the past decade or so - certainly in Alcoa, but the same pressures and motivations have presumably produced similar gains by other firms in the industry.

II - DEMAND

With this background on supply, let us turn our attention to the market, or demand, side of the equation. Last year was a period of general sluggishness in the U.S. economy. Neither supply nor shipments varied substantially from results recorded for 1966. An increase in production amounting to about 270,000 mt was more than offset by a reduction in withdrawals from the government stockpile and a reduction in imports.

Unusual problems in two of the industry's largest markets contributed to the fact that shipments failed to rise. First, there were labour troubles which curtailed automotive production for the year. Second, the tight money market of 1966 had a restrictive effect on construction activity throughout 1967. The total impact of a slowdown is illustrated by the fact that, without these two industries, shipments to all other markets showed an increase of about 4%. Toward the end of 1967, the picture began to change. One of the most significant indicators at that time was a noticeable increase in industry shipments for the month of December This indicated an abrupt change in demand which led to a vigorous growth of orders and shipments during the first five months of 1968. There have been some suggestions that much of this buoyant upturn so far in the first half of 1968 constitutes inventory accumulation as a hedge against a possible work stoppage when major labour contracts expired June 1. While some of this added business was no doubt on that basis, we are certain that it is not the sole reason for the sharp upturn. There is encouraging growth in key industries and the aluminium business has been extremely good so far this year.

As a world trader in aluminium, the United States cannot be said to fare well on balance. In 1967, a year in which imports fell sharply while exports rose, the United States still received total imports of more than 500,000 mt against total exports of nearly 350,000 mt. Most of this trade was in ingot, with about 80% of the ingot coming into the U.S. from Canada and about 13% from Norway.

U.S. primary aluminium exports were distributed in the following pattern: 27% to the European Common Market, 18% to Japan, 10% to the United Kingdom and smaller percentages to Brazil, India and Argentina.

So much for the U.S.A. - for the full picture of the sector in the hemisphere at large, one must now turn to Canada and Latin America, beginning with Mexico, where the year 1967 was a particularly good one for aluminium. Primary production increased slightly as the only producer operated at more than 100% of theoretical capacity most of the year. Fabricators in particular reported good growth, with the sales upturn strong in the construction industry. Prospects for 1968 are bright.

In some other Latin American countries, the situation is not entirely clear. The market for aluminium in Brazil has excellent potential, but this country -- like many in Latin America -- has economic problems which the government is trying hard to overcome.

The recent progress of Brazil in curbing inflation while keeping the economy moving forward has been encouraging, and there is reason for confidence that the market for aluminium products there will grow at an attractive rate as the general economy develops.

In the latter part of the year, Venezuela became a primary producer with the completion of a 10,000 mt smelter which is soon to be expanded.

The largest smelter in South America is in Surinam, where Surinam Aluminium Company has an integrated mining, refining and smelting complex capable of producing 72,500 mt of primary metal and a much larger amount of alumina. As the domestic market in Surinam is negligible, this operation produces almost exclusively for export. Since Surinam is an Associate Member of the European Economic Community, its metal enters the Common Market free of duty. Surinam also supplies the United States with bauxite, alumina and some primary metal.

Canada, a far larger producer, is also heavily dependent on an export market. While domestic primary production totalled some 875,000 mt, as mentioned earlier, the local market in 1967 used only about 180,000 mt. Canada's three principal export customers for aluminium were the United States, the United Kingdom and Japan -- and ingot was by far the leading product in volume of sales. The largest share of aluminium imports into Canada is represented by aluminium sheet of various types, with the United States and the United Kingdom leading suppliers.

It is hardly possible to talk about imports and exports without mentioning the Kennedy Round Tariff Negotiations which were concluded in the spring of 1967. In view of the U.S. trade balance in aluminium cited a few minutes ago, it may be of interest to note that the negotiations accomplished very little in the way of trade liberalisation that would benefit the U.S. aluminium industry. In fact, it is fair to say that the U.S. gave more than it gained. At the 1 ¼ ¢ per pound level prevailing prior to the negotiations, the U.S. tariff on ingot was already so low -- only 5% ad valorem -- that the import volume was virtually governed by the state of the market. Yet by agreement even this amount is to be reduced to 1 ¢ although the EEC common external tariff was not lowered. In fact, the EEC quota of metal that could be imported at a reduced rate was cut from the previous year. The tariff on sheet, plate, rod and bar was lowered to 12 ½% as compared with a U.S. and Canadian rate of 2 ¢ a pound, or 6.3% ad valorem, to be in effect by 1971. All other participating countries made reductions, mostly from much higher levels.

III - MARKETS

Because of the overriding importance of the U.S.A. as regards the role of markets in the Hemisphere picture, it is reasonable to concentrate mainly on this. The largest market for aluminium in the U.S. is transportation, although the construction industry was a very close second in 1967. Many unusual possibilities in the transportation market are developing now; and no doubt tomorrow, with the need to move vast populations

April 3, 1969. A

EUROFLASH - HEADLINES

AUSTRIA	German BOSCH joins with FRIEDMANN & MEIER: fuel injectors	H
BRITAIN	Dutch FASSON (American AVERY) to build adhesives plant	E
	MITCHELL COTTS takes over WORMS London shipping agency	U
FRANCE	TURBOMECA-SNECMA link-up for work on "Larzac" engine	B
	American GENESCO bid for JOURDAIN (Cardin and Dior shoes)	E
	TRANCHANT ELECTRONIQUE to make SONY radio, TV etc on licence	F
	DIEBOLD-COMPUTER LEASING, STE GENERALE, ROTHSCHILD link	F
	INTERCONTINENTAL SYSTEMS forms EDP sales firm on MDS premises	F
	More moves in THOMSON-HOUSTON/C.S.F. reorganisation	G
	Major oil holding companies regroup: PARIBAS benefits	P
GERMANY	MESSERSCHMITT, FIAT, FOKKER and BAC link for M.R.C.A. fighter	B
	THAMES SERVICE (industrial cleaning) opens 3rd branch	E
	PHILIPS takes minority interest in DUELLMANN electricals	G
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LUXEMBOURG	ROBERT FLEMING forms indirect CROSBY $ 4 m investment trust	N
NETHERLANDS	Major property, building merger: PAKHOED and NEDERHORST	C
	ESSO California and S.H.V. link for lubricants marketing	Q
S. AFRICA	NORDDEUTSCHE AFFINERIE forms electro-copper supply company	H
SPAIN	GRANADA's TELERENT TV hire service sets up in Madrid	T
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	SCIENTA, on IRC lines backed by GEC/EE, BOSCH etc.	L

CONTENTS

ADVERTISING

** A French advertising company which will be classified under "Television" in the press, TELE-PRESSE Sarl, Paris (capital F 20,000) has been established as the result of a new agreement between the Paris agencies AGENCE HAVAS SA (see No 504) and PUBLICIS SA, whose 50% stake is directly held by its subsidiary REGIE PRESSE SA (see No 473).

The two founders have both reorganised their internal organisation during recent months in moves which led to the formation of Havas Conseil SA and Publicis-Conseil SA. Both groups were already linked since 1967 within two joint subsidiaries, Elysees Richelieu Sarl and Regie Est Sarl, whose co-managers MM. Jean Joly and Jacques Wormser are also the first managers of Tele-Presse.

AEROSPACE

** Three European aerospace firms, MESSERSCHMITT-BOELKOW GmbH, Ottobrunn and Munich (see No 499), FIAT SpA, Turin (see No 505) and NV KON.NED. VLIEGTUIGEN-FABRIEK FOKKER, Amsterdam (see No 500) have linked with B.A.C. - BRITISH AIRCRAFT CORPORATION LTD, London (see No 502) in order to establish a company to design, produce and sell the M.R.C.A. (Multi-Role Combat Aircraft) supersonic fighter due to come into service during the mid-seventies.

A joint company called PANAVIA AIRCRAFT GmbH (initial capital Dm 120,000) has been formed in Munich. The British and German groups will each have a 33.3% stake, with the remainder shared equally between Fokker and Fiat.

** TURBOMECA SA, Bordes, Basses-Pyrenees (see No 501) and SNECMA - STE NATIONALE D'ETUDE & DE CONSTRUCTION DE MOTEURS D'AVIATION SA, Paris (see No 502) have joined in forming a G.I.E. - groupement d'interet economique - in Paris under the name GROUPEMENT TURBOMECA-SNECMA-G.R.T.S. With MM. Raymond Florenti of Snecma and Elie Lacrouts of Turbomeca as directors, this group is to carry out R & D for, construct, sell and maintain a new jet engine called the "Larzac", which has been designed for the S.N. 600 twin-engined executive jet - the "Diplomate", which is being built jointly by NORD and SUD AVIATION (concentration with SEREB recently agreed in principle - see No 501). The engine will also be used in the "Mystere 10" aircraft currently being developed by Ste des Avions Marcel Dassault Sarl (see No 503), and in the proposed Franco-German trainer.

AUTOMOBILES

** The Belgian motor coach and industrial vehicles builder VAN HOOL & FILS Sprl, Koningshooikt, Antwerp (see No 497) has wound up its Bobigny, Seine-St-Denis subsidiary VAN HOOL FRANCE Sarl (capital F 500,000), formed in October 1964, and appointed MM. Georges Klitting and Francois Vincent as liquidators.

The Belgian concern has not lost all its stake in France, however, as it has for two months had an F 1 million subsidiary at Vaujours, Seine-St-Denis, named VAN HOOL S.A.F. (chairman M. Alphonse van Hool).

BUILDING & CIVIL ENGINEERING.

** The basis of a link-up in the Dutch property construction and management sector between the VERENIGDE BEDRIJVEN NEDERHORST NV, Gouda group (see No 475) and PAKHOED HOLDING NV, The Hague (see No 501) has been agreed. A joint subsidiary will be formed to take over Nederhorst's controlling stake in the building materials concern STRAATSTEENFABRIEK NEDERHEMERT NV, Brakes (capital recently raised to Fl 1 m - see No 487 - acquired some months ago from the Rotterdam petrochemical firm Vlismard NV), whilst Pakhoed Holding will make over its stake in EURO-WONINGEN NV, The Hague (see No 501). Held through its subsidiary Blauhoed NV, this shareholding now stands at 25%, but the group intends to raise this to 100% by acquiring the stakes held by Beheermij. "Eurohuis" NV, The Hague (50%) and S.H.V. - Steenkolen-Handelsvereeniging NV, Utrecht (25% - through Beleggingsmij. Unitas NV, Rotterdam).

Nederhorst has also gained control of Ijzergieterij W. Ten Cate & Zn NV, Almelo (240 employees), which makes castings, piping and plastic products for the building industry, as well as controlling four subsidiaries Friese Ijzergieterij NV, Ten Cate Kunststoffen NV, Imefa Ingenieurs Bureau NV and Metaalgieterij Friesland NV (all in Heerenveen). This move will give a considerable boost to its new parent company's stake in the building materials sector in which it already has two subsidiaries. Wegenbouw Mij. Nederhorst v/h de Zandpaal NV and Hollandsche Basaltine-Tegelfabriek NV, Dordrecht.

** NAMUR PROMOTION (N.P.) SA, Namur (capital Bf 1 m) has just been formed with M. Leon Stavart as president by four Belgian companies to design and prepare property development schemes.

The four founders are LES ENTREPRISES BAJART & NOEL SA, Namur, GENERAL COTTAGE SA, Bossiere, Mazy (15% each) and ETS JEAN-MARIE LEDOUX Sprl, Namur and RHODIUS-DEVILLE SA, Namur (27.5% each) with the remainder belonging to M. Henri G.A. Pirard, Champion.

** STE FRANCAISE DES COFFRAGES UNI-FORM Sarl, Aulnay-sous-Bois, Seine-St-Denis (capital F 300,000) has just been formed with M. Henri-Albert Lamarche as manager. This will manufacture, promote and market "Uni-form" shuttering made by the Dutch company NV MIJ VOOR TOEPASSING VAN ARBEIDESBESPARENDE BOUWMETHODEN "METAB".

** Messrs Jack R. Bateman, Alan G. Raven (both of London) and Charles E. Bishop, Southampton have played a leading role in the formation of CAS FRANCE SA, Paris (capital F 100,000) with M. Charles-Adolphe Leroux as president. This will acquire and manage properties as well as acting as a technical consultant to the hotel trade.

** The West German civil engineering plant firm HUENNEBECK GmbH, Lintorf is the majority shareholder in the newly-formed Austrian concern, HUENNEBECK GmbH AUSTRIA Vienna (capital Sch 3 m).

The founder (capital Dm 6 million - annual turnover around Dm 60 million), a family concern employs some 500 persons. There is a Swiss subsidiary Hünnebeck AG, Zug (formed 1962 - Sf 100,000) and it is linked 50-50 with the American company Rex Chainbelt Co, Milwaukee, Wisconsin (see No 501) in Rex Hünnebeck GmbH, Düsseldorf.

CHEMICALS

** WILHELM RAHMANN, Frankfurt (chemicals for the printing industry - see No 423) which is the representative of the American company, HUNT CHEMICAL CORP, Long Island, New York has backed the formation in Switzerland of a sales company. This is called AUTAL GmbH, Burgdorf (capital Sf 20,000) and is run by Herr Hans Ruprecht.

** BLOCK DRUG CO, New Jersey (toiletries and household cleansing products - see No 420) has made its Belgian subsidiary, STAFFORD MILLER CONTINENTAL SA, Oevel (see No 321) responsible for the expansion of its French interests. The latter has therefore formed LABORATOIRES STAFFORD MILLER Sarl (capital F 20,000) in Boulogne, Hauts-de-Seine with M. J. Tardy as manager.

Headed by Messrs Leonard and James A. Block, the New Jersey company controls a long-established West German branch in Ratigen (formerly in Düsseldorf).

** The American group D.A. STUART OIL CO, Chicago, Illinois (chemical lubricants) has increased to Lire 100 million the capital of its Milan affiliate BRYCE CHEMICALS SpA (see No 461) in order to back its expansion. At the same time the Milan firm has had its name changed to D.A. STUART OIL ITALIA SpA.

This was formed in early 1968 by two of the group's Toronto subsidiaries, D.A. Stuart Oil Co Ltd (majority shareholder) and Canadian D.A. Stuart Oil Ltd. It is linked with similar companies in West Germany (Raunheim, Main) and in Britain (Wolverhampton).

** The failure of the Dutch insulation concern NIPLIN NV, Rotterdam has led its main shareholder (60%) the West German RHEINHOLD & MAHLA GmbH, Mannheim (polyurethane foam and mineral wool based insulation and sound-proofing products - see No 471) to take over the factory and most of the 130 employees.

The Mannheim firm has had a 90% Rotterdam subsidiary since September 1966, Rheinhold & Mahla Nederland NV (including a recently-opened Antwerp branch) in association with its own parent-company Vereinigte Korkindustrie AG, Mannheim.

** THE THAMES SERVICE DEUTSCHLAND GmbH, Velbert (see No 347) which operates in the industrial cleaning sector has now extended its sales network by opening a branch in Stuttgart, in addition to those in Hamburg and Neu Isenburg.

The Velbert company was established during 1963 by British interests with Mr. J.C. Ellis, Cheam, Surrey holding 90% and the remainder shared between THAMES SERVICE (KINGSTON) Ltd, Worcester Park, Surrey and Mr. A.J. Bunker (5% each). There is also an Amsterdam sister company called Thames Service Nederland NV, which was formed during 1967 with a capital of Fl 100,000.

** The Dutch adhesive products concern FASSON (NEDERLAND) NV, Leyden (sticky labels and strip, plastic film etc), which a few months ago brought a new factory at Hazerwoude into operation (see No 389), has decided to build a self-adhesive products factory now at Cramlington in Northumberland. The investment required will be £700,000, and the works will come into production before the end of this year, with 300 people on the payroll.

The Leyden concern is a subsidiary of the American group AVERY PRODUCTS CORP, San Marino, California (see No 420), which has numerous interest in the EEC and in Europe at large: in particular "Avery" firms in Cinisello Balsamo, Milan; Corbeil, Essonne; Hamburg; Hemel Hempstead, Herts; etc, and "Fasson" companies in Boulogne, Hauts-de-Seine; Milna, Zurich, Leyden (branch in Brussels) etc, plus "Rotex" concerns (selling tape embossing machines) in Paris, Milan, Munich, Leyden etc.

CONSUMER GOODS

** The American company THE MAYTAG CO, Newton, Iowa (turnover $ 140 m - see No 244) which is ranked amongst the top US manufacturers of washing machines has decided to sell its 99% majority in HOMANN-MAYTAG GmbH, Sarstedt, Hanover. Until 1964 this had belonged to the West German company HOMANNWERKE WILHELM HOMANN WUPPERTAL-VOHWINKEL, Wuppertal-Vohwinkel (see No 242) and it will now be taken over by a company specially formed for this purpose VOSSWERKE GmbH whose capital of Dm 100,000 is shared 50-50 by Herren Walter Harries and Norbert Nicolaus.

The American company will keep its Brussels subsidiary, Maytag Belgium SA.

** The American group GENESCO CO INC, Nashville, Tennessee (see No 478) is negotiating for control of the French STE DES CHAUSSURES CHARLES JOURDAIN & FILS SA, Romance, Drome (high-quality ladies shoes). The latter is a family-owned concern and its "Seducta", "P.Cardin", "Ch.Dior" shoes account for annual sales exceeding F 60 million. The American group has long been represented in Paris by a subsidiary Genesco SA (formerly Formfit France SA, controlled by Formfit International Inc, Kingston, Jamaica - see No 344). With M. P.Borenstein as president this trades in clothes, underwear, shoes, swimwear, gloves, etc.

** The French "Feudor" lighters and smokers' requisites concern ETS GENOUD & CIE SA, Venissieux, Rhone (see No 446), has formed a new subsidiary in Liege named FEUDOR SA (capital Bf 500,000). A token stake in this is held by UNION ALLUMETTERIE SA of Brussels (see No 375), a subsidiary of the Stockholm group SVENSKA TAENDSTICKS A/B (see No 495).

** The Japanese electrical and electronic group SONY CORP Tokyo (see No 424) and it has signed a licensing agreement with its French representative (since 1962) TRANCHANT ELECTRONIQUE SA, Clichy, Hauts-de-Seine (see No 451) giving the latter the right to manufacture "Sony" radios, televisions and tape-recorders.

The Tokyo group already has a European manufacturing subsidiary in Ireland, Sony Ltd, Shannon and since 1968 has had a London sales subsidiary Sony (U.K.) Ltd. (capital £ 40,000).

DATA PROCESSING

** The American DIEBOLD-COMPUTER LEASING INC, Jersey City (see No 457) intends to acquire a stake in the French market by forming an 80% Paris subsidiary. The remainder (10%) will be held by the banking groups STE GENERALE SA (see No 504) and BANQUE ROTHSCHILD SA (see No 503).

At the end of 1968 the founder's computers were valued at £136 million. It was established in late 1967 by a link-up between The Diebold Group Inc, New York (see No 502), Bankers Leasing Corp (wholly-owned subsidiary of Southern Pacific Co) and Commercial Credit Co, Baltimore, Maryland, (a member of the Control Data Corp, Minneapolis - see No 489). In late 1968 it formed the British subsidiary Diebold Computer Leasing Ltd in association with the London group Great Universal Stores Ltd. The Diebold Group already has two direct French subsidiaries Diebold France SA (see No 446) and Diebold Conseil Sarl (both in Paris).

** The American computer - and data - processing leasing company INTER-CONTINENTAL SYSTEMS INC, Palo Alto, Los Angeles, California (see No 472 - headed by Messrs George M. Ryan, Enrico, California and James E. Wilson, Monte Carlo) has formed a new Common Market subsidiary INTERCONTINENTAL SYSTEMS INC (FRANCE) SA (capital F 100,000) whose president is M. S.A. Mayzner, Monte Carlo. Operating primarily as a sales company this will be based on the premises of M. D.S. FRANCE, Neuilly-sur-Seine (formed in 1967 at St.-Maur, Val-de-Marne - see No 420) which distributes and leases the print-out equipment made by Mohawk Data Sciences Corp, Herkimer, New York (see No 438) which is marketed by several other European companies: M.D.S. Italia SpA, Rome; M.D.S. Nederland, Haarlemmermeer (formerly Anelex NV - see No 416 taken over by Mohawk in late 1967); M.D.S. Deutschland GmbH, Frankfurt; M.D.S.Benelux SA, Forest-Brussels.

The Palo Alto firm is represented in West Germany by a Stuttgart subsidiary Nog-Neue Organisations-Maschinen GmbH & Co KG (see No 413) as well as by a branch in Wiesbaden. In Britain, its representative since late 1968 has been Intercontinental Systems Inc (U.K.) Ltd, and in Italy, Ditta Luigi Luciano Hugnot Sas, Milan.

ELECTRICAL ENGINEERING

** AEG ITALIANA SpA, Milan (subsidiary of the AEG-TELEFUNKEN, Berlin group - see No 500) has taken over as representative in Italy for HUGO MIEBACH GmbH, Dortmund (electro-welding machinery and switchgear equipment). With some 700 employees this has an annual turnover of around Dm 20 million.

The Italian company is also the representative for AEG Elotherm GmbH, Remscheid-Hasten, the joint subsidiary of the Berlin group and of Deutsche Edelstahlwerke AG, Krefeld (see No 427) which is a 94.4% interest of the August Thyssen-Huette AG group, Duisburg-Hamborg (see No 505).

** PHILIPS' GLOEILAMPENFABRIEKEN NV, Eindhoven (see No 502) has extended its already dense coverage of the German market by taking a minority interest (through ALLDELPHI - ALLGEMEINE DEUTSCHE PHILIPS INDUSTRIE GmbH, Hamburg) in the H.T. and L.T. electrical equipment, cables and switchgear concern ERNST DUELLMANN KG, Dortmund.

The latter is a family firm, employing some 1,300 people for a turnover in 1967 of Dm 40 million. It has a subsidiary in Geneva, Rhone-Electra SA, formed in 1961 with Sf 50,000 capital.

ELECTRONICS

** The Japanese domestic appliances, T.V., radio, tape recorders, toasters ("Sharp" marque) and office calculators ("Compet") concern, HAYAKAWA ELECTRIC CO LTD, Osaka (see No 458), long represented in France by S.T.E. - STE DE TELECOMMUNICATIONS & D'ELECTRONIQUE SA, Paris, has now formed its own company. This is called SHARP-FRANCE Sarl, La Garenne-Colombes, Hauts-de-Seine, and is to trade in, and act as an agent for the parent company's electronic equipment: it has F 25,000 capital, and its equity-holding manager is M. Henri Desfilles.

** THOMSON - C.S.F. SA, Paris plans to form a subsidiary in New York to sell its electronic tubes in the U.S.A. and Canada. This will be called THOMSON-C.S.F. ELECTRON TUBES.

The parent company is soon to become controlled by CIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT SA, when it raises its current stake of 46% to over 50% by having it absorb its Paris subsidiary Thomson-Varian SA, which became a 100% interest recently when VARIAN ASSOCIATES INC of Palo Alto, California (see No 502) was bought out of it. Further to this regrouping of Thomson-C.S.F. interests with those of its parent company, S.P.C. - Ste Parisienne de Condensateurs SA, Montrouge, Hauts-de-Seine (Thomson-Houston's capacitor subsidiary) will be absorbed by its subsidiary L.C.C. - C.I.C.E. Cie Europeenne de Composants Electroniques SA, Montreuil, Seine-St-Denis (see No 413). In the semiconductors field, it is to regroup its activities around SESCOSEM, which will come out of the merger of Ste Europeenne des Semiconducteurs - SESCO SA (wholly-owned subsidiary of Thomson-Houston since the buying up a few months ago of the 49% stake held by the New York General Electric Co group - see - No 482) with its subsidiary Cie Generale des Semi-Conducteurs - COSEM (see No 492). Abroad, there is being considered the merger of its affiliate MISTRAL - Manifattura Intereuropea Semi-Conduttori Transistori SpA, Sermoneta, with Thomson Semiconduttori SpA, Milan (Thomson-Houston subsidiary).

As a result of its planned absorption of SNE-RI-Ste Nouvelle d'Electronique & de Radio-Industrie SA, Paris (see No 471), in which its stake is 67%, Thomson-Houston will further raise its capital to F 269 million. Early in 1967, this company made over its radar and industrial electronics division to its parent company, and its data processing and visual display section to another firm in the group, Thomson Informatique & Visualisation - T. I. V. SA, Paris.

ENGINEERING & METAL

** HASENCLEVER & CO KG, Lüdenscheid-Hellersen (plastic moulds and processing equipment) has formed an Austrian sales subsidiary called HASENCLEVER GmbH, Vienna (capital Sch 100,000) with Herr Rolf Hasenclever as manager.

** SOPAME SA, Sens and Paris (foundry and steel plant equipment) has formed a Madrid subsidiary called SOPAME IBERIA SA (capital Ptas 6 m).

** An agreement covering the development, production and sale of diesel fuel injection equipment has been signed between the West German group ROBERT BOSCH GmbH, Stuttgart (see No 500) and the Austrian group FRIEDMANN & MAIER KG APPARATE-BAU & MASCHINENFABRIK, Hallstein, Salzburg (around 500 employees). This will result in the formation of a joint subsidiary whose chief aim will be to promote sales to the East Bloc.

The German group (1968 turnover Dm 3,100 m) has a specialised factory working in this sector at Stuttgart-Feuerbach.

** NORDDEUTSCHE AFFINERIE AG, Hamburg (see No 495) which accounts for 75% of West German electrolytic copper production, aims at assuring its supplies of raw materials from South Africa and bordering countries through the formation of a specialised Johannesburg subsidiary called SOUTH AFRICAN ORE CORP LTD. Its partner in the new company is OTAVI MINEN EISENBAHN GESELLSCHAFT, Frankfurt (see No 339) which already has numerous South African subsidiaries controlled by Otavi Mining Co (Pty) Ltd, Johannesburg. These include Marga Earthworks (Pty) Ltd, Mountain Minerals (Pty) Ltd, Bronx Mining and Investments (Pty) Ltd, Bronx Clay Corp (Pty) Ltd, Mara Clay Corp (Pty) Ltd, South Africa Feldspar (Pty) Ltd all of which are based in Johannesburg. There is also Otavi (Pty) Ltd, Swakopmund, South West Africa.

For its part Norddeutsche Affinerie (1967 turnover Dm 1,130 m) is controlled by METALLGESELLSCHAFT AG, Frankfurt (40% - see No 503), DEGUSSA AG, Frankfurt (40% - see No 504) and THR BRITISH METAL CORP, London (20% - a member of the Amalgamated Metal Corp - see No 441).

** The West German manufacturer of air-conditioning equipment LTG LUFTTECHNISCHE GmbH, Stuttgart-Zuffenhausen, has paid F 150,000 to acquire the business and goodwill in Lille of CIE GENERALE D'EQUIPEMENTS Sarl, which trades in technical and air-conditioning equipment. The West German company (capital Dm 10 m) is owned by the Klein family and is represented in Düsseldorf, Munich and Münster, Westphalia.

** The West German mining and metal group KLÖCKNER-WERKE AG, Duisburg (see No 475) has formed a wholly-owned subsidiary called FERROFORM GmbH, Duisburg, which will promote steel utilisation in the building industry.

The group has just decided to withdraw from its proposed merger with Ilseder Hütte, Peine, and Salzgitter Hüttenwerk AG, Salzgitter, which would have resulted in the formation of NORD-STAHL AG, in which the three companies' respective shares would have been 43.6%, 25.1% and 33.3%. The three companies are, however, linked within the steel sales organisation Walzstahlkontor Nord GmbH, Essen (see No 404).

** The Dutch poultry machine firm APPARATENBOUW MOBA NV, Barneveld (egg candling, poultry weighing, egg sorting and packaging equipment) has formed a Düsseldorf sales subsidiary called MOBA GmbH SORTIERMASCHINEN (capital Dm 20,000) with Messrs Egbertus Arnink and Günter Malkus as managers.

The founder, which is run by Mr. J.A. Mosterd, already has two foreign subsidiaries Apparatebau Moba AG, Basle (formed in 1965 - see No 311) and Moba NV (United Kingdom) Servicing Ltd, London (formed in 1966 - see No 347).

** The Milan group FRATELLI BORLETTI SpA (precision engineering for the car industry - see No 263) has formed a Luxembourg investment company called STE INTERNATIONAL DE MECANIQUE INDUSTRIELLE SA (capital Bf 35 m) with Sig Ferdinando Borletti as director.

Borletti (a 33% affiliate of the FIAT, Turin group - see No 502 - capital Lire 2,400 m) has a world-wide network of agents and representatives. For several years now it has had a subsidiary in Brussels, S.C.A.P. - STE COMMERCIALE D'ARTICLES DE PRECISION SA.

** The West German engineering concern A. NEHER, MASCHINENFABRIK STAHL- & APPARATEBAU GmbH, Aschaffenburg has strengthened its Dutch interests by forming a 90% subsidiary in The Hague called NEHER (NEDERLAND) NV (capital Fl 50,000). The remainder is held by a Dutchman Mr. Paul Charlouis, Havelte, Drente.

With Herr Hans Uberger as manager, the founder (capital Dm 100,000) employs some 160 persons and has an annual turnover of around Dm 10 million.

** The French machine tool firms ATELIERS G.S.P. SA, Courbevoie, Hauts-de-Seine (see No 384) and ETS. VICTOR LINE Sarl, Albert, Somme, have decided to regroup some of their interests (especially grinding and special cutting machines). A subsidiary called LINE - G.S.P. SA will be formed in which G.S.P. will be the majority shareholder. This will be run by M. Andre Line, and will carry out research, development, assembly, maintenance and sale of new machines, decided upon as part of a joint programme. It will take over from Line its factory at Albert and will also receive other assets. Conventional machine tools produced under the common programme (turnover around F 20 m) will be made in G.S.P.'s factory at Albert.

G.S.P. (annual turnover F 75 m - 400 employees) already has two other factories at Chateaudun, Eure & Loir and Courbevoie. Its main shareholders are the GAZ & EAUX SA group (30.5%) and Ste d'Investissement & de Gestion SA (1.6%) a member of the PALUEL-MARMONT group (see No 499).

** The Nancy group CIE DE PONT-A-MOUSSON SA (see No 505) is to rationalise its interests in the industrial plumbing sector and thereby strengthen STE DE ROBINETTERIE S.A.J. SA, Paris, which it acquired a few months ago (at the same time as its sister company COMAP - STE COMMERCIALE D'APPAREILS INDUSTRIELS SA) through its 80% subsidiary STE FINANCIERE DE ROBINETTERIE SA, in association with Ste Lyonnaise des Eaux & de l'Eclairage SA.

S.A.J. will now take over Comap and two other of the group's subsidiaries CIE GENERALE DE ROBINETTERIE - COGERO SA, St-Sulpice-Ham, Somme and STE DES ANCIENS ETS. EUGENE SIMON Sarl, Paris, and these three will make over gross assets valued at F 20.5, F 14.23 million and F 100,000. At the same time S.A.J. will raise its own capital from F 10.75 to F 24.18 million and acquire the plant at Abbeville, Somme of another subsidiary Ste des Fonderies de Pont-a-Mousson SA.

** The French company MANURHIN - MANUFACTURE DES MACHINES DU HAUT-RHIN SA, Mulhouse (see No 491) and the Swiss company FABRIQUE DE MACHINES TAREX SA, Geneva (see No 423) are discussing the possible rationalisation of their automatic lathe production facilities. In 1968 Manurhin acquired the "food industry equipment" interests of the Paris group Tunzini-Ameliorair SA. It is an affiliate of the London group English Electric Co Ltd (see No 496) through Elliott Automation Continental SA, Luxembourg, and is also linked to Sade - Ste Alsacienne de Developpement & d'Expansion SA, Strasbourg. The Swiss company, which belongs to the SA des Cableries & Trefileries de Cossonay, Cossonay, Vaud group, has subsidiaries with its own name in Paris, London and Stuttgart. In West Germany it also has a stake in Protorna Drehautomaten GmbH Vereinigung von Drehautomaten-Herstellern, Stuttgart, which was formed in 1967 in association with the West German machine tools manufacturers Hermann Traub Maschinenfabriek KG, Reichenbach, Fils; Alfred H. Schütte KG, Cologne-Deutz and August Steinhäuser KG, Stuttgart-Feuerbach.

** The S.H.V. - STEENKOLEN-HANDELSVEREENIGING NV, Utrecht (see No 505) has gained control of the refrigeration and air-conditioning concern ZEPHYR KEOL- & LUCHTTECHNIEK NV, Zoetermeer (branch at Emmeloord), which has some 80 employees. S.H.V. already has considerable interests in the technical installations sector through A. de Hoop NV, Rotterdam (see No 432), which it acquired at the same time as the transport group Van Nievelt, Goudriaan & Co's Stoomvaartmij. NV, Rotterdam, to whom it belonged. Through this company S.H.V. has interests in Technische Handelmij. A. de Hoop NV, Rotterdam, and NV Electrotechnische Industrie A. de Hoop (both in Rotterdam), Ingenieursbureau J. & C. Vrins NV, The Hague, and Electrotechnische Installatiebedrijf A. de Hoop NV, Rotterdam (with branches in Arnhem, Haarlem, Tilburg, Heerlen and Terneuzen), which together employ 1,700 persons. A.D. Hoop also has a stake in NV Installatiebedrijf voor Meet- & Regeltechniek, as well as in Santon Holland NV, Rotterdam, where it is linked with the British company Santon Ltd, Newport, Monmouth, a member of I.C.I.

** The Amsterdam firm WASSERETTE NV (an affiliate of the Canadian group HAMILTON COTTON CO LTD, Hamilton, Ontario - see No 498) has formed a 50% subsidiary called NV AUTO-WASSERETTE BENELUX, Amsterdam (capital Fl 500,000 - 20% issued). Under Mr. Karel C.M. Thyssen, this will market, manage and finance automatic car washing installations in the Benelux countries. Other founders of the new company (12.5% each) are the Swiss companies FORNETINA HOLDING AG, Altdorf, Uri, and G. GRISARD AG, Basle, whose president M. Gustav Eric Grisard also runs Grisard-Holding AG, Basle, Avia Distribution SA, Lancy, Geneva and Grisard GmbH, Wyhlen, West Germany (see No 358). The remainder of the capital is shared equally between M. Egon Zehnder, Zurich president of Dr. Egon Zehnder AG, and Mr. John Jack Caminer, an American citizen living in Milan.

** WERKZEUG- & MASCHINENFABRIK WILHELM STEHLE oHG, Memmingen (formed 1921 - 350 employees) which is headed by Herr Willi Born now has a Vienna sales subsidiary called WERKZEUG- & MASCHINENFABRIK WILHELM STEHLE & CO GmbH (capital Sch 130,000). Herr Born is manager of the new concern.

** The West German heavy engineering firm ATLAS-MAK MASCHINENBAU GmbH, Kiel-Friedrichsort (marine engines, diesel locomotive engines and heat exchangers - see No 473) has established a British branch in Mitcham, Surrey under Herr Helmut Ritz.

The founder (capital Dm 20 m - over 5,000 employees) is a 99.5% interest of the FRIED. KRUPP GmbH, Essen group (see No 501). Outside Germany it has a 50% stake in Atlas Marin Laboratorium A/B, Stockholm, and 10% in Construcciones Mecanicas del Estambre SA, Sabadell, Spain.

FINANCE

** SCIENTIFIC ENTERPRISE ASSOCIATES - SCIENTA SA, Geneva is being formed as an investment and finance company to promote European technology in key sectors such as nuclear energy, cryogenics and electro-chemicals. Mr. Ronald Grierson, vice-chairman of THE GENERAL ELECTRIC & ENGLISH ELECTRIC COS LTD (see No 479) and former executive head of the Industrial Reorganisation Corporation will be president of the new concern whose managing director will be Mr. C.R.E. Brooke, Mr. Grierson's deputy at the IRC. The new company will aim at taking shares in medium-sized companies working in advanced technology spheres, and will be able to provide capital and give advice, as well as attempting to promote European collaboration between such companies.

Other shareholders in the new venture apart from Mr. Grierson include M. Daniel Janssen, the managing director of U.C.B. - Union Chimique SA (see No 505), the president of the West German electrical group ROBERT BOSCH GmbH, Hans Merkle (see No 505) and Mr. Roger Paluel-Marmont of the Paris CETIG - Centre d'Etudes Pour l'Invesstissement & la Gestion SA (see No 499), whilst the ^gnelli family which controls the Fiat group is represented by their holding company I.F.I. - Istituto Finanziario Industriale SpA, Turin. Other investors include S.G. WARBURG & CO LTD and N.M. ROTHSCHILD & SONS of London and the STE GENERALE DE BELGIQUE, Brussels.

** The CIE CENTRALE DE DISTRIBUTION D'ENERGIE ELECTRIQUE SA, Cayenne, French Guiana, which operates public utilities (water and electricity) in a number of French-speaking African states and Guiana, intends to raise from 31.12% to 40% its stake in the Paris investment company CENINVE SA, as a result of making over assets valued at F 9.19 million.

Centrale de Distribution's main subsidiary (53.7%) is Omnium Industriel Immobilier & Commercial SA, Paris which during June 1965 had already made over some assets to Ceninve. In April 1966 it absorbed Cie Martiniquaise de Distribution d'Energie Electrique SA.

** The Tokyo brokers YAMAICHI SECURITIES LTD and DAIWA SECURITIES CO LTD have decided to open agencies in Frankfurt. The former already has a New York affiliate, whilst Daiwa has been represented in London since 1964 (see No 270).

** BANCA COMMERCIALE ITALIANA SpA, Milan (95% subsidiary of the Rome State group I.R.I. - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA - see No 504) has strengthened its banking interests in Tuscany by gaining control of BANCA FRANCESCO BERTOLLI SpA (capital Lire 500 m). The latter is headed by Sigs Mario and Carlo A. Bertolli and controls over Lire 8,000 million of deposits and credit accounts.

The Milan bank recently gained control of two other banks in Genoa, Banco di Chiavari & Della Riviera Ligure SpA, Chiavari, Genoa (see No 481) and Banco F. Lli Cerruti fu Alessandro Sas, Genoa (see No 490).

** The Paris group CREDITUNIVERSAL SA (see No 397) has decided to rationalise its interests and thus strengthen the banking concern FONCIA CREDIT SA (balance sheet total at end of 1968 F 129.64 m). This will take over its 40% subsidiary PLURICREDIT SA, Paris (property credit and mortgages), which has a capital of F 10 million and gross assets valued at F 62.8 million. As a result Foncia Credit will now raise its own capital to F 14.5 million.

** M. Stephane Cattaui, Neuilly, is president of the newly-formed Geneva company CLARK, DODGE & CO SA (brokerage and financial advice - capital Sf 50,000). This belongs to the New York brokers CLARK, DODGE & CO INC, who during 1966 established a Paris subsidiary Clark, Dodge Sarl (see No 353).

** In a rationalisation move by two Munich merchant banks, LUK-BANK GmbH BANK DER A.G. FUR LICHT - & KRAFTVERSORGUNG will take a 50% stake in BANKHAUS MAFFEI & CO KG, whose share capital will be doubled to Dm 8 million. Until now the latter was the 50% affiliate of BANKHAUS AUGUST LENZ & Co KG, Munich (see No 421), whilst 25% each was held by BAYERISCHE HYPOTHEKEN- & WECHSELBANK, Munich (see No 465) and NIDDA GRUNDSTUCKS- & BETEILIGUNGS GmbH, Frankfurt (a subsidiary of Berliner Handels-Gesellschaft, Berlin and Frankfurt - see No 504). For its part Luk-Bank is also a 25% affiliate of Bayerische Hypotheken- & Wechselbank and its other shareholders include the electricity production and distribution Luk AG für Licht- & Kraft-Versorgung, Munich (see No 418 - 50%) and Bayerische Staatsbank, Munich (see No 469 - 25%).

** As part of the cooperation and financial agreement recently signed in France (see No 494) between the BANQUE DE PARIS & DES PAYS-BAS group and STE COMMERCIALE DE L'OUEST AFRICAIN- S.C.O.A., CIE GENERALE DE PARTICIPATIONS & D'ENTREPRISES-CEGEPAR SA (a subsidiary of Paribas - see No 504) has now formally taken over CIE LYONNAISE DE MADAGASCAR SA, Paris (gross assets F 86.02m) in which it already has a 20% interest.

As a result of this move, Cegepar (capital increased to F 23.34 m) has also received a portfolio (valued at F 15 m) from Auxom SA (affiliated to Omnium de Participations Financieres & Industrielles SA - see No 505 - the holding company of Ste Financiere de Paris & des Pays-Bas) and Transports Africains-Traf SA (both are based in Paris - see No 453). This includes interests in Hamelle Afrique SA, Paris (see No 475), Omnex SA, Paris, Ets Lacombe & Cie SA, Nouakchott, Mauritania, Garage Paris Maine SA, Paris, and France Autojet SA, Paris.

** An investment fund, based on gold, will be launched in West Germany on May 1st under the name of MIDAS GOLD FUND. This will be backed by a company now being formed in Munich, SELECT GmbH, which will be under the direct control of Selective Distributors International, Liechtenstein. The latter belongs - through a Luxembourg holding company - to a finance group from Toronto headed by Mr. Clifford J. Bennett.

** The London merchant bank ROBERT FLEMING CO LTD (see No 501) has made BANQUE GENERALE DU LUXEMBOURG SA (a member of the STE GENERALE DE BELGIQUE SA, Brussels, group - see No 503) responsible for the formation of a Luxembourg investment fund. Called THE FLEMING INVESTMENT CO SA (authorised capital $ 4 m), this has had its name changed to CROSBY FUND SA and a subsidiary called CROSBY HOLDING CO SA has been formed which will re-purchase certificates in the fund at the request of shareholders. Messrs G.F. Jamieson, J. Morrell and W.J. Banks (president of the New York subsidiary Robert Fleming Inc) are member of the board, whilst Credit General du Luxembourg-Cregelux SA (a subsidiary of Banque Generale du Luxembourg - see No 498) is also represented.

** A new international medium and short term credit bank dealing in Euro-dollars and convertible currencies, marketing and underwriting of security issues, and advisory on mergers and acquisitions, called ATLANTIC INTERNATIONAL BANK LTD (authorised capital £ 2 m) is to be formed in London with the backing of CHARTERHOUSE GROUP LTD, London (see No 500) by one other British bank, three Common Market banks and four from the United States. All are equal shareholders in the new concern and their total resources amount to some $ 14,000 million. The eight founders who agreed to underwrite for a total of £ 2 million ($ 4.8 m) of Subordinated Debentures are 1) FIRMA F. VAN LANSCHOT NV, 's-Hertogenbosch (see No 500), BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET SA, Paris (see No 498) and BANCO DI NAPOLI SpA, Naples; 2) CHARTERHOUSE JAPHET & THOMASSON LTD, London, which has recently linked with Van Lanschot and Banco di Napoli within Etablissement Financier de Placement SA, Geneva; 3) FIRST PENNSYLVANIA BANKING TRUST CO, Philadelphia, MANUFACTURERS NATIONAL BANK OF DETROIT, Detroit, Michigan, THE NATIONAL SHAWMUT BANK OF BOSTON, Boston and UNITED CALIFORNIA BANK, Los Angeles.

** The Canadian stockbroking concern F.H. DEACON & CO LTD, Toronto has formed a stock exchange information agency in Mannheim, to be run by ANLAGEN-BERAETUNG FUER F.H. DEACON & CO LTD GmbH. It has Dm 30,000 capital and Herr Paul Wolfsturm as manager.

** The recently-formed Luxembourg investment fund, MID-OCEAN FUND SA (with the backing of the Banque Lambert-Luxembourg SA - see No 502 - a member of the Brussels group, BANQUE LAMBERT Scs) controls the newly-established concern dealing in securities and certificates - especially its founders' - called MID-OCEAN REALISATIONS SA, Luxembourg (capital $ 80,000). Directors of the new company are Messrs Nicolas Goergen, Aloyse Reiff, whilst the Banque Lambert-Luxembourg is also represented on the board.

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FOOD & DRINK

** The Amsterdam brewery group HEINEKEN'S BIERBROUWERIJ MIJ. NV (see No 503) has acquired control - through its subsidiary HEINEKEN'S BROUWERIJEN NEDERLAND NV - of the family-owned concern KOSTER'S HANDELMIJ NV, Utrecht.

This employs some 220 persons and for over 70 years has distributed its new parent company's beers. It also makes non-alcoholic beverages (especially "Joy" sparkling drinks) through its subsidiary Joy-Fruchtendrankenfabriek NV, Utrecht, and it also controls the distillery De Boog NV, Utrecht. Since May 1965 it has been linked with several other firms including Heineken in Handel- & Exploitatiemij Prommenade NV, Rotterdam.

** The Dutch canning firm CONSERVENFABRIEKEN NV, Voorthuizen has become a holding company called BELEGGINGSMIJ STRUIK NV (authorised capital Fl 2 m - 5% issued) as a result of its reorganisation. At the same time this has made over its manufacturing assets to the second company to be called STRUIK'S CONSERVENFABRIEKEN NV (authorised capital Fl 2.5 m - 50% issued) headed by Messrs B. and J. Struik.

** The Dutch cat and dog food firm FELIX BONZO NV, Etten-Leur has formed a Belgian subsidiary in Wemmel. Called NV FELIX-BONZO BELGIUM (capital Bf 1 m) this will also make cat and dog foods. There is a French sister company Felix Bonzo France SA, Velenton, Val-de-Marne (capital recently raised to F 1.1 m).

The Dutch firm is under the direct control of VERSEVELDTS BEHEERMIJ NV, The Hague (see No 400) as well as being a member of the Belgian group SA de Pont-Brule, Vilvorde, whose main shareholder is the French state group Entreprise Miniere & Chimique SA, Paris, directly and through Produits Chimiques de Tessanderloo SA (see No 488).

INSURANCE

** Two Common Market insurance groups, ALLIANZ VERSICHERUNGS AG, Berlin and Munich (first in EEC - see No 498) and LES ASSURANCES GENERALES DE FRANCE SA, Paris (third in EEC - see No 459) have decided to coordinate their reinsurance interests. A 2% switch of both companies turnover in the fire insurance sector (mainly industrial property) will take place.

The West German group (23 million contracts end 1968) is already linked to a number of other European groups including NV Algemene Mij. Tot Exploitatie Van Verzekeringsmijnen - A.M.E.V., Amsterdam (see No 498), Royale Belge-Vie Accidents SA, Brussels (see No 504) and Commercial Union Assurance Co Ltd, London (see No 473).

** The A.G.O. insurance group and the Amsterdam group DELTA VERZEKERINGSGROEP NV (see No 497) are the chief founders of BERGKWARTIER MIJ. TOT STADSHERSTEL NV, Deventer (capital Fl 3 m), whose main aim is to restore properties in Deventer. Other founders are the insurance group NV ALGEMENE MIJ. TOT EXPLOITATIE VAN VERZEKERINGSMIJNEN - A.M.E.V. (through its subsidiary NV Levensverzekeringmij "Utrecht", Utrecht - see No 498), as well as NATIONALE LEVENS-VERZEKERING BANK NV, Rotterdam (see No 454) and Stichting Werkgroep Bergwartier, Deventer.

The A.G.O. group (see No 493) is represented in the new concern through its member companies Algemeene Friesche Levensverzekering-Mij., Leeuwarden, Vereeniging Van Levensverzekering & Lijfrente de Groot-Noordhollandsche Van 1845, Amsterdam, and Het Onderling Levensverzekering Genootschap de Olven Van 1879 U.A., The Hague. As for Delta, its shareholding is represented by its two subsidiaries Hollandsche Societeit van Levensverzekeringen NV and Amstleven-Amsterdamsche Mij. Van Levensverzekeringen NV (both in Amsterdam).

OIL, GAS & PETROCHEMICALS

** A major regrouping of French oil portfolio companies will strengthen the BANQUE DE PARIS & DES PAYS-BAS SA group, and increase by one-third the capital of the group's CIE FINANCIERE DE PARIS & DES PAYS-BAS SA (capital raised to F 649.8m) and its subsidiary OMNIUM DE PARTICIPATIONS FINANCIERES & INDUSTRIELLES SA (capital raised to F 386.5 m).

The regrouping operation involves the following moves: 1) a rationalisation of the sister-companies FINAREP-STE FRANCAISE DES PETROLES SA (capital F 240 m) and GENAREP-CIE GENERALE DE RECHERCHES PETROLIERES (capital F 150 m) who have made over nearly all their assets to Cie Financiere de Paris with the remainder to Omnium de Participations. In return Finarep will receive 960,000 shares in Financiere de Paris and 480,000 in Omnium, whilst Genarep will receive 500,000 Financiere de Paris shares and 250,000 Omnium shares. 2) COPAREX-CIE DE PARTICIPATIONS, DE RECHERCHES & D'EXPLOITATIONS PETROLIERES SA (in which Finarep and Genarep each have a 10% stake - see No 500) will make over some of its assets to Cie Financiere de Paris. In a later move Paribas will make over to Coparex large shareholdings in oil prospection and exploitation firms.

** SHELL PETROLEUM NV (formerly Bataasfe Petroleum Mij NV - see No 500) a holding company in The Hague of the ROYAL DUTCH SHELL group has underwritten the increase in the capital (from F 3 to F 12 million) of the group's French chemical concern SHELL CHEMIE Sarl, Paris. The latter's other shareholders includes two companies belonging to the group which are also based in The Hague, Petroleum Assurantie Mij (see No 359) and Licht & Kracht Mij.

** The link-up in April 1968 between STANDARD OIL CO OF CALIFORNIA (see No 503) and S.H.V. - STEENKOLEN HANDELSVEREENIGING NV, Utrecht (see this issue) will be backed by a joint subsidiary CALPAM NV, whose offices will provisionally based in Utrecht. Headed by Mr. Schuitemaker this will become operational on January 1, 1970 and will trade in heavy and light oils, petroleum products and asphalt in the Benelux countries and Denmark as well as bunkering oils and lubricants in the same countries and West Germany. It will employ staff from S.H.V.'s "Pam" organisation and the American company's Chevron sales network.

The two groups have long-established cooperative links within a joint subsidiary Caldam Vloeibaar Gas NV, Zutphen, which trades in liquid gases.

** AGIP SpA, San Donato Milanese (see No 502 - a member of the State oil group E.N.I. - Ente Nazionali Idorcarburi SpA, Rome) has signed an agreement with the Hungarian state organisation MINERALIMPEX in Budapest. As a result a network of "Agip-Afor" service stations and restaurants will be established on the country's main roads by Agip in conjunction with AFOR, Budapest.

** The recently decided-upon takeover of the oil portfolio company COFIREP - CIE FINANCIERE DE RECHERCHES PETROLIERES SA, Paris (capital F 280 m - gross assets F 303.11 m) by the CIE DU NORD SA (holding company of the ROTHSCHILD SA group - see No 502), is about to be formally effected. The latter's capital has been raised by 60% to F 536 million.

** The Glasgow group BURMAH OIL CO LTD (see No 477) has strengthened its Dutch interests by forming a subsidiary in The Hague called CASTROL NEDERLAND NV (capital Fl 100,000), which can carry out any operations connected with the hydrocarbon sector. The new company is directly controlled by the subsidiary BURMAH TRADING NEDERLAND NV, The Hague, which itself was formed in late 1968 (authorised capital Fl 15 m) by the re-organisation of Castrol Holland NV.

Some months ago the Glasgow group gained control of the Dutch oil distribution firm Orion Aardolie Produkten Onderneming NV (especially lubricants and fuel oil) and the latter's associates Orion Oliefabrieken NV (both are based in Zaandam). In a previous move it has gained control of the Amsterdam company Trading NV, which has some 600 service stations in Belgium and Luxembourg and 72 in the Netherlands.

** EURABIA TRADING CORP SA, Luxembourg (formed in November 1966 - see No 387), which is controlled by Saudia Arabian interests, holds an 87.2% of the Lux F 250,000 capital of the newly-established ATLANTIC OIL BROKERAGE & TRADING CORP SA, Luxembourg. This has M. S. Sidgi and Mmes Hussain Sidgi and Sulman Faidhi as directors (who both hold the same position in the founder) and it will trade in oil and derived products. The other main shareholder with 10% is M. Emile Salloum, Beirut, Lebanon.

PAPER & PACKAGING

** ELOF HANSSON INTERNATIONAL A/B, Gothenburg (import-export of timber, cellulose, paper and machinery) which recently established a Milan subsidiary (see No 500) has now formed one in Dusseldorf called ELOF HANSSON GmbH (capital Dm 20,000) with Messrs Gunnar Hansson and Rune Jeppson as managers.

The Swedish group also has other European interests in Basle, London, Madrid, Helsinki, and Vipperöd, Denmark.

** The Dutch manufacturer of cellulose hygiene products, PAPIERWARENFABRIEK GENNEP NV, Gennep, Nymegen has decided to form a Düsseldorf sales company PAGE VERTRIEBS GmbH.

The founder (700 employees) already has subsidiaries in Schaerbeek-Brussels, Page NV and in Paris, Page SA formed in 1967 (see No 418).

PLASTICS

** The Greek company ARISTOVOULOS G. PETZETAKIS SA, Moschoton, Piraeus (plastic and rubber piping and conduits - see No 466) has formed an Italian sales and patent management subsidiary HELIFLEX ITALIANA SpA, Ventano, Como (authorised capital Lire 300 m), which will be run by Sig A. Franceschetti. The founder's trade names include "Heliflex", "Spirax", "Spiraflex" and "Petrolux", and it shares control with Menalaos & Nikolaos Petzetakis SA, Egaleo, Athens of the Paris sales company Heliflex France Sarl (see No 429), which was formed in 1967 but in August 1968 decided to suspend its plans for expansion which had been decided upon a few months previously.

** The Danish manufacturer of "Lego" plastic construction toys LEGO SYSTEM A/S, Billand has extended its Dutch interests by forming a second subsidiary called NV LEGO EUROPA, Finsterwolde (capital Fl 100,000). A 10% stake is held by its first Dutch subsidiary LEGO NEDERLAND NV.

The Danish company's European network (600 employees in Denmark) includes companies in West Germany (Lego GmbH, Hohenwestedt), in Italy (Lego SpA, Milan - 70% controlled by Interlego SA, one of whose directors Mr. Jens Ole Nielsen de Grindsted, Denmark also holds a 10% share), Britain (British Lego Ltd, Wrexham, which is controlled by the London Courtaulds Ltd group).

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PRINTING & PUBLISHING

** The Amsterdam holding company PERSCOMBINATIE NV (authorised capital Fl 50 m - 20% issued - see No 468), which heads two Amsterdam publishers NV De Volkskrant and NV Het Parool, intends to acquire the remaining shares it needs for complete control of NV DELI DRUKKERIJ & BOEKHANDEL, Bussum (see No 264).

Perscombinatie is itself a 60% interest of NV Gemeenschappelijk Bezit Dagbladhandelen Volkskrantgroep and a 40% interest of Stichting Het Parool. Its subsidiary Het Parool also controls NV De Nieuwe Pers, Amsterdam, which a few months ago made over its control of the Utrecht printers Drukkerij Bosch NV to a new holding company Van Boekhoven-Bosch NV, Utrecht (authorised capital Fl 230 m - 20% issued - see No 481), in which it is a majority shareholder. This also controls another Utrecht printing concern Drukkerij J. Van Boekhoven NV.

** Messrs Adrianus C and Hendricus P. Groen, who head two printing concerns ACCA DRUKKERIJNEN NV and ACCA COPIEENRICHTING NV, Heerhugowaard, each have a 50% stake in two newly-formed Heerhugowaard companies. Both have an authorised capital of Fl 100,000 with 20% paid-up. The first is called BUREAU DRIESPAN NV (printing and publishing of advertising material) whilst the other is known as UITGEVERIJ GROEN & GROEN NV (general publishing and acquisition of shareholdings).

SERVICES

** Swiss intersts represented by MM. Jean-Pierre Cantatore, Claude Maigre and Frank Stump, Geneva (30% each) have backed the formation of the new Belgian company FINANCIAL ADVISERS SERVICES (F.A.S.) SA, St-Josse-ten-Noode. With a capital of Bf 100,000 this will advise the public on economic and financial matters.

** M. Pierre Barbier (head of the Paris, ETS PIERRE BARBIER & CIE SA - see No 459) is the main founder of the new portfolio management company, CIE EUROPEENNE DE PARTICIPATION & DEVELOPPEMENT SA, Paris (capital F 2.184 m). Its founders have made over to the new company their respective shareholdings in the management consultancies, ETS PIERRE BARBIER, PRESTEC- PRESTATIONS TECHNIQUES SA, Paris, BELGIUM TECHNIC ASSISTANCE SERVICE SA, Brussels and TECHNIC ASSISTANCE SERVICE ITALIA Srl, Milan.

** The Belgian engineering consultant for the chemical and petrochemical industries, P.S. PALMER & ASSOCIATES (BELGIUM) Sprl, Brussels has made over its West German interests to the newly-formed Swiss company P.S. PALMER & ASSOCIATES AG. Zug (director Herr Hans Weber - capital Sf 80,000).

The Brussels firm was established during 1967 (see No 424) by Messrs Peter S. Palmer, Shenfield, Essex and Jacob Zelcer, London.

** TELERENT EUROPE SA (see No 482) the Luxembourg finance subsidiary of the London GRANADA GROUP LTD shares 71% control with M. Paul Mortelsmans, Braaschaat, Belgium of the newly-established Madrid company, TELERENT IBERICA SA (capital Ptas 28 m). This will operate as a television hire company, and the remaining interest is held by ESTUDIOS TECNICOS FINANCIEROS SA, Madrid.

M. Mortelsmans is the director and minority shareholder of the London group's Brussels subsidiary. Others include Telerent France SA Paris (capital F 100,000) and Telerent Italiana SpA, Milan (capital Lire 75 m.).

TEXTILES

** The West German textile concern OROTEXTIL GmbH TEXTILWERK DURACH, Durach (children and ladies' synthetic jersey fabrics) has backed the formation of the Paris company OROTEXTIL Sarl (capital F 50,000). With Herr Hermann Hausdorf as manager this will act as its French sales representative.

The founder (capital Dm 4 m) is affiliated to VIV, Vaduz, Liechtenstein and employs over 300 persons for an annual turnover exceeding Dm 15 m.

** CHANTY-LACE-FRANCE, Calais has just been formed as an import and textile products sales company (especially lace). This is backed by the West German companies CHANTY TEXTILWERKE DINGES KG and TECRO TEXTILFABRIK GmbH, Urberach, Hesse. The latter was formed in France during 1959 with a capital of Dm 100,000 and Herr Wolfgang Weber as manager.

** The British wool group WINTERBOTHAM STRACHAM & PLAYNE LTD, Stroud, Gloucs has re-organised its Common Market interests by closing down a Milan affiliate HUNT & WINTERBOTHAM (ITALY) Srl (see No 267), which had already ceased operations. It still has an Italian affiliate ALLIED BRITISH LOOMS SpA, Milan (formed in 1964).

** The Macao knitwear firm MACAU KNITTERS LTD has backed the formation in Hamburg of the import and distribution concern MACAU KNITTERS (GERMANY) GmbH (capital Dm 50,000) with Messrs. K.P. Chao, T.H. Koo and Herr Karl-Heinz Dietrichsen as managers.

** The Paris company BECOPA SA (capital recently raised to Bf 15.5 m), whose main shareholders are Messrs. Hans and Richard Schoemann and Mme M. Aschkenasy-Bernheim, Mount Vernon, New York, along with IMMOBILIERE BRUXELLOISE DE BONNETERIE & GANTERIE SA, Brussels, will market "Scandale" stockings and tights in Belgium and Luxembourg. Both of these are made in France under licence from LA GAINE SCANDALE SA, Lyons by the second ranking French stocking manufacturer COLROY SA, Colroy-la-Grande, Vosges, which also makes "Chesterfield", "Pierre Balmain", "Sheila" and "Michele Morgan" brand stockings. The latter (1968 turnover

F 100 m) is a member of the Ets. L. Devanly & Recoing Sarl, Troyes, Aube group (see No 489), which is headed by MM Jean and Pierre Levy.

TOBACCO

** The owner of the West German group MELITTA WERKE BENTZ & SOHN KG, Minden, Westphalia (see No 469) Herr Horst Bentz has 68% control - with the remainder held by Herren Jörg and Thomas Bentz - in the newly-established ASCONA (BELGIE) Pvba, Sint-Niklaas. With a capital of Bf 250,000 this will trade in tobaccos, cigars, cigarettes and smokers' requisites.

The German group already controls the tobacco manufacturer, August Blase AG, Lübeck, Westphalia (see No 278) which has some 1,200 employees, as well as owning the Hamburg tobacco chain group (100 shops) Gust Geber and D. Hansen & Co, Hamburg (28 shops).

TOURISM

** The West German tourist agency CARL H. WOLTERS GmbH, Brinkum, Bremen has formed a subsidiary in London called WOLTERS TOURS INTERNATIONAL (U.K.) LTD (capital £1,000) with Messrs Gerhard Falke and Peter Goodman in charge.

TRANSPORT

** The re-organisation in the Netherlands of the shipping agency and brokers ANTHONY VEDER & CO, Rotterdam will centre on its subsidiary REISORGANISATIE C.T.I. (CENTRE TOURISTIQUE INTERNATIONAL) NV, Haarlem. This has become ANTHONY VEDER & CO NV (head office at Rotterdam) and has an authorised capital of Fl 1 million (28% issued) and will act as a shipping agency, brokerage etc. It will also control Onroerende Coed Mij. Vebo NV, Rotterdam, which has been re-named Anthony Veder Investerings Mij NV (authorised capital Fl 10 m - just over 40% issued).

** The London-based MITCHELL COTTS GROUP LTD (see No 496) is to take over the running of the shipping agency WORMS & CO LTD, London, which acts as a British representative for two companies belonging to the Paris group WORMS & CIE SA (see No 501). The companies involved are WORMS CIE MARITIME & CHARBONNIERE SA, Paris (through Cie Havraise & Nantaise Peninsulaire SA - see No 496), and it will also represent the Middle Eastern shipping service operated by the Antwerp company Cie Maritime Belge (Lloyd Royal) SA, a member of the Ste Generale de Belgique SA group (see No 504).

VARIOUS

** The French fuel merchants ETS TRENTESAUX-LE CONTE SA, Clichy-la-Garenne, Hauts-de-Seine (capital F 4.2 m - especially coal) is to carry out a rationalisation of its interests. It will take over ETS. ROBERT & PORTE SA, Paris (capital F 680,000), STE NOUVELLE DES ETS. H. CONQUET SA, Clichy-la-Garenne (capital F 345,000) and STE NOUVELLE DU CHANTIER MAGENTA SA, Paris (capital F 241,000). These three companies will control assets whose gross value is estimated at F 4.2 m, F 500,000 and F 230,000 respectively.

LATE FLASHES

** ELECTRICAL ENGINEERING: The French electric motor manufacturer LEROY-SOMMER SA, Angouleme, Charente has formed a West German manufacturing and sales subsidiary called LEROY-SOMMER ELEKTROMOTOREN GmbH, Frankfurt. With a capital of Dm 250,000 this has MM. Georges Chavanes and Paul Barry, Angouleme as managers, whilst M. Andre Diemunsch is the director.

The French firm has just taken part in the formation of Cie Europeenne d'Etude, de Developpement & d'Exploitation de Vehicules Electroniques SA (see No 503), and was itself formed by the merger of the Ste Mecanique et Electrique du Rhone (Somer) SA, Lyons and Moteurs Leroy Sarl, Angouleme. There are already subsidiaries in Milan (Leroy Italiana Srl), Frankfurt (Elektromotoren Leroy GmbH) and London (Leroy Electric Motors Ltd).

** OFFICE EQUIPMENT: PENTEL BUEROBEDARF HANDELS GmbH (manager Herr Hans Marquardt) has just been formed in Hamburg with a capital of Dm 40,000 to sell office equipment made by the Japanese group, DAI-NIHON BUNGU KK, Tokyo. This specialises in marking pens and has a stake in the French manufacturing company EURO-Pentel SA, Gallardon, Eure & Loir, which was formed during 1967 (see No 398) by an association (49-50) between The Japan Stationery Co Ltd, Tokyo and Cello-Tak France SA. The latter has since been taken over by Bohly Freres & Co SA, Melisey, Haute Saone.

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