Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT

A Letter from Paris

THE WILSON OVERTURE: A FRENCH VIEW

What Mr Wilson's Common Market speech on November 10 lacked most of all was enthusiasm, faith. The Prime Minister could have done no better - or no worse - if he had wanted to show that he was still "rather against" joining the EEC and that he had had to bend to majority pressure within the cabinet and the Labour Party, and from industry and public opinion generally. Is membership of the Community a "necessary evil" for Britain, a decision made inevitable by the economic situation of the country, or can it express the nation's will to transcend its imperial past and its insular present, and become part of a great, forward-looking Community? What can Europe do for Britain, and what can Britain do for Europe?

Not only did Mr Wilson fail to answer such questions as these but, replying to a question from a Labour opponent of European integration, former minister Mr Shinwell, he felt he should reassure him as to his intentions concerning the real European Parliament (elected by universal suffrage and endowed with real powers) and a supranational political authority. Is the Prime Minister of the oldest parliamentary democracy in the world, then, so afraid of a real European Parliament? In his speech on May 6 to the International Socialist Congress in Stockholm, Mr George Brown at least spoke of a political will to join the Community, "not only because of the benefit that entry could bring to both Britain and the Community, but also because the creation of a wider Common Market would greatly reinforce the impulses working towards the goal of European unity". But Wilson spoke in measured tones, more like a businessman, on an issue which, because it concerns the future of a nation and a continent, should have evoked words to stir the hearts of Britons and their future partners. The socialist and humanist Jean Jaures used to speak of "reaching for the ideal through realism", but the labour pragmatist Wilson adheres to realism by affecting to cherish no ideals.

However, there is another mistake, which both Wilson and Brown have made, in that, to recapitulate on his European policy, the Prime Minister referred to the Stockholm speech of his Foreign Minister, who was then First Secretary of State and Minister for Economic Affairs. We should recall an important passage in that speech. In order to justify the anxiety (a Wilson Leitmotiv) to "safeguard vital British and Commonwealth interests", George Brown asserted that his country's current approach was in fact the one "adopted by members of the Six when they were negotiating what later became the Treaty of Rome", and these negotiations went on for quite some years because "each of the governments made quite sure that not only its own interests, but also those of its overseas territories were given fullest consideration". Lastly, for Mr Brown, these negotiations "involved some hard bargaining" and finally resulted in a treaty "that was itself a compromise".

This line of reasoning is an error or an illusion which could be disastrous if the British leaders insist on clinging to it. If Britain had been one of the first negotiators of the Common Market in 1955-56, the Treaty of Rome would have been a compromise, a balance between seven countries instead of six, and the national and "imperial" interests of Britain, at least as great as those of France, would have had to have been taken into account. And whatever one might think of the way General de Gaulle ended the negotiations, in January 1963, with a British Government which genuinely wished to succeed, there is no doubt that the way it haggled to gain concessions, transitions, exceptions and changes in many fields, irritated or discouraged many of Britain's partners both in the Commission and in the Six. And this time, when Wilson declared that the Treaty of Rome "is not an obstacle, if our problems can be satisfactorily dealt with through adaptation of arrangements made through the Treaty or in any other acceptable manner" he was being remarkably ambiguous.

After eight years of Common Market and Community practice, during which the agricultural policy alone took years of bitter debate and caused several serious crises before a laborious compromise was finally reached, it is impossible to be very enthusiastic about British entry. This is probably the first thing that Wilson and Brown will be told on their tour of the Common Market capitals - let us hope it is clearly put. When Roy Jenkins, now Home Secretary, was leader of the Opposition European wing, he made no bones about saying that Britain should sign the Treaty of Rome as it is. He felt that his country's influence and weight would make it easy to "do the rest" from inside the Community. This would be a radical method of countering Continental opposition. Unanimous agreement of the Six is required for the acceptance of a new member-State, but if the candidate was prepared to accept the Treaty, as it stands, it should be very difficult for one of the Six to oppose it on the now personal and subjective pretext that the newcomer is not yet sufficiently mature to belong to the Community.

Mr Wilson's third mistake is the narrow view he has of "vital British interests". An objective and realistic approach demands that a balance-sheet of the advantages and disadvantages of the proposed move should be drawn up. Without discussing the problems posed by the Commonwealth yet again, as these now seem to have dwindled to the search for satisfactory outlets for New Zealand butter, the main difficulty remaining is the British system of support for agriculture, and the allied problem of guaranteed prices and the amount of Commonwealth agricultural produce imported duty-free. The British know that this system, incompatible as it is with the EEC's common agricultural policy, will have to be replaced progressively, and because of the aims of this policy, it would be unreasonable to ask for too lengthy a transition period. Each of the Six has had to solve such structural problems to meet the requirements of the Common Market, and to pay levies on cereal imports would simply put Britain in the same position as West Germany. As for the 2.5% rise in the cost of living, due to an increase of 10% to 14% in the cost of food, this is not too serious. Finally the effects of these changes on the balance of payments- the likely increase is thought to be between £175 and £250 million- is not appreciable if one tries to estimate the boost the whole British economy will receive by entry into the Common Market: increased exports of manufactured goods due to the opening-up of a huge market, the expansion of the most dynamic sectors of British industry - generally very competitive, concentration and mergers amongst British firms, Community investments in Britain and vice versa, renewed confidence in the pound allied with an enlarged European Community and so on.

On all these matters Mr Wilson said nothing. Yet these are "vital interests" for Britain, at least as vital as those referred to when London talks of agriculture and the Commonwealth.

But it must be admitted that Mr Wilson, a realist above all else, maintains this attitude, even when his statement becomes positive:

1) Since the Chancellor of the Exchequer, James Callaghan has already promised that the British balance of payments will balance and indeed achieve a surplus in 1967, the Prime Minister was intelligent enough to make entry conditional on "a healthy economy and a strong balance of payments with the pound standing no less firm and high than it is today. This is also the wish, if not the condition sine qua non, of the member countries of the Common Market and France in particular.

2) He also made entry conditional on a successful outcome to the Kennedy Round, which is logical to the extent that this will effect both the Community's and Britain's external tariffs. But if Britain seriously wishes to join the Community would it not be to her advantage to negotiate on a joint basis with the Community, so that they would have a common standpoint?

3) By first discussing the matter with his EFTA partners and then with the governments of the Six, before formally applying for membership, the Prime Minister is able to act in a different manner from Mr Macmillan, as he can have all the facts available first.

The last point certainly raises a difficult question. Does General de Gaulle still believe that Britain is as unready as she was in January 1963? His last press conference did not dispel all remaining doubts on this matter. But there is no doubt that the five other members are just as keen on Britain joining the Community as they were three years ago, although it is difficult for West Germany to decide before the present Bonn crisis is solved and the position of the new government made known. If Brown and Wilson visit the other five to start with, they will run the risk of upsetting the French, as the latter will then think that they are being placed under duress by six governments. If they go to Paris to start with, the other five will all think that the whole matter has been solved one way or another between the British and French. However it is in Paris - and the other five will surely understand - that the British leaders must start their visit, as General de Gaulle is the first person they must convince of the sincerity of their intentions and their real interest in joining.

The key to Britain's future in Europe lies in Paris and mainly in the Elysee. To what extent does Britain's "allegiance" to the United States, often mentioned by the General, still remain a major obstacle? This, after all, is the real reason for his opposition: de Gaulle is afraid that France may be isolated in a Community whose Atlantic outlook would be considerably strengthened by British membership. To what extent would these differences over foreign policy and defence be compensated for by the tangible advantages? These would be the addition to the EEC of a world power like France, able to counterbalance a Germany beset by uncertainties, and to bring with it its strong democratic tradition and its technological ascendency.

We have only outlined here one of the main aspects of the question, and we shall return to the issue as it develops - as Britain's purpose, France's attitude, and Germany's political situation become clearer.

VIEWPOINT

BRAND MANUFACTURERS AND THE COMMON MARKET

by R. Sachot
President of Generale Alimentaire, Paris

The fact that the Common Market becomes fully established, an economic reality, on July 1, 1968, is a fundamental factor in industrial planning. It will give business sufficient room to manoeuvre and firms will have to re-think their whole outlook. The Common Market is a sudden internationalisation of business life brought about by the extension of American interests into Europe. America had little time for Europe while it was nothing more than a group of small states. Now that it looks likely to become a vast market of 180 million people, Americans have to consider how they can become part of the new complex.

It is in this context that the question of how European concerns are going to change arises. How are they likely to survive in adapting themselves to become part of the European complex which will dominate their affairs? We must first determine which, of all the national industries, are the ones capable of participating in this new life and crossing the Rubicon to trade throughout Europe. It will obviously be those who are large enough at home and have a sufficient turnover to allow them to take on further commitments. It would be impossible to start such moves without a minimum of resources. A single error in this sphere can be fatal, as illustrated by the cases of Olivetti and Bull.

This leads to the question of level, or the limit below which there is no scope for European-scale action by a given company. It is worth remembering that, for national economies, those who are above the critical level will expand rapidly during the next few years, whilst those who have not reached this level are destined for stagnation. Once a certain gap has appeared between nations, it is almost impossible to close it, even with massive aid. Strength is a breeding ground for strength; and turnover demonstrates this strength.creating rationalisation and research potential, and these in turn influence the future.

This means that, in Europe, internal company expansion is no longer sufficient, and that mergers, resulting in a concentration of resources, are the only ways for backward companies, no doubt with difficulty and stress, to create units sufficiently large to deal with the problem. Candidates for European-scale trade must be important in their sector in their home markets; if their industry is itself too small to reach the minimum size level, then they must decide to form a modern concern with multiple interests. Here industries of similar types can meet and support each other and this combination will permit them to reach the required scale. It is not possible to give a munimum figure, as this can vary widely according to the industry involved. In the food and drink sector, for instance, a unit whose turnover does not reach Ff 300 to Ff 500 million would probably have little chance of success in the European market.

Profits must also be large enough and it must be admitted that profits in Europe are considerably below those obtained by American concerns. The really important factor is investment capacity, which in turn depends basically on turnover and the profit ratio obtained. The era of the proletariat is now past; but if one defines a proletarian as a person who lives from day to day, it is quickly apparent that there are still many more proletarian manufacturers today than one would imagine: the person who is not concerned about the future and does nothing to prepare for it, the person who attaches too little importance to organisation, to research and to the need for new discoveries, is risking his capital; and if he is satisfied with his present income, he is risking his life without knowing it; he is nothing more than a proletarian and the only place he will ever occupy is six feet of ground in a cemetary.

Here we can only consider large companies, dynamic and well organised, specialised in one industry or multi-purpose, with a large turnover and whose share of the home market is beyond dispute. It is only these who are able to launch themselves into Europe. But how are they to set about the task?

It is worth noting to start with that there is a certain amount of inertia on a national scale and there is no reason why everything should or could move immediately. The ways of life, especially eating and drinking habits, are such that it is often not possible - nor will be for a long time to come - to export national products to other countries. It would be hopeless, trying to sell Italian pimento to Norway, or the sweetened gherkins eaten by Germans to Southern Europe. Standardisation - always open to some criticism in the event - is not for tomorrow, and this is a serious barrier to European trade. It should be remembered how many American efforts to introduce new products to Europe have ended in fiasco.

All this is so true that many have asked, perhaps in self-interest, if in the food and drink sphere, Europe will continue to be divided into protected compartments, which will solve the problem ipso facto.

Some industries are going through this stage at present, but it would be wrong to deceive oneself. Human migration at holiday time, the creation of large-scale firms, and the meeting of men are factors leading ineluctably to the convergence of different ways of life. Sudden change can make what is true for one generation become absolutely false for the next. In any case, large-scale manufacturing demands standardisation, and a sort of neutralisation of tastes, later to be re-diversified according to a careful plan. Today, tastes differ regionally, tomorrow they will differ according to consumers' purchasing power, social standing and the influence of the most powerful producers, and all manufacturing segmentation will have disappeared.

Thus companies can adopt two attitudes: either try to find additional and complementary markets outside their national frontiers, which still develop the growth of exports; or try to co-operate and work with industry in other countries, and this is true "Europeanisation".

In the first case, if the company has not made a study-in-depth of the market it is trying to enter, i.e. eating habits and the country's manufacturing structure, it is likely to be bitterly disappointed. The first step, the easiest and the simplest, is to sell its brand name and its know-how. But this is defeatism pure and simple, and no industrialist worthy of the name would consider such a solution in 1966.

A slightly bolder manufacturer would try and find in the neighbouring country a manufacturer whose products are complementary, and thus form a group, whilst preserving his own independence. This involves the pooling of technical and commercial information, which has obvious advantages and can be successful in some cases. But if this is to be more than a short-term solution, it would have to be cemented by the acquisition of a financial interest; for if the manufacturer who has sold the concession is interested in what the concessionaire is doing, he must watch him, help him, and thus get involved, whether he likes it or not, in his management techniques and company set-up. Again, a product whose brand name belongs to a French company and is exploited by a German one gives the latter the impression that he is not working for himself. The withdrawal of the contract, and the brand with it, could be a grave danger for the exploiting concern, and few manufacturers are willing to run this risk. It is therefore logical to assume, in this second possibility, that the French company might take a financial interest in the German concern, either by granting the right to use the brand name, or by technical and material assistance.

If the French manufacturer wants to take a risk himself, he will decide to build up an independent German marketing system for his products, using his own brand name. The position is straightforward; but many illusions will be lost. This type of expansion can be very slow and wasteful. For instance, a manufacturer who is famous throughout France easily imagines that he will have little difficulty in gaining a similar position in a neighbouring state. After two or three years' experience, he will discover that to start from nothing in the competitive atmosphere of 1966 is a real adventure. The establishment of a brand in a country calls for so much work in the creation of a distribution system, in commercial relations and in approaching the consumer, that it is not surprising that more often than not such ventures flop. Success in the final analysis demands above all that the products being sold to the foreign nationals should be top quality, and complementary to that nation's own products. To try and enter a neighbouring market with the same methods and products as the domestic manufacturers is to try and overcome with a marginal industry a monopolist who uses all his power to retain his position: it is begging for defeat.

Once defeat has been accepted, manufacturers who still want to continue can use another method, a joint selling organisation. But this attempt at salvage is also doomed to failure if products sold in this way have no distinct style and are not clearly complementary to domestic products. Furthermore, the development of a brand entails considerable expenditure for at least five years. One must therefore compare at the very start the total expenditure invested in the installation and maintenance of the sales combine, and what is spent on general advertising, with the volume of self-financing of which the parent company is capable. This relationship stresses once more that considerable internal strength is needed before launching out on a European basis. But if the basic financial conditions and complementary products exist, and if there is a long period of time available, this system can be a good one, and it can be illustrated by several well-known successes amongst European firms.

If we now consider the second main method of action, which is not to find an additional market, but the swift and massive invasion of a complementary and independent one, two courses of action are possible. One is based on the notion of strength and power and the other on risk.

The first course is used by the big international concerns who simply set up the necessary factories in each country and form national companies in each country or group of countries. This is used by the electronics industry (television and radio), sometimes by the beauty products and household cleansing industries, but rarely by perishable consumer goods concerns. These large international companies have vast supplies of capital and use advanced technology. The second point is fundamental and explains how American concerns can increasingly penetrate the European complex. To try and use force to block this trend is pointless: the only effective defence is to make equal use of technology.

Another example, in the case of complementary products, is simply to buy up national companies. This is the financial solution often used by American companies trying to expand into Europe, Australia or any other continent. It is, after all, much easier to adopt the national costume of each country and to change one's headgear as often as necessary, rather than try to use the same techniques in every country, the same products and the same brands, when they are not technically capable of being imposed regardless of habits and local customs. This type of move is a classical one in the food and drink sector, and it is generally typified by retention of the top and middle management, and even brand name, once a concern has been acquired. Important international companies tend to drop the idea - and in the final analysis they are probably wrong - of using their own brand name, (perhaps an American one) throughout Europe, and opt instead for the retention of the leading brand in each country. It is an effective way of entering countries with different mental attitudes, and which have reached different stages of development, whilst at the same time giving the subsidiaries thus acquired all the support available from a large manufacturing and commercial research centre.

But this position of strength can sometimes be only a partial one. In fact, some believe that what they have to sell throughout the world is technical knowledge and that this does not justify the heavy investment needed to buy firms completely. One therefore finds partial shareholdings of 5%, 10% or 20%, which would have been unthinkable 10 or 20 years ago. This is an interesting method of communication, almost "transfusion", which leaves the company its freedom.

This leads to the compromise solutions. From the idea of absolute control we progress to the idea of management control, and then to enlightened participation without acquisitive intentions, at least to start with. Admittedly new capital contributions are always needed, but management responsibility remains in the hands of nationals instead of being transferred to the international parent company, which would decentralise management and its powers as necessary.

On this point a solution must be mentioned, which may well be more frequently used in the future exchange of shares. In such a case, concerns of a similar size, preparing for the emergence of the huge multi-nation unit, which events will probably dictate, can decide to take reciprocal interests in each other with an exchange of directors (an interlocked directorate) and can draw up a joint plan of action: each national unit remains responsible for its own affairs and keeps its own management and independence. Here is a method likely to be used for a number of years to come to solve some of the important questions raised by collaboration between companies of different nationality. Here is a method of working with others without running the risk of making a fundamental, possibly fatal mistake; it is probably the best way of starting in the present to prepare for the future.

To put it briefly, all moves towards expansion in Europe by a given company demand that its products should be technically superior, of higher quality, more varied and well adapted to the needs of the consumer, and that it has a strong financial position, whose use is guided by a fixed purpose. It is this double superiority which is causing some unrest in Europe, and which is a far from imaginary threat to its companies.

This short analysis has shown that European firms should get ready for the struggles ahead and that they will be unable to do this unless they are fully aware of modern combat techniques. Firstly they must be large in size, and then they must act and attack constantly, with an effort which can only come from ample financial resources; or they must retire to the hills, and live like guerrilla fighters seizing every chance and using the protection offered by the strongest, on whom they may, in the end, have to depend. Stated otherwise, business life is entering a period of new feudalism, where the strongest will somehow take in tow those amongst the feeblest who want to remain free. The expansion of the strongest will therefore continue to accelerate, and there is only political authority left to prevent the creation of real monopolies. This means that the industrial struggles of tomorrow will be part of the political struggle.

This analysis shows that Europe will be formed by business and industry even before politicians have had their final say. The Common Market is the fusion of different national economies and may later result in the merger of the States themselves. But a merger implies a supreme command. If manufacturers in one or other of the countries involved refused to form large scale national units, to be followed later by multi-national units, a social imbalance would quickly come about amongst the nations involved, and this imbalance would prevent the political merger implied in a United Europe. In addition, between nations with economic units widely differing in scale, no merger can be possible. Association, a form of small-scale co-operation, would be the only solution left for politicians as a basis for discussion in the case of such a fundamental imbalance.

If by mischance, moreover, manufacturers could not understand their task, if political leaders decided to lead the way into achieving a balance between these different sized economies, then State control would inevitably overtake the weakest. The alternative is a liberal Europe, and manufacturers must be ready to modify their structures and to form large national and multi-national units capable of balancing each other. But if they refuse, there will be no political Europe, unless governments thus threatened take over the weak links in the chain of business life.

It is therefore clear that the head of a concern should adapt it to modern conditions, if he has not already done so. And if eventually he does not join a group capable of protecting him, he may quickly lose any chance of talking about strategy, or even marketing.

THE WEEK IN THE COMMUNITY

November 7 - 13, 1966

From Our Correspondents in Brussels and Luxembourg

THE COMMON MARKET

Brussels Interprets the Wilson Speech

Mr. Harold Wilson's statement on the question of British membership of the Common Market, made on November 10 to the House of Commons, evoked only an official comment from Common Market circles in Brussels. The text, which is extremely short, reads: "The Commission has always considered that an enlargement of the EEC, based on the provisions of the Treaty of Rome, is desirable for the strength, influence and independence of the European continent. It therefore welcomes the decision announced by the British government to start a series of preliminary talks, which in the normal course of events should lead to the reopening of negotiations for the entry of Britain, and later on other European states, into the Community".

This reaction is a cautious one, and it is easy to understand why. The Commission has no wish to burn its fingers, and even the governments most involved are treating the whole matter with the greatest circumspection. It should be noted, however, that the Commission considers "Greater Europe" to be a desirable objective, which will strengthen Europe and give it greater independence, an independence which can only be weighed against the world giants, including the United States. But this "Greater Europe" must come from an enlarged Community "based on the provisions of the Treaty of Rome": the reminder is clear, and there is little doubt that this opinion is shared in different ways by the Six. Nor is there any question that the statement also alludes to the regulations of the common agricultural policy adopted under that treaty.

Having replied more or less officially, responsible circles in Brussels are trying to fathom out Mr. Wilson's real intentions and the probable future developments of the question. They note to start with that the Prime Minister has acted more quickly than was originally thought likely. This haste is attributed to pressure from two sources, both in favour of an agreement with the Six. The first is internal: led by industrial circles and both opposition parties, it now seems to have won over most of the Labour Party; if one cannot talk of enthusiastic conversion, hostility in principle to EEC membership is now confined to a small minority. The second form of pressure is the fact that a certain number of EFTA member-states were becoming more and more impatient with standing still and despite their repeated assertions of loyalty to London, might one day have acted alone. By taking new steps, but without committing himself, Mr. Wilson has removed some of this pressure and at the same time is trying to control it.

Taken as a whole, the British Prime Minister's tactics look most adroit. He may have paid scant attention to his EFTA partners, but he duly informed them of his intentions, and invited them to a "summit" conference before starting his visits to the capitals of the Six. Ireland has been treated in a similar manner. Mr. Wilson in so acting may run the risk of having to listen to those of his colleagues who are particularly keen on membership of the Common Market. But this risk is more theoretical than real, at least for the time being. In fact none of the Seven, and this includes Denmark, are yet ready to throw themselves blindfold into the arms of the EEC. By paying the maximum amount of attention to his partners, Mr. Wilson is removing any pretext for unilateral action and can also hope that after the London conference, he will be a sort of EFTA spokesman to the Six. This is certainly the sign of a good leader.

On the other hand, the leader of the Labour Party has been skilful in limiting the field of battle. To the Conservatives, who used General de Gaulle's recent remarks to raise the problem of defence, i.e. Britain's special relationship with the United States, he replied that this was a matter for NATO and not one for Europe, whether "Greater" or "Little". To his left wing, which rebels against the idea of an eventual British political commitment to the Community, he replied that the Treaty of Rome contained no clause demanding the creation of a real European Parliament or a supranational political authority. In both cases his legal, if not his political position, is unassailable and has been taken up, in theory, to please the French, who have done everything they can to make the EEC non-political. Finally, Mr. Wilson has said that he accepts the Treaty, on condition that the necessary adjustments for the admission of a new member are made (a point no one would dispute) and provided that "we obtain satisfaction on the matters where we believe there are difficulties".

In fact the British Prime Minister wants to concentrate negotiations on these points. He was careful not to define them too closely despite the considerable curiosity thus aroused in the Commons. He does not intend to have his hands tied in any way, but wants to remain master of any developments. Even better is the fact that if he intends to have talks with the heads of governments of the Six with the clear intention of entry into the EEC, he has not fixed any date for Britain's formal application for membership. All that can be said is that such a move will not be made immediately. Not only do the reactions of the Six have to be analysed, but the pound must be strengthened, and all this leads one to assume that the earliest date for application will be the end of 1967 or the start of 1968. Once again Mr. Wilson has avoided having to negotiate from a position of weakness.

Inasmuch as he claims that the problem will be limited to apolitical negotiations on the Treaty of Rome, the programme put forward by the British leader might well appear unnecessarily spectacular. In fact Mr. Thomson, the Chancellor of the Duchy of Lancaster, has already had the opportunity to precede him in sounding out the Six to quite a depth, and on the other hand the purely economic problems raised by British membership are already known to everyone. This has naturally caused some to think that Mr. Wilson is trying above all else to gain time. From more than one point of view there is an element of truth in this, but the question boils down to what is the real purpose of this procrastination: is it so that he can finally say "yes" or "no"? At this point it becomes more difficult to follow those who maintain it is a clever diversionary move, at the end of which Mr. Wilson, without fear of his electorate, will take a step backwards. Admittedly he has covered his lines of retreat, but he also seems to have moved into a slightly higher gear.

To start with, cold facts as well as tactical considerations have forced Mr. Wilson to adopt a cautious approach to the problem: the fate of the pound, for example, or the present uncertainties affecting the future of the EEC and the Atlantic alliance, not to mention those in various EEC countries (elections in France and Belgium, the crisis in West Germany). Furthermore, even if one does not have as many illusions about the outcome of the Kennedy Round as does the British Prime Minister, it would be unwise (even if it were physically possible) to negotiate in Brussels and Geneva at the same time. Therefore Mr. Wilson's "wait and see" attitude cannot immediately be deemed suspect.

Secondly, it can be said that London believes that all the various alternative solutions to straightforward membership of the Community, whether old or new, are now impracticable, and Mr. Wilson, when speaking to the Commons, did not mention the idea of association as one to fall back on. If Britain tries to rally all her EFTA partners to her side, she will not go as far as suggesting collective action by the Seven in negotiations with the Six. Rather did the British Prime Minister give the impression that one or two EFTA members might refrain from knocking on the Community's door.

The third point, and this is quite clear, is that Britain, after the French veto in 1963, will never again run the risk of such an unfortunate mishap (and this is probably just as well for Europe). This means that in practice, no British government will formally apply for membership until it is virtually certain of a successful outcome to such a move. Therefore the talks before negotiation will prove more decisive than the negotiations themselves. If this is really so, one can state that the situation has reached a very important phase, by passing from the hands of Mr. Thomson to those of Harold Wilson and George Brown. On this point it is difficult to imagine that the leader of the British government and his minister for foreign affairs, when they meet their colleagues in the Six, will discuss only the merits of the Treaty of Rome and the common agricultural policy and carefully avoid all political discussion.

To sum up, it seems in Brussels, that apart from a dramatic and solemn approach to the problem, rather unlikely under the circumstances, Mr. Wilson's attitude is the most encouraging one. One cannot deny that he has taken up a position maintaining all his advantages and cutting his risks to the minimum, but it is understandable, and we should not conclude that it is merely a clever move to disarm British "Europeans". The presence at the Prime Minister's side during his future "summit" talks with the Six of Mr. George Brown, whose Europeanism is well-known, is a guarantee on this point, and a premeditated withdrawal might have the effect of breaking up EFTA. Mr. Wilson has, in fact, gone further than one might think, and he has also involved the . For them also it is a crucial year.

Socialist Unions in Favour of Supranationalism

From trailing far behind the employers in "European awareness", it looks as if the unions have now decided to make up for lost time. Following the lead of the Christian unions of the EEC, at their recent Congress in Amsterdam, the Socialist-orientated unions affiliated to the International Confederation of Free Trade Unions (ICFTU) came out solidly in favour of action on a European scale during an important Congress held in Rome. This trend is a natural consequence of a basic attitude firmly on the side of European integration. The introductory speech make by the Secretary-General, Harm G. Buiter, is, in this respect, a virtual plea for a United States of Europe and an outright condemnation of nationalism and the "out-moded idea of sovereignty". In the meantime, Mr. Buiter feels that economic expansion is the only way to satisfy Union demands and this progress urgently requires the completion of EEC integration. In this case European unity is not merely an idealogical concept, but a practical one as well.

The socialist unions were frank enough to admit that they could hardly blame the governments for being selfishly nationalistic if they themselves were not prepared to give a supranational example. Mr. Buiter suggested that they should draw up a European Trade Union Charter and set up Community organs to ensure close co-operation between the unions in the six countries at Community level. He also asked that the socialist unions should start negotiating with the Christian unions with a view to establishing a joint plan of campaign. And judging from the proposals put forward in Amsterdam, this move would be very well-received.

Several Socialist members of the European Commissions took part in the Rome Congress. Dr. Sicco Mansholt, vice-president of the EEC Commission, spoke with regret of the present road-block in the way of political union and the democratic progress of Europe, and of the rebirth of out-dated nationalism. In his opinion, this is a "highly dangerous" situation, even though it may still be possible for the Community to develop economically. Sig. Lionello Levi Sandri, member of the EEC Commission responsible for social affairs, strongly rejected the idea held "by certain Governments and some employers' circles" that the only purpose of the Community social measures was to ensure the efficient operation of the economic union. On the contrary, "social progress can not be reduced to the indiscriminate purpose of a general increase in wealth". Also today many social measures can only be implemented at Community level. Finally Mr. Paul de Groote, a member of the Euratom Commission, said that "the European spirit is at present more solid and less spasmodic amongst the Trades Unions and Employers that at Government level". That is why he called on the unions to oppose the attacks which are now threatening Euratom and the ECSC. "To let Europe be stripped of her two technical wings", he said, "would be to reduce or invalidate future Community efforts".

A Rough Passage with the East African States

The first round of the negotiations about the association of Kenya, Uganda and Tanzania with the EEC ended in deadlock, since all three refused to accept a reciprocal preference system for imports from the Common Market. Subsequently, however, the Community's representatives succeeded in making an agreement with another British Commonwealth country in Africa - Nigeria - which in fact included the establishment of two-way preferences. Since Kenya, Uganda and Tanzania requested that talks be resumed, it was to be hoped that they would follow this precedent, but when they got round the table with the Commission again on November 7, they invoked UNCTAD recommendations, and continued to refuse the EEC discriminatory measures.

This meant that there was every danger of the second round of the talks proving as abortive as the first, a waste of time that would be all the more regrettable, since whatever agreement might be reached would necessarily expire at the same time - May 31, 1969 - as the "Eurafrican" association Convention of Yaounde ceases. Thus there is no time to be lost: the East African delegates asked to be allowed to consider the very clear-cut stand the Commission's negotiators had taken on principle. They may possibly become a little more flexible, and one suspects that their demands have been made largely at the instigation of Tanzania, whose representative is the spokesman for the three delegations.

* * *

E.C.S.C.

No Surprises on November 22

Luxembourg: The majority of commentators do not expect any spectacular decisions to come out of the ECSC Council of Ministers meeting to be held here on November 22nd, and this probably means that another meeting will be required before the High Authority's policy on coking coal and steel is made known.

The discussions held by the ad hoc committee on "Coal Problems" in the search for a Community solution to the problem of non-discriminarory supplies (at the same price as American coking coal) of coking coal for the Community's steel industry, do not seem to have uncovered any new positions; it is therefore impossible to predict with any certainty that there will be any change in the attitudes taken by the Ministers during their meeting held on July 12. Admittedly, the High Authority's new proposals differ somewhat from those rejected by the Council in July, and they take into account a number of remarks made at the time by various member countries. The new proposals are limited in their duration, in the amount of aid to be given and in the number of tons to be subsidised. Nevertheless, it has not so far been possible for the six delegations to arrive at a common view on the main proposals of the High Authority's plan and it will be up to the Ministers themselves finally to decide the question. Nor should it be forgotten that a more conciliatory approach by the French will not solve the question, for if last July the blame for the failure of the High Authority's efforts could be laid at the door of the French delegation alone, this was only true to the extent that the ministers of several other countries - also hostile to some of the High Authority's proposals - refrained from taking the discussions any further, as the question had already been decided by the "non" emanating from the French.

To be ready for any eventuality, the High Authority has therefore started to work out an alternative solution for the coal problem. This appears to be a recommendation under Article 74 of the Paris Treaty that a duty should be levied on coal imports, but that this protection would be accompanied by the granting of quotas. For example, a duty of $2 or $4 per ton with a duty-free quota of 20 million tons annually and a further quota of around 7 million tons at a lower duty of $1.5 per ton.

However, it seems that this idea has already run into opposition from a number of those involved, and it is difficult to forecast how it can be put into effect at a political level.

In the realm of steel, the Council's meeting will be marked by a statement from the High Authority's president, Sig. Dino Del Bo, who will speak on the weak position of the Community's steel industry and its common market in steel. He will then propose a number of measures to the Ministers: in the short term, some of these are aimed at improving the balance of supply and demand and raising prices, whilst others, medium and long term, will be aimed at achieving a better co-ordination of investments in the Community's steel industry.

The Council is unlikely to be able to make an immediate decision on all these measures, and it is thought that the Ministers will probably be content with working out the procedure for examining the High Authority's proposals.

Last of all, the Council will have to make decisions concerning a number of industrial reconstruction grants, which have received approval in principle from the High Authority. These are as follows:

A request for Fl. 2.5 million from the Dutch Government on behalf of NV Steenfabriek Nievelsten, which intends to build a brick factory in the coal fields of the Dutch Limburg. The new factory will employ 100 workers to start with, later to be increased to 140, and at least half will be former miners.

A request for credits amounting to Fl 1.96 million for a company called Eurocarpet, which will build a floorcovering factory at Sittard, also in the Limburg. At first it will employ between 100 and 150 workers and this number should rise to 240 by 1970. The new factory intends almost exclusively to recruit former miners from pits which have already closed or are to be closed.

The West German government has requested an industrial reconstruction grant of DM 2.2 million on behalf of Dr. Müller Metallwarenfabriek, which is at Bergneustadt near Cologne. This factory manufactures automobile parts, and it intends to build a branch at Ubach-Palenberg in the coal-fields near Aix-La Chapelle. Sixty per cent of the personnel will be recruited from amongst former miners.

Finally, a credit of DM 3 million has been requested on behalf of Elektro-Chemi Ibbenburen GmbH, Ibbenbueren, Westphalia, which intends to enlarge its liquid chlorine plant, and later to develop processing of raw materials (caustic soda and bleach).

Altogether, the sums requested by the Dutch and German governments amount to $2,989,000 and in all four cases, industrial reconstruction has been preceded by retraining schemes assisted by financial support from the High Authority.

Page		
D	ADVERTISING	Germany: Two public relations firms WERNER C. PRELLWITZ and PANCONTACT merge to form PAN CONTACT PUBLIC RELATIONS, Frankfurt. Switzerland: The Geneva advertising agency OSBORNE ALEXANDRE will open Zurich office to co-operate with WERBEAGENTUR MAIER, Zurich.
D	AUTOMOBILES	Belgium: DONALDSON, LUFKIN & JENRETTE, Brussels and BANQUE DE PARIS & DES PAYS-BAS organise alliance between ETS DANIEL DOYEN, Brussels and GULF & WESTERN INDUSTRIES, Texas (motor and aero-parts). Germany: The Munich motor company BMW gains full control of HANS GLAS ISARIA, Dingolfing. VOLKSWAGEN, Wolfsburg forms international subsidiary there.
E	BUILDING & CIVIL ENGINEERING	France: ASPHALTICO, Brussels (road-works etc.) forms French subsidiary. Reorganisation of the TIFFEN property group involves re-grouping of three firms. Germany: The Swiss horticultural concern ERNST HUNN forms Nuremberg subsidiary. Netherlands: BASALT AG, Linz (building materials) forms 60% Dutch subsidiary. Spain: STE DES TUYAUX BONNA, Paris (large-bore reinforced concrete pipes) joins the Madrid group FABREGA in forming manufacturing and sales subsidiary in Madrid.
F	CHEMICALS	Belgium: The Italian firm BAGLINI (chemical dyes, inks, etc.) and its French associate EUROCHROME,Paris, put up 50% each to expand BAGLINI BENELUX, Brussels. RADIANT COLOR INC, Richmond, California, forms Common Market subsidiary in Brussles, to make and sell pigments, dyes, etc. France: French and Swiss interests form PROCHIMIE FRANCE to treat metal surfaces and electroplate metals. DOW CORNING CORP, Midland, Michigan, forms DOW CORNING Sarl, Paris (silicone sales). Germany: HANS J. ZIMMER, Frankfurt, gets licence from MOBIL OIL to use its process for making polyester. Italy: The American group HERCULES forms BEWOID ITALIANO, Frosinone to make glues etc. for the paper industry.
G	ELECTRICAL ENGINEERING	Belgium: INSUL-8-CORP, California (portable electrical instruments, etc.) forms EEC subsidiary in Antwerp. Britain: BICC, London, wishes to gain full control of PYROTENAX, Durham from PRECISION MECANIQUE LAGINAL, Saint-Ouen, Seine-St-Denis and REYROLLE, Durham. France: The American electrical and electronics firm RAYCHEM forms French sales subsidiary. Germany: The Finnish domestic appliances concern UPO OSAKEYHTIOE forms German sales company. G. BAUKNECHT, Stuttgart (domestic appliances) will take over W. Krefft, Gevelsberg (heating and kitchen equipment). Switzerland: ADMIRAL CORP, Chicago,

EUROFLASH

Page	
	(refrigerators etc.) forms subsidiary in Fribourg.
I ELECTRONICS	Italy: The American GENERAL INSTRUMENT CORP gains control of PIRELLI APPLICAZIONI ELETTRONICHE, Naples and renames it GENERAL INSTRUMENT EUROPE (electronic components, etc.). Switzerland: PIONEER ELECTRONIC CORP, Tokyo (sound-tracks, etc) forms European sales subsidiary in Zurich.
I ENGINEERING & METAL	Belgium: The German machinery import-export concern WMW-EXPORT, Berlin, joins CHEMICAL SA, Brussels 45-55 in CHEMIMETAL MACHINES, Uccle (machinery etc. from East Germany). The American METCO INC (metal and ceramic flame-spraying equipment) forms Antwerp subsidiary. SYBETRA, Brussels (manufacturing and financing of foreign engineering and other contracts) doubles its capital. Germany: KIWERA KAMINISOLIERUNG KERSTEN is formed in Nuremberg to use the special Swiss process for lining steam-pipes of KIWERA, Basle. MANNESMANN, Düsseldorf (mining and metal) transfers its transport and handling equipment business to new subsidiary in Munich. Italy: The Belgian group ETS WANSON completes merger of its Italian subsidiary with LAMON, Milan. SOC ITALO-FRANCESE ATTREZZATURE, Genoa, has been formed by the PERNOD group to sell and install machines and equipment for bars, cafes, etc. The Italian heavy engineering company COSTRUZIONI MECCANICHE RIVA, Milan, takes over its associate STA ALESSANDRO CALZONI. OLIVETTI and PIRELLI appoint directors to the board of INDUSTRIA SINTERIZZATI, Bollate which they recently took over. Netherlands: MAASTRICHTSE MACHINE FABRIEK, Maastricht signs licensing agreement with CHROME ALLOYING CO, Hatfield for anti-corrosive process for metals.
K FINANCE	Germany: BANKERS TRUST CO, New York acquires interest in DEUTSCHE UNIONBANK, Frankfurt. Italy: BASTOGI, Rome and Milan takes share in the finance company EURAMERICA FINZIARIA INTERNAZIONALE, Rome which has doubled its capital. ISTITUTO BANCARIO ITALIANO LANIERO, Milan will transfer its banking business to BANCA SUBALPINA, Turin and become an investment company.
L FOOD & DRINK	France: The British food group CEREBOS increases its share in the French company SA DES SALINES DE DOMBASLE.
L OIL, GAS & PETROCHEMICALS	Britain and Germany: OFFSHORE SUPPLY ASSOCIATION is a supply and refuelling company for exploration vessels and drilling rigs formed by a consortium of British and German interest including NVG, Hamburg, "HANSA", Bremen and OFFSHORE MARINE LTD, London.

M	PAPER & PACKAGING	Belgium: KONINKLIJKE NEDER LANDSCHE PAPIERFABRIEK, Maastricht will build art paper factory in Belgium. Italy: CARTIERA MEDITERRANEA, Bari (cardboard) takes over ITALPERGA, Bari (waxed cardboard packs).
M	PHARMACEUTICALS	Italy: Florence subsidiary of the American group RICHARDSON - MERRELL takes over BIOCHIMICA VEGETALE, Milan (alkaloid and glucose products).
M	PLASTICS	Netherlands: ALLIED CHEMICAL CORP will make resins process available to new Dutch sub-subsidiary SYNRES-ALMOCO. GENERAL TIRE & RUBBER, Akron, Ohio grants licences and know-how to ZINC ORGANON, Budel for manufacture of polyurethane foam.
N	RUBBER	Britain: LONDON RUBBER CO (mainly rubber gloves) forms subsidiary to supervise its foreign and some British interests.
N	TEXTILES	France: CUSTOMAGIC MFG CO, Manchester and DMR, Paris form joint Paris subsidiary to sell the former's furnishing fabrics. Italy: The German fabric manufacturer EMSDETTER BAUMWOLL-INDUSTRIE increases the capital of its Milan subsidiary. TESSITURA JACQUARD PASTORI, Milan (furnishing fabrics etc) merges with two subsidiaries. Netherlands: The Dutch company NV VENETA (carpets, curtains etc) reorganises its sales activities. The textile firms TEN HOOPEN and KON NEDERLANDSCHE TEXTIEL-UNIE agree to merger. The Dutch dyers and finishers PALTHE'S gain control of similar Dutch firm HOYER, Groningen.
N	TRADE	Germany: GEMEENSCHAPPELIJK VERKOOPKANTOR, Bilt (musical instruments etc) forms German subsidiary. Two Japanese import-export concerns KAKIUCHI SHOJI and CHATANI SANGYO open Hamburg offices. The OWEL international trading group forms two companies in Hamburg.
O	TRANSPORT	Netherlands: Eight Dutch transport firms from EUROPESE CONTAINER SERVICE, The Hague for all kinds of freight operations by container.
P	VARIOUS	Germany: The Swedish safety-belt concern STIL-INDUSTRIE forms subsidiary. Italy: The French company ZUCCOLO, ROCHET (precision-made parts for watches etc) forms Milan subsidiary.
Q	LATE FLASHES	

ADVERTISING

** With an eye to making a co-operation agreement with WERBEAGENTUR MAIER AG, Zurich (capital Sf 160,000), another Swiss advertising agency, OSBORNE ALEXANDRE & GABLER Sarl, Geneva, is about to open a Zurich office.

The Geneva concern (see No 260), was formed in May 1964 as the equal joint subsidiary of OSBORNE PEACOCK LTD, London, AGENCE YVES ALEXANDRE PUBLICITE SA, Paris, and CARL GABLER WERBE GmbH, Munich, which also controls OSBORNE ALEXANDRE & GABLER GmbH, Vienna (formed December 1964 - see No 283).

** PAN CONTACT PUBLIC RELATIONS GmbH was formed recently in Frankfurt through the merger, effective from November 1, 1966, of two public relations and marketing firms in Frankfurt: WCP-PUBLIC RELATIONS WERNER C. PRELLWITZ and PAN CONTACT PUBLIC RELATIONS PETER KALISCH oHG. The latter was owned by Herr P. Kalisch (former manager of JULIUS KLEIN PUBLIC RELATIONS GmbH, Frankfurt, a subsidiary of JULIUS KLEIN PUBLIC RELATIONS INC, Chicago) who recently had a share, together with MERVYN BRODE & ASSOCIATES LTD, London, in forming BATMAN SPIELZEUG GmbH, Frankfurt (see No 363).

AUTOMOBILES

** In order to increase its activities in the car-hire business, the Wolfsburg group VOLKSWAGENWERK AG (see No 382) has set up an international subsidiary in Wolfsburg called VOLKSWAGENLEASING GmbH, with DM 1 million capital, and Herr R. Berthold as manager. Volkswagen is currently increasing its capital from DM 600 to DM 750 million. It produced 899,000 vehicles in the first six months of this year, which represented a turnover of DM 5,390 million (DM 1,960 million exported).

The group has also increased its manufacturing interests in Brazil by taking a direct 20% interest in VEMAG-VEICULOS & MAQUINAS AGRICOLAS SA, Sao Paulo, in which its Ingolstadt subsidiary AUTO-UNION GmbH (acquired from DAIMLER-BENZ AG, Stuttgart-Untertürckheim - see No 356) already holds 20%. The Brazilian concern is the third largest motor company in the area, and its main products are small commercial vehicles: it will now be able to start a production programme for new types of German vehicles. Volkswagen controls four other firms in Brazil: TRANSALME-SDAD DE REPRESENTACOES ADMINISTRACAO & ORGANIZACAO LTDA, Sao Paulo (a wholly-owned subsidiary with 35 million cruzeiros capital - app $ 2 million), and VOLKSWAGEN DO BRASIL SA, Sao Bernardo de Campo (80% subsidiary with 8.6 million cruzeiros capital - app $ 5 million), which has two subsidiaries of its own, FORJARIA SAO BERNARDO SA (100%, 850 million cruzeiros capital - app $ 5 million) and CIA VVD DE CREDITO (80%, 450 million cr. capital - app $2½ million), both of which are at Sao Bernardo del Campo.

** Having gained outright control of HANS GLAS GmbH ISARIA MASCHINENFABRIK, Dingolfing, the Munich motor company BMW-BAYERISCHE MOTORENWERKE AG (see No 382) reckons to corner about 10% of the German automobile market by 1970. Negotiations, which had been going on between the two companies for several months, bore fruit in August (see No 373), when it was decided that their marketing organisations should be merged. This move will be facilitated by a grant of DM 50 million from the Land of Bavaria, and the acquisition of its new subsidiary's factories at Dingolfing, Landshut, Pilsting Wurzbourg and Isar will increase BMW's manufacturing assets appreciably (payroll up from 3,900 to 4,500 in 1969 at Dingolfing). In 1965, the respective turnovers of the two firms were DM 591 million and DM 200 million.

** DONALDSON, LUFKIN & JENRETTE EUROPE SA, Brussels, and BANQUE DE PARIS & DES PAYS-BAS SA (branch at Brussels) both took part in the studies which led to the formation of a close alliance, through exchange of securities, between ETS DANIEL DOYEN SA, Brussels, and GULF & WESTERN INDUSTRIES INC, Houston, Texas (see No 381).

The second is an important American company in the field of motor- and aero-parts distribution, and in 1965 gained control of the New York concern UNIVERSAL AMERICAN CORP (see No 274). Its new Brussels subsidiary will make and sell "Prestolite" dry batteries under licence from PRESTOLITE INTERNATIONAL CORP, and is linked with the Chicago BINKS MANUFACTURING CO in BINKS INTERNATIONAL SA, Brussels.

BUILDING & CIVIL ENGINEERING

** CIE GENERALE DES ASPHALTES - ASPHALTICO SA, Brussels (road works, factory and housing contracts - see No 374) has formed a subsidiary in France, ASPHALTICO-NORD Sarl, Hem, Nord, for producing and selling pitch, cement, asphalte, bitumen and other building materials. The new company has Ff 10,000 capital, and M. P. Holoffe of St-Gilles, Brussels as manager.

Asphaltico (capital Bf 50 million) includes among its main shareholders, with an interest of about 37.4% (see No 267), COMPTOIR MOBILIER & FINANCIER-COMIFI SA, Brussels (see No 364).

** STE DES TUYAUX BONNA SA, Paris (large-bore reinforced concrete pipes - up to 2.5 metres), has acquired a Spanish interest by joining with the Madrid group FABREGA (factory at Cienpozuelos) to form a manufacturing and sales subsidiary called TUBO FABREGA SISTEMAS-STE DES TUYAUX BONNA S.A.E., Madrid.

The French company is 90.96% controlled by STE D'APPLICATIONS HYDRAULIQUES SA, Paris (see No 370), which in its turn is an affiliate (29.3%) of CIE GENERALE DES EAUX SA (see No 374). It has Ff 15 million capital and has just brought a factory at Bruz, Ille & Villaine into operation. Abroad, its largest branch is in Brussels.

** BASALT AG, Linz, Rhine (see No 249) - a large German firm making building materials of all kinds (marble, concrete, cement, plaster etc) with twenty or so subsidiaries or affiliates in Germany - has formed a 60% subsidiary in the Netherlands: BASALT ROTTERDAM NV, Rotterdam (capital Fl 50,000). Mr J.C. de Loof of Rotterdam, a minority shareholder, will direct the new sales firm specialising in hard stone like basalt, granite etc.

BASALT is itself directed by Herr Karl Krukenberg and has a capital of DM 14.8 million. It is linked with BANKHAUS SAL. OPPENHEIM JR & CIE, Cologne (see No 336) - entirely independent of HUGO OPPENHEIM & SOHN NACHF. BERLINER PRIVATBANK AG, Berlin which is at present in some difficulties.

** Reorganisation of the property group headed by M. Charles Tiffen will lead to the regrouping of three firms, STE FONCIERE TIFFEN SA (capital Ff 5 million), EPPI-ETABLISSEMENT PRIVE DE PROMOTION IMMOBILIERE SA and EUROFRANCE FONCIERE SA (capital Ff 10 million). The first of these recently transferred its almost 100% control of TIFFEN PROMOTION SA (capital Ff 3 million) and JOHN ARTHUR & TIFFEN Sarl (capital Ff 1 million) to CIE FINANCIERE HAUSSMANN SA (formerly CIE FRANCO-HELVETIQUE DE MATERIEL DE CHEMIN DE FER SA), Paris (see No 362) in which it has now become the majority shareholder, in association with the finance group PINTO & CIE SA, Paris.

In August 1963, Pinto helped to form EUROFRANCE FONCIERE in which the other founder shareholders were, apart from EPPI, the bankers MM VERNES & CIE Snc (see No 349) and SELIGMAN & CIE Scs (now SELIGMAN-LOUIS-HIRSCH SA) Paris (see No 357).

** The Swiss horticultural concern ERNST HUNN AG, Oberwil, Aargau, (capital Sf 150,000) has formed a subsidiary in Nuremburg, HUNN BEGRUENUNGS GmbH. The new firm has DM 100,000 capital, is managed by Messrs. E. Hunn and M. Rauss, and will specialise in soil stabilisation and the creation of green belts.

CHEMICALS

** HANS J. ZIMMER AG PLANUNG BAU VON INDUSTRIEANLAGEN, Frankfurt (see No 333) has obtained a licence from MOBIL OIL CO INC, New York (see No 378) to use its production processes for polyester by direct sterification of terepthalic acid by glycol ethylene. The German company (capital DM 26 million) belongs to the London group VICKERS LTD, Millbank (see No 319), and has three wholly-owned Frankfurt subsidiaries, ZIMMER APPARATEBAUER GmbH, ELOMATIC ELEKTROINDUSTRIE GmbH, and SYNTEX CHEMIE GmbH.

** HERCULES INC, Wilmington, Delaware (see No 373) has increased its Italian holdings by forming BEWOID ITALIANO & CALLIGARO DEL SUD, Sora, Frosinone, to manufacture glues, paraffin and chemical products for the paper industry. The new firm has an authorised capital of Lire 200 million: the directors are Mme S. Calligaro and Messrs. J. Van Keulen, D. de Witt and E. W. Coleman.

At the beginning of 1965, the American group gained control of a similar firm in Milan, BEWOID ITALIANO & CALLIGARO Sas, and in August of the same year converted it into a joint-stock company with a capital of Lire 490 million (since raised to Lire 540 million): Mr. Edgar W. Coleman of Crainhem, Belgium was appointed president. EIGENMANN & VERONELLI SpA, Milan, is the general agent in Italy for the Hercules group.

** RADIANT COLOR INC, Richmond, California, has set up its first Common Market subsidiary in Brussels, called RADIANT COLOR OF CALIFORNIA SA (capital Bf 6.25 million). It will be manufacturing and selling pigments, colorants, paints and inks, and phosphorescent and fluorescent products.

The American firm already has a name in Europe for its fluorescent powders, and has various distributors among the Six, such as M. QUARRE & CIE, Paris, R. BLUNK & DR V. TADSEN, Hamburg, etc.

** PROCHIMIE FRANCE SA, Besancon, Doubs, was formed 50-50 by French and Swiss interests in May as a company for treatment of metal surfaces and electroplating precious metals. The French share of the Ff 100,000 capital is held by the new company's president, M. Pierre Blondeau (40%), and the president/managing director of STE VIRET BLONDEAU & CIE SA, Besancon, M. Pierre Bonnin (10%). Viret Blondeau is a chemicals sales company currently increasing its capital from Ff 100,000 to Ff 300,000: it was formed in January 1965 under the name STE D'EXPLOITATION DES ANC ETS MALANDRE SA.

The Swiss interest is held by PROCHIMIE SA, La Chaux-de-Fonds, Neuchatel, which recently became a holding company with the name ROHAN PARTICIPATIONS SA, having made over its manufacturing and sales business to ELECTROPLATING ENGINEERS SA, Vernier, Geneva. The latter then changed its name to PROCHIMIE ELECTROPLATING ENGINEERS SA, and moved its headquarters to La Chaux-de-Fonds. Since May it has had a wholly-owned Dutch subsidiary (see No 349) called ELECTROPLATING ENGINEERS (NEDERLAND) NV, Helvoirt. It is linked with the Nutley, New Jersey group SEL-REX CORP, whose European interests also include SEL-REX INTERNATIONAL SA, Vernier, Geneva, and SEL-REX (UK) LTD, Slough, Bucks. The Swiss company also holds shares in ELECTROPLATING ENGINEERS GmbH, Darmstadt, and ELECTROPLATING ENGINEERS (UK) LTD.

** DOW CORNING CORP, Midland, Michigan, which is steadily building up a network of sales subsidiaries for silicones in the Common Market, is forming DOW CORNING Sarl in Paris with Ff 250,000 capital. 90% has been put up by DOW CORNING INTERNATIONAL LTD, Nassau, Bahamas, whilst the balance of the share capital is held by DOW CORNING AG, Zurich.

The American company, which is itself a joint subsidiary of the DOW CHEMICAL CO of Midland (see No 372) and CORNING GLASS WORKS CO, Corning, New York (see No 372), already has one interest in Paris. It is linked 40-60 with PRODUITS CHIMIQUES PECHINEY-SAINT-GOBAIN SA (see No 376) in S.I.S.S.-STE INDUSTRIELLE DES SILICONES SA. It also has a minority interest in B.A.R.A.-BUREAU D'ANALYSE & DE RECHERCHES APPLIQUES SA, Issy-les-Moulineaux, Hauts-de-Seine (see No 301). Its other Common Market subsidiaries are DOW CORNING NV, Amsterdam (see No 338), DOW CORNING SpA, Milan (see No 354) and, since April 1966, DOW CORNING GmbH, Cologne. In Britain, it has an interest in MIDLAND SILICONES LTD, Reading, Berks.

** The Italian chemical dye, graphic art colourings and printing ink firm BAGLINI & CO SpA, Florence (see No 292) and its French associate EUROCHROME SA, Paris and Brie-Comte-Robert, Seine et Marne are taking 50% each in expanding BAGLINI BENELUX SA, Brussels (formed early in 1965). They have raised the capital of this company - in which they previously had no direct interest - to Bf 700,000.

ELECTRICAL ENGINEERING

** The Finnish domestic appliances (mainly refrigerators) concern UPO OSAKEYHTIOE, Lahti and Helsingfors has formed a sales company in West Germany called UPO KAELTETECHNIK GmbH, Bochum (capital DM 20,000; manager Herr G. Drobig).

Since June (see No 366), the Finnish company has been linked by a two-way research and representation agreement with a similar company in Italy, INDUSTRIE A. ZANUSSI SpA, Pordenone.

** ADMIRAL CORP, Chicago, Illinois (refrigerators, deep-freezes, radio, television, stereograms, timepieces etc) is making a second attempt to get established in Europe by forming ADMIRAL SA at Fribourg in Switzerland (capital Sf 35 million). In 1964, Admiral terminated an industrial venture in Italy and wound up the subsidiary it had formed at Ciniselle, Balsamo. The new Swiss company will be active in the finance, sales and manufacturing fields: the president of the parent company, Mr Vincent Barreca, will occupy the same position in it.

Admiral, Chicago, has a turnover in excess of $ 300 million a year, and already has a number of distributors and agents in Europe: ADMIRAL FRANCE Sarl, formed in Paris in April 1965 by French interests with Ff 100,000 capital, AEROMARITIME LTD, London etc. It has subsidiaries in Canada, Mexico and Panama, and a short while ago started building a factory on Formosa to make television sets - the investment required was $ 2 million.

** G. BAUKNECHT GmbH, Stuttgart (domestic appliances) intends to complete its takeover bid for the heating and kitchen equipment concern W. KREFFT AG, Gevelsberg (see No 331), by offering to buy up the shares of the 17% minority interest holders.

Krefft has a turnover of around DM 20 million, but suffered heavy losses in the last two financial years. In Switzerland it has one manufacturing and one marketing subsidiary: FERROTECHNIK AG, Basle (capital Sf 200,000) and KREFFT AG, which was formed in Lenzbourg in August 1965 with Sf 50,000 capital (see No 323). In Belgium, sales of its products are handled by KREFFT BELGIUM SA, which was formed by local interests in Brussels in November 1965.

** PRECISION MECANIQUE LAGINAL SA, Saint-Ouen, Seine-St-Denis and A. REYROLLE & CO LTD, Hebburn, Durham have both been affected by the recent offer by B.I.C.C.-BRITISH INSULATED CALLENDER'S CABLES LTD, London (see No 318) to increase its 17.3% interest in PYROTENAX LTD, Hebburn, Durham (recently acquired from I.C.I.-IMPERIAL CHEMICAL INDUSTRIES LTD), and to gain outright control of this company.

Pyrotenax, which is a large concern making electric cables (chairman Mr F.W. Tomlinson), has subsidiaries in Canada and Australia as well as associated companies in India and New Zealand. Reyrolle holds an interest of 9.4% in it, while the French group acquired its shares from LE CONDUCTEUR ELECTRIQUE BLINDE INCOMBUSTIBLE SA, which took over in 1962.

** INSUL-8-CORP, San Carlos, California, which recently came under the control of RUCKER CO, Oakland, California, has formed its first Common Market subsidiary in Antwerp and called it INSUL-8-CORP (BELGIUM) SA (capital Bf 250,000). The American company, which specialises in portable electrical instruments, emergency equipment for transport machinery and vehicles, already has a subsidiary in Great Britain, INSUL-8-CORP. (G.B.) LTD, Manchester (director Mr W.M. Shakeshaft). INSUL-8-CORP's sales, up to the 31st March, had reached the $3.58 million mark.

** RAYCHEM CORP, Redwood City, California (see No 352), which specialises in temporary contact electrical and electronic equipment has decided to set up its own sales subsidiary mainly for its thermostats, wires and cables, in France where its agent is TECHNIQUE & PRODUITS, Boulogne sur Seine. The new firm will be in Boulogne-sur-Seine. It will be called RAYCHEM SA and will have a capital of Ff 250,000.

The American group formed a Belgian sales subsidiary in March 1966: RAYCHEM SA, Nivelles in which it shares control with its subsidiary RAYCLAD TUBES INC, Redwood City.

ELECTRONICS

** GENERAL INSTRUMENT CORP, Newark, New Jersey, having gained control of P.A.E.-PIRELLI APPLICAZIONI ELETTRONICHE SpA, Naples (see No 382) from the Milan group PIRELLI SpA, will re-name the Naples company GENERAL INSTRUMENT EUROPE SpA and develop its activities in the field of electronic components, particularly integrated circuits and material for colour television.

** PIONEER ELECTRONIC CORP, Tokyo (sound tracks, hi-fi circuits, tuners, record-players etc) has formed PIONEER ELECTRONIC (EUROPE) SA in Zurich (capital Sf 200,000) to co-ordinate its European sales business. One of the new company's directors is Mr Kinji Miyai.

The Japanese firm (capital 704 million yen), which already runs a Brussels office, has an annual turnover of 5,000 million yen, and has a payroll of 2,000.

ENGINEERING & METAL

** The German import/export concern (for machines), WMW-EXPORT BERLIN, Berlin/Lichtenberg has joined with CHEMICAL SA, Uccle-Brussels 45-55 in forming CHEMIMETAL MACHINES at Uccle (initial capital Bf 5 million). The new concern (president M. Bernard Guttman) is to import, rent and sell on the Belgian market machinery, equipment and accessories from East Germany.

** The Belgian group ETS WANSON-CONSTRUCTION DE MATERIEL THERMIQUE SA, Haren has completed a merger in Italy where its subsidiary ITALWANSON SpA, Milan has absorbed LAMON SpA, Milan (capital Lire 20 million) and raised its own capital to Lire 120 million.

The Belgian group makes a wide range of hot air generating equipment ("Thermobloc", "Gasairbloc", "Steambloc", etc) as well as purifiers, water-processing equipment and equipment for processing radio-active waste, etc. It is represented abroad by a wide network of subsidiaries or licensees: ETS WANSON, Arcueil, Val de Marne and ETS PARENT, Nerac, L. & G. in France; DEUTSCHE WANSON GmbH, Wiesbaden; REPUTABEL NV, Weesp; WANSON INDUSTRIE, Lausanne; WANSON CORP, Lewistown; BRITISH WANSON LTD, Borehamwood; UNITHERM GmbH, Vienna; JAPAN WANSON-KUSAKABE, Tokyo, etc.

** SIFR-SOC ITALO FRANCESE ATTREZZATURE SpA, Genoa (president Sig V. Salengo) which was formed a few months ago (capital Lire 10 million) by the French group PERNOD SA, Montreuil, Seine-St-Denis (see No 326) to sell and install machines and equipment for bars, cafes, restaurants and hotels, has opened a sub-head office in Milan.

** The group of companies exploiting the process for internal lining of steam-pipes owned by the Swiss company KIWERA KAMINISOLIERUNG AG, Rheinfelden, Basle (capital Sf 50,000) has been increased by a new firm in Nuremburg, KIWERA KAMINISOLIE-RUNG KERSTEN GmbH (capital DM 20,000; manager Herr W. Kersten).

The same process is also used by KIWERA-KAMINISOLIERUNG & BAUTENSCHULTZ GmbH, Cologne which has a branch in Brussles. In June 1966 it helped to form KIWERA FRANCE Sarl, Strasbourge-Meinau (capital Ff 10,000).

** METCO INC, Long Island, New York (metal and ceramic flame-spraying equipment: see No 368), has completed its Common Market sales network by forming a subsidiary at Deurne, Antwerp, METCO-BELGIUM NV. The American company shares control of the new firm (capital Bf 5 million; president Mr R.A. Axline, director Mr W.H. Smit, Amsterdam) with its subsidiary AXLUF CORP, New York.

Metco already has a large European sales network in addition to its agents and distributors. These are mainly in Germany (Hottersheim, Main), Italy (Turin), Netherlands (Amsterdam), Switzerland (Zug), Britain (Chobham, Woking, Surrey), etc.

** A licensing agreement has been signed between CHROME ALLOYING CO LTD, Hatfield (see No 265) and MAASTRICHTSE MACHINE FABRIEK NV, Maastricht under which the Dutch firm will process ferrous and non-ferrous metals to increase their resistance to corrosion and heat for use in the machine-tool industry.

As a result they will form a joint subsidiary in Maastricht, INTERCHROME NEDER-LAND NV (authorised capital Fl 250,000; director Mr J.G. Postmes) in which INTERCHROME SA, Geneva - holder of the British firm's Continental interests - owns 28.5%. A similar move took place just over two years ago in Belgium between Interchrome and PRESSES RASKIN SA (see No 289), resulting in the formation of INTERCHROME-BELGOLUX SA, Tilff - lez- Liege.

** MANNESMANN AG, Dusseldorf (see No 362 - mining and metal) has rationalised its structure by placing its transport and materials-handling equipment business in the hands of a special subsidiary. The new firm is called MANNESMANN INDUSTRIETECHNIK GmbH, Munich, and is managed by the engineer Rudolf Lang, who also manages MANNESMANN LEICHTBAU, Munich, and is a director of several more of the group's subsidiaries, including MANNESMANN-RHEEM INTERNATIONAL GmbH, Munich and UDDEHOLM-MANNESMANN BYGGNADS-STAELLNINGAR A/B, Stockholm.

** SYBETRA-SYNDICAT BELGE D'ENTREPRISES A L'ETRANGER SA, Brussels (see No 354) which embraces 18 of the largest manufacturing and finance concerns in Belgium, for foreign engineering, chemical, electrical, concreting and mining contracts etc, has doubled its capital to Bf 1,000 million in order to finance expansion.

All shareholders have subscribed and the operation has in no way weakened the organisation: in decreasing order of importance they are - STE GENERALE DE BELGIQUE SA (24%), A.C.E.C.-ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI SA (13%), BRUFINA SA (12%), COCKERILL-OUGREE SA (10%), LA BRUGEOISE & NIVELLES SA (6%), A.B.R.-ATELIERS BELGES REUNIS SA (5%), the groups EVENCE COPPEE & CIE Scs, AUXELTRA SpA, BELL TELEPHONE MANUFACTURING CO SA, CIE D'ENTREPRISES-C.F.E. SA and FABRICOM SA (4% each), etc.

** COSTRUZIONI MECCANICHE RIVA SpA, Milan, as decided a few months ago (see No 354) has taken over the associate company STA ALESSANDRO CALZONI SpA, Bologna: both of which deal in heavy engineering. It will now assume the name RIVA CALZONI SpA and, with capital raised to Lire 3, 000 million, it will retain its Milan headquarters and have a secondary manufacturing establishment at Bologna.

** Sig Attilio Cattani for OLIVETTI GENERAL ELECTRIC SpA, Caluzo, Torino (see No 313), and Sig E. Dubini for PIRELLI SpA, Milan (see No 377) are now on the board of INDUSTRIA SINTERIZZATI SpA, Bollate, which their respective firms recently took over. The Bollate firm, which produces various alloys for presses and calcined metallic carbide tools, was, since its formation last May, under the control of OFFICINE MECCANICHE RIUNITE - U.M.A. SpA, Bollate (capital Lire 200 million - see No 254), which it later absorbed when it raised its capital to Lire 175 million and then to 500 million.

Further to this alliance between Olivetti and Pirelli, the former's parent company, GENERAL ELECTRIC CO of New York, has directly formed a joint subsidiary with Pirelli at Bollate, Milan, called CARBALOY SpA, to distribute carbon tools made by Industria Sinterizzati amongst the Six.

FINANCE

** BASTOGI-SOC ITALIANA PER LE STADE FERRATE MERIDIONALI SpA, Rome.and Milan (see No 345) is a new shareholder in the finance company EURAMERICA FINANZIARIA INTERNAZIONALE SpA, Rome, which doubled its capital in 1965 to Lire 1, 000 million (see No 290). It is now represented on Euramerica's board by Sigs Tullio Torchiani and Bruto Randone.

Euramerica was formed in April 1963 by MORGAN GUARANTY TRUST CO, New York (through MORGAN GUARANTY INTERNATIONAL FINANCE CORP - see No 372) in association with the investment company MORGAN STANLEY & CO, New York (see No 346).

** BANKERS TRUST CO, New York (see No 360), through BANKERS INTERNATIONAL CORP (see No 326) has acquired a 25% interest in the Frankfurt bank DUETSCHE UNIONBANK GmbH (see No 358). A similar move by an American bank was made in January this year when CHEMICAL BANK NEW YORK TRUST CO (see No 341) took 10% in FRANKFURTER BANK (see No 368). The German bank involved in the current operation began as an almost wholly-owned subsidiary of the Swedish match group SVENSKA TAENDSTICKS A/B, Jönköping, but when the latter raised its capital from DM 12 to DM 14 million in May of this year, the Land of Hesse was able to increase its interest in Deutsche Unionbank to 25%.

The New York bank is one of the ten largest in the USA, and opened a Düsseldorf branch in May, with Herr Jens H. Jebsen as director. It will finance this new investment with some of the capital raised by its recent $20 million debenture loan issued on the European market through BANKERS INTERNATIONAL LUXEMBOURG SA. The latter is directly controlled by Bankers International Corp, and its main interest (2. 5%) is in UNION DES MINES-LA HENIN SA, Paris (see No 381). The American group has branches in London and Paris, and also has a 33. 3% interest in BANK G & C KREGLINGER, Antwerp (see No 360).

** ISTITUTO BANCARIO ITALIANO LANIERO-IBIL SpA, Milan (formerly ISTITUTO COMMERCIALE LANIERO ITALIANO) is about to transfer its banking business to BANCA SUBALPINA SpA, Turin (see No 317) and become an investment company. This bank now has branches and offices in Turin, Milan, and Biella. It was formed at the beginning of 1965 (capital Lire 500 million: see No 288) and took up the assets of a local bank which was then in difficulty, BANCA GRASSO & FIGLIO SpA (see No 294). Its founders (with 40% each) were CASSA DI RISPARMIO, Turin and ISTITUTO BANCARIO SAN PAOLO DI TORINO; IFI-ISTINUTO FINANZIARIO INDUSTRIALE SpA, Turin holds the rest of the capital. IBIL is a member of the FIAT SpA group through IFI (see No 376) and is linked with LANIFICIO DI GAVARDO SpA, Milan and Bostone, Brescia.

IFI (capital Lire 20,000 million) also recently absorbed FINANZIARIA INDUSTRIA CEMENTI SpA, one of the group's investment companies specialising in the building business. In this same field, IFI and SOC UNIONE CEMENTI MARCHINO & CO are minority co-shareholders in PROCEM SpA (See No 376), a new promotions firm for the cement industry.

FOOD & DRINK

** The British food group CEREBOS LTD, London (see No 365) which increased its share - through its subsidiary CEREBOS (OVERSEAS)LTD - in the French company SA DES SALINES DE DOMBASLE, Dombasle-sur-Meurthe, Meurthe & Moselle (capital Ff 27 million) from 59% in 1962 to 75% in 1963, through an agreement with a group of minority shareholders, has now made a public offer to the remaining minority shareholders for their shares in this firm.

The British grou's other French interests are CEREBOS SA, Paris, formed in May 1964 (see No 257) as STE POUR LA FABRICATION & LA VENTE DE PRODUITS ALIMENTAIRES (capital Ff 3 million, later increased to Ff 12 million); ANC MAISON ESTIVAL, KOUDRINE & CIE SA, Ivry, Val de Marne (which recently took over the canneries ETS ROBERT LE GLOUANNEX Sarl and CONSERVERIES DE PONT-AVEN Sarl, Pont-Aven, Finisterre: (see No 359); MUTHULAR SA, Sauveterre-de-Bearn, Basses-Pyrenees (see No 365) and ETS SENCHOU FRERES SA, Casseneuil, L. & G. (see No 304).

OIL, GAS & PETROCHEMICALS

** A community of interest called OFFSHORE SUPPLY ASSOCIATION -OSA, has been established between two German firms and one British one, who wish to pool their experience and technical resources in the field of on-the-spot revictualling and re-fuelling of exploration vessels and drilling rigs for oil and gas. The firms concerned are NVG-NORDSEE-VERSORGUNGS-SCHIFFAHRT GmbH, Hamburg (see No 373), a member of the Hanover PREUSSAG AG group through VEREINIGTE TANKLAGER & TRANSPORTMITTEL GmbH, Hamburg; DEUTSCHE DAMPFSCHIFFAHRTSGESELLSCHAFT "HANSA", Bremen (see No 332), and OFFSHORE MARINE LTD, London and Great Yarmouth.

The latter was formed in October, 1964 with £100,000 capital, and belongs jointly to the London group PROPRIETORS OF HAY'S WHARF LTD (see No 334), through LONDON & ROCHESTER TRADING CO LTD, and to NORTH SEA MARINE ENGINEERING CONSTRUCTION CO LTD (which was formed in April 1964 by six large British industrial groups - see No 253). The two German firms are already linked in the field of laying submarine pipes (see No 273).

PAPER & PACKAGING

** KONINKLIJKE NEDERLANDSCHE PAPIERFABRIEK NV, Maastricht, which decided at the beginning of this year to build an art paper factory in Belgium, has now started work on the scheme on a 35 hectare site at Lanaken. The new works will go into production at the beginning of 1968 with a payroll of 500: its capacity will be 60,000 metric tons, 80% of which will be exported.

The Lanaken factory will be complementary to the existing works at Maastricht, which are close by. Kon Ned Papierfabriek (which is 36% linked with the Canadian group MACMILLAN BLOEDEL & POWELL RIVER LTD, Vancouver, and with PAPETERIES DE BELGIQUE SA - see No 367), will not form a new subsidiary to manage the new works.

** A merger under negotiation for some time (see No 381) will now take place: ITALPERGA SpA, Bari (capital Lire 300 million) will be absorbed by its associate CARTIERA MEDITERRANEA SpA, Bari (capital Lire 1,500 million). The former makes 500,000 waxed cardboard packs a day for the dairy industry under licence from JAGENBERG-WERKE AG, Düsseldorf.

Cartiera Mediterranea produces mainly 50,000 tons of cardboard a year in its factory at Barletta and represents an investment of Lire 12,300 million. It is 50% owned by FINANZIARIA ERNESTO BREDA SpA, Milan (see No 368) and CBD-CARTIERA BENIAMINO DONZELLI SpA, Milan. The latter (capital Lire 2,640 million) recently (see No 381) bought the share in the Milan sacking manufacturers COMMERCIAL SACCO-FISI SpA, Milan, owned by the Finnish company UNITED PAPER MILLS LTD, Valkeakoski.

PHARMACEUTICALS

** The Italian interests of RICHARDSON-MERRELL INC, Wilmington, Delaware and New York (see No 349) have been increased by a recent merger: BIOCHIMICA VEGETALE SpA, Milan (alkaloid and glucose products) has been absorbed by FARMOCHIMICA CUTOLO-CASOLI SpA, Florence (see No 255). The latter has laboratories in Naples and in May 1964 came under the control of the American group, which also bought up another pharmaceutical firm in Naples at the same time, ISTITUTO SIEROTERAPICO ITALIANO SpA.

In Italy, the group also controls DIGER-SELZ SpA, Rome (since 1963) and has had a share in ISTITUTO CHIMICO EUROSUD SpA, Rome and WM. S. MERRELL SpA, Milan (see No 279) since 1963.

PLASTICS

** ALLIED CHEMICAL CORP, New York (see No 375) will make the results of its research on synthetic compounds from epoxy resins available to an industrial firm just formed in the Netherlands by its (50%) subsidiary CHEMISCHE INDUSTRIE SYNRES NV, Hook-of-Holland, called SYNRES-ALMOCO NV. The founder will have a 60% majority shareholding in association with the Dutch groups NV PHILIPS, Eindhoven (30%) and STAATSMIJNEN IN LIMBURG-DSM, Heerlem (10%).

** GENERAL TIRE & RUBBER CO, Akron, Ohio (see No 335) has conceded licences and know-how to ZINC-ORGANON NV, Budel (see No 368) for the manufacture of fluorochloride-carbon products used as agents in production processes for polyurethane foam. The Dutch firm, whose Budel factory produces 12,000 tons of plastic foam a year, is a joint interest of IMPERIAL SMELTING CORP. LTD, London (RIO TINTO ZINC CORP. LTD group), KONINKLIJKE ZWANENBERG-ORGANON NV (through KEMPENSCHE ZINKMIJ. NV, Budel - see No 349) and BANQUE DE PARIS & DES PAYS-BAS SA. Its products are marketed by KON. INDUSTRIELE MIJ. NOURY & VAN DER LANDE NV (see No 368) under the "FCC"trademark.

RUBBER

** LONDON RUBBER CO (see No 314), one of the major world producers of rubber goods (mainly gloves), has formed a subsidiary in London, LONDON RUBBER INTERNATIONAL LTD to manage and look after some of its British and foreign interests. These foreign interests include LONDON RUBBER CO (NEDERLAND) NV, Leerdam; LONDON RUBBER GmbH, Munchen-Gladbach; MARIGOLD ITALIANA SpA, Luino, Varese and subsidiaries in Austria (Linz), Sweden (Stockholm), etc.

TEXTILES

** The Dutch company NV VENETA-VERENIGDE NEDERLANDSE TAPIJT-INDUSTRIE, Hilversum, (carpets, curtains and furnishing fabrics) is reorganising both its own sales network and that of its wholly-owned subsidiary, NV DE DEVENTER TAPIJTFABRIEK v/h MAURITS PRINS, Dinxperlo, and has formed a sales company, NV VENETA-VER. NEDERLANDSE TAPIJTINDUSTRIE VERKOOP, Hilversum. The latter has Fl 50,000 capital, and will eventually expand its chief activities as it takes over some of the work which will be produced by increasing automation in the factories of the Nederlandse Tapijtindustrie group.

** The German manufacturer of fabrics for furnishing, curtains and cars etc, EMSDETTER BAUMWOLL-INDUSTRIE RUD. SCHMITZ & CO (see No 334) is expanding its Italian sales activities by increasing the capital of its Milan subsidiary GARDISETTE SpA (see No 319) to Lire 100 million.

The German company's foreign network includes GARDISETTE Sarl, Chatillon sur Bagneux and CAROLUX Sarl, Valenciennes, Nord in France; and subsidiaries in the Netherlands, GARDISETTE (UTRECHT) NV (with branch in Brussels) and Switzerland (Zurich and Zug).

** An industrial merger in principle has been agreed in the Netherlands by the textile firms D.J. TEN HOOPEN & ZOON, Haaksbergen (see No 286) and KON NEDERLANDSCHE TEXTIEL-UNIE, Enschede (see No 366). Textiel-Unie will take over the former (capital Fl 1 2 million). The Enschede firm has a subsidiary at Kaaksbergen, Neede called KON TEXTIEL-FABRIEKEN JORDAAN-TER WEEME NV (see No 346) whose manufacture complements that of Ten Hoopen & Zoon. The operation will permit specialisation and reorganisation in the activities of these two firms.

** TESSITURA JACQUARD PASTORI & CASANOVA SpA, Milan (furnishing fabrics, drapes and carpets - factory at Monza) has merged with two of its subsidiaries, G.B. CANESI SpA, Monza, and ALTEO SpA.

** The Dutch dyers and fabric finishers PALTHE'S TEXTIELVEREDELINGS BEDRIJVEN NV, Almelo have gained control of another Dutch firm in the same sector, HOYER NV, Groningen which owns a factory and a chain of twenty shops.

Palthe has a laundry and working clothes hire subsidiary in Hengelo, BTS-BEDRIJFS-TEXTIELSERVICE NV, and it also has a West German manufacturing and sales subsidiary PALTHE GmbH, Essen (capital DM 100,000).

** CUSTOMAGIC EUROPE SA which was formed in Paris in June 1966 (see No 363) as a joint subsidiary of CUSTOMAGIC MANUFACTURING CO LTD, Manchester and D.M.R. SA, Paris to sell furnishing fabrics produced by the former, has stepped up its activities in Northern France by opening a branch at Comines, Nord.

TRADE

** NV GEMEENSCHAPPELIJK VERKOOPKANTOR VOOR DE NEDERLANDSE INDUSTRIE, Bilt, which markets musical instruments, sporting and office equipment etc, has formed a West German subsidiary, HOLLAND-IMPORT HANDELSGESELLSCHAFT FUER INDUSTRIE-PRODUKTE GmbH, Viersen. The new firm has DM 20,000 capital and Herr Barend Hofstede as manager.

** Two Japanese import-export concerns have opened offices in Hamburg; they are KAKIUCHI SHOJI K.K., Tokyo (capital 350 million yen) and CHATANI SANGYO K.K., Osaka (200 million yen).

** The international trading group (mainly triangular operations between Germany and Benelux) headed by the Dutch businessman Hendrik J. Owel under the Liechtenstein holding company OWEL & CO'S INTERNATIONAL REGISTERED TRUST CO, Schaan (see No 359) has formed two firms in Hamburg TROPISCHE PRODUKTEN HANDEL KG under Mr Walter Beck of Schaan, and SAIRIN & CO KG. The former has become a holder in TROPISCHE PRODUKTEN HANDEL NV, The Hague and the second in SAIRIN & CO Vgn, Antwerp (see No 357).

The group includes several other firms in Benelux: OWEL & CO'S INTERNATIONAL REGISTERED TRUST, TRANSITO INTERNATIONAL GmbH and CHEMIELUX GmbH, all three in Luxembourg; CIE DE COMMERCE TRIANGULAIRE Sprl, Dolhain-Limbourg, in Belgium; and UNIONMARKET NV, The Hague, in the Netherlands.

TRANSPORT

** EUROPESE CONTAINER TRANSPORT SERVICE NV, The Hague (capital Fl 400,000) has been formed to carry out all kinds of transport and freight operations (mainly by containers). It is the subsidiary of eight Dutch firms in this sector: 1) A.J. VAN

DEUDEKOM NV, Amsterdam; 2) H. VAN DER BERG NV, Arnhem (capital Fl 100,000), a subsidiary of TRANSPORTBEDRIJF H. VAN DER BERG; 3) FIRMA A/C JANSEN INTERNATIONAL TRANSPORT- & EXPEDITIEBEDRIJF NV, Amsterdam; 4) NV GEBR NIJMAN (NYMAN BROS), Rotterdam; 5) ROSMALEN'S TRANSPORTBEDRIJF NV, Oss; 6) NV FIRMA C. TIMMERMAN, Amsterdam; 7) H. WASSING & ZONEN NV, Tilburg; 8) WEST-EUROPESE TRANSPORT MIJ "WETRAM" NV, Rotterdam (see No 374) which has several foreign subsidiaries: WETRAM (FRANCE) Sarl, Argenteuil, Val d'Oise; SPEDITIONS- & TRANSPORT GmbH "WETRAM", Düsseldorf ; WETRAM (UK) LTD (capital £1,000), etc.

VARIOUS

** The Swedish safety-belt concern A/B STIL - INDUSTRI, Vagarda, has strengthened its position in Germany by forming AUTOVIL SCHWEDENGURTE GmbH & CO KG in Hamburg. This firm is to back SCHWEDENGURTE GmbH, which was formed in Frankfurt in February of this year (see No 354), and has since moved to Hamburg: it has DM 20,000 capital, and is managed by Messrs O. Lindbad of Vagarda and A. Meyer-Barca of Zurich.

** The French company ZUCCOLO, ROCHET & CIE SA, Annecy (precision-made parts for timepieces and jewellery - watch-cases, bracelets, etc.) has set up a subsidiary in Milan with its own name. The new concern has Ff 1.75 million capital: it is managed by Sig Penayotti B. Antonioni of Monza, and is directed by M. L. Brunet.

LATE FLASHES

CHEMICALS

STE CHIMIQUE ARMOUR-BEZONS SA, Bezons, Val d'Oise, which was formed in 1960 with a capital of Ff 100,000 (later raised to Ff 5 million) to make and sell nitrogen derivatives, has closed down. It was an equally-owned subsidiary of ARMOUR & CO, Chicago (see No 362) and of SPCS-STE DE PRODUITS CHIMIQUES & DE SYNTHESE SA, Bezons (itself a 55% subsidiary of PRODUITS CHIMIQUES PECHINEY-SAINT-GOBAIN SA, Neuilly).

SPCS sqecialises in plasticisers; in 1966 its sales business was regrouped with that of USINES DE MELLE SA, Paris in STE COMMERCIALE MELLE-BEZONS Sarl, Bezons (see No 333). During 1966 it also discontinued its association with LEDOGA SpA, Milan in LEDOGA-BEZONS SA (see No 351) by buying the Italian group's share in this company.

Armour is still represented in France through its 50-50 share with IBF-INDUSTRIE BIOLOGIQUE FRANCAISE SA in ARMOUR BIOCHIMIQUE FRANCE SA, Gennevilliers, Hauts-de-Seine, which controls (58%) LABORATOIRE MONTAGU SA, Paris (see No 362).

** The West German chemical (alkaloids) and pharmaceutical group SANOL-ARZNEIMITTEL DR. SCHWARZ GmbH, Mannheim, Rhineland, has formed an Italian import and marketing company for its products (chemical raw materials for industry, textiles and detergents). The new company INDUSTRIE CHIMICHE RHEINLAND Srl, Milan, has Lire 998,000 capital.

The German concern (capital DM 3 million) is headed by Dr. Kurt Schwarz and Herr Rudolf Schwarz. It has a subsidiary at Düsseldorf, MELUSIN MITTEL GmbH, and another at Basle in Switzerland, ADROSANOL AG.

ELECTRICAL ENGINEERING

The Ilford, Essex, electronics group THE PLESSEY CO (UK) LTD (see No 361) has made the Milan branch of its overseas division, PLESSEY INTERNATIONAL LTD, Ilford, a full manufacturing and sales subsidiary with the name PLESSEY ITALIANA SpA (capital Lire 10 million). The branch was run by Sig. H. G. Reichmuth of Lugano, who, with Mr. A. Barnden of Tunbridge Wells, Kent, is manager of the new concern: its president is Mr. J. J. Eades of Forest Dene, Kent.

The British company now has similar interests in all the Common Market countries except Belgium: its other subsidiaries are in Paris, Neuss (Rhineland) and the Hague.

ENGINEERING & METAL

STE INDUSTRIELLE DE FABRICATION & DE TRANSFORMATION SA, Paris, which recently absorbed its affiliate STE DES USINES GALLUS SA, Courbevoie, Hauts-de-Seine (factory at Chatellerault, Vienne), has formed GALLUS ITALIANA SpA in Milan with Lire 30 million capital. This is a sales and manufacturing subsidiary for mechanical, optical and electric apparatus for dental surgery. The former chairman of Gallus, M. D. d'Houdain, will hold that position in the new company, the other directors of which are MM L. d'Houdain and E. Ruggieri.

INDEX OF MAIN COMPANIES NAMED